



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

| | | |
|------------------------------|---|----------------|
| SOUTHEASTERN PENNSYLVANIA |) | |
| TRANSPORTATION AUTHORITY |) | |
| AND BOSTON RETIREMENT SYSTEM |) | |
| |) | |
| Plaintiffs, |) | C.A. No. _____ |
| v. |) | |
| |) | |
| FACEBOOK, INC., |) | |
| a Delaware Corporation, |) | |
| |) | |
| Defendant. |) | |

**COMPLAINT PURSUANT TO 8 DEL. C. § 220
TO COMPEL INSPECTION OF BOOKS AND RECORDS**

Plaintiffs Southeastern Pennsylvania Transportation Authority (“SEPTA”) and Boston Retirement System (“Boston”) (collectively, “Plaintiffs”), as and for their Complaint, hereby allege, upon knowledge as to themselves and their own actions, and upon information and belief as to all other matters, as follows:

NATURE OF THE ACTION

1. Pursuant to 8 *Del. C.* § 220 (“Section 220”), Plaintiffs hereby seek to enforce their rights to inspect certain corporate books and records of defendant Facebook, Inc. (“Facebook” or the “Company”), a Delaware corporation. Plaintiffs seek to enforce their demands for the books and records specified in Exhibits 1 and 2 concerning Facebook advertising data, revenue and sales and the performance targets, metrics, performance evaluation and decisions concerning the compensation of Facebook directors and officers in the period 2014 through the

present. The purposes of the demands for inspection are:

- (1) to aid Plaintiffs in determining how to vote with respect to the 2019 Say On Pay Vote, the election of Directors and other matters to be considered at the 2019 Annual Meeting of Shareholders;
- (2) to aid Plaintiffs in determining whether to pursue contact with Facebook's directors and/or other minority stockholders concerning Facebook's decelerating revenue growth and executive compensation determinations, and the performance of Facebook officers, directors and advisors;
- (3) to investigate possible fiduciary wrongdoing, mismanagement or unjust enrichment by Facebook directors or officers in connection with advertising sales and compensation awards decisions for Facebook's NEOs, and disclosures regarding Facebook's executive compensation process and determinations to stockholders; and
- (4) to investigate the independence and ability of the Board of Directors to consider and act on a stockholder demand to initiate claims for fiduciary mismanagement, wrongdoing or unjust enrichment.

2. On August 2, 2018, SEPTA made a written demand under Section 220 upon the Company to inspect certain of its books and records ("SEPTA

Demand”).¹

3. On August 10, 2018, Boston made a written demand under Section 220 upon the Company to inspect certain of its books and records (“Boston Demand”).² The SEPTA Demand and Boston Demand are referred to collectively as the “Demands.”

4. In response to Plaintiffs’ Demands, Facebook has produced a total of nine (9) documents but has refused to produce most of the books and records specified in the Demands, including documents relating to the directors’ compensation determinations and decisions, and documents related to the independence and impartiality of the members of the Board of Directors.

PARTIES

5. Defendant Facebook is a Delaware corporation with its principal place of business at 1601 Willow Road, Menlo Park, California, 94025. Facebook is an online social networking service.

6. Plaintiff SEPTA is the beneficial owner of shares of common stock in the Company. SEPTA was the beneficial owner of shares of common stock of the Company on August 2, 2018, the date of the SEPTA Demand. SEPTA has been the beneficial owner of shares of common stock in the Company since before January 1, 2014 and has continuously held shares of common stock in the

¹ A true and correct copy of the SEPTA Demand is attached hereto as Exhibit 1.

² A true and correct copy of the Boston Demand is attached hereto as Exhibit 2.

Company since that time.

7. Plaintiff Boston is the beneficial owner of shares of common stock in the Company. Boston was the beneficial owner of shares of common stock of the Company on August 10, 2018, the date of the Boston Demand. Boston has been the beneficial owner of shares of common stock in the Company since before January 1, 2014 and has continuously held shares of common stock in the Company since that time.

BACKGROUND

8. Facebook, founded in 2004 by Mark Zuckerberg (“Zuckerberg”), constructs programs that enable people to connect and share through mobile devices and personal computers, by accessing its products.

Facebook Generates Substantially All Revenue From Advertising

9. The Facebook business model is driven by advertising. Facebook generates “substantially all” of its revenue from selling advertising to marketers. For the fiscal years 2014 through 2017, Facebook experienced the following growth in its advertising revenue:

| | Year Ended December 31, (in millions) | | | |
|----------------------------|--|-------------|-------------|-------------|
| | 2014 | 2015 | 2016 | 2017 |
| Advertising Revenue | \$11,492 | \$17,079 | \$26,885 | \$39,942 |

10. Since 2016, Facebook has reported a growing number of errors

relating to advertising data, which distorted the information Facebook provided to advertisers. On September 22, 2016, the *Wall Street Journal* reported that Facebook “vastly overestimated average viewing time for video ads on its platform for over two years.” The metric Facebook used to monitor the average time users spent watching videos was artificially inflated. According to the *Wall Street Journal* article, in late August 2016, Facebook notified advertising agencies that Facebook “likely overestimated average time spent watching videos by between 60% and 80%.”

11. On September 23, 2016, Facebook stated:

We found an error in the way we calculate one of the video metrics on our dashboard – average duration of video viewed. The metric should have reflected the total time spent watching a video divided by the total number of people who played the video. But it didn’t – it reflected the total time spent watching a video divided by only the number of “views” of a video (that is, when the video was watched for three or more seconds). And so the miscalculation overstated this metric.

12. According to the website MarketLand.com, over the following year Facebook disclosed on its Facebook Business webpage twelve separate measurement errors that skewed the data provided to advertisers. The measurement errors included:

- a) Average watch time of Facebook page videos;
- b) Two separate errors in how Facebook measures the organic reach of Facebook Page posts;
- c) Video ad completion rate;
- d) Average time spent on Facebook Instant Articles;

- e) Referral traffic from Facebook to websites and mobile apps;
- f) Like, Share and Comment counts for off-Facebook links;
- g) “Reaction” breakdowns on Facebook page live videos;
- h) iPhone traffic for instant articles;
- i) Video carousel ad link clicks;
- j) Mobile web video views; and
- k) Instant Article video views.

13. Several of these errors were not disclosed until November 2017 and at least one of the errors was not expected to be corrected until 2018.

14. In September 2017, Facebook reported that it had opened its ad metrics to an audit by the Media Ratings Council. Facebook also expanded the number of third party firms that are able to verify Facebook’s ad measurements.

15. The revelation of Facebook’s “errors” has led to class action lawsuits being filed against Facebook by ad buyers, who base their levels of spending with Facebook on the data provided by Facebook as to the ad reach. On December 23, 2016, a lawsuit was filed in the Northern District of California on behalf of a class of purchasers of video ads from Facebook between May 4, 2014 and September 23, 2016. The action seeks damages under the California Business & Professions Code for unfair, fraudulent and unlawful conduct related to the distorted advertising metrics that Facebook presented to advertisers.

16. Additionally, on July 10, 2018, an action was filed in Arkansas state court on behalf of a class of purchasers of advertising who were improperly charged for clicks generated by fake accounts in violation of Facebook’s terms of

service. The action seeks damages against Facebook under the Arkansas Deceptive Trade Practices Act, Unfair Practices Act, common law fraud and deceit, breach of contract, promissory estoppel, and unjust enrichment for the charges levied by Facebook on advertisers for clicks from Facebook accounts.

17. Major advertisers, including Proctor & Gamble Co. (“P&G”), have also protested and ultimately extracted concessions from Facebook. According to a March 25, 2018 *Wall Street Journal* article, P&G, Subway and a global beverage company cut back the amount they spent on Facebook advertising by 20% - 50% after they learned that their Facebook ads were not being viewed as represented.

18. On July 26, 2018, Facebook posted a \$119 billion one-day decline in market value, the largest one-day loss in U.S. stock market history, after Facebook announced it expected revenue growth to slow. On Facebook’s earnings call, CFO David Wehner reported substantial “deceleration” in Facebook’s revenue growth rate with expected continued deceleration. Wehner said that while users were flocking to consume content across Facebook’s Stories format, the Stories experience is not currently generating as much revenue as ads in the Facebook and Instagram feeds, which generate many multiples of revenue per daily user above Stories users. A Jeffries analyst on the call questioned “the magnitude of the deceleration” and whether Facebook was hearing negative information from advertisers that explains the magnitude of the deceleration, observing “[i]t just

seems like the magnitude is beyond anything we've seen, especially across a number of tech names we all cover." Wehner responded that "we continue to get good advertiser feedback on ROI. We continue to believe we're delivering great ROI to advertisers. So I don't think there's anything from the advertiser perspective that's necessarily playing out differently than expectations." Ms. Sandberg added "we hear from them and continue to see in our results that we continue to deliver strong results. So we have a lot of opportunity ahead of us. We're going to continue investing in the opportunity. And what we're hearing from advertisers all over the world is that they want to continue to grow and invest with us as well."

Facebook's Officers Receive Hundreds of Millions of Dollars in Compensation In The Period of Distorted Ad Sales And Related Revenue

19. In June 2, 2016, Facebook disseminated a Schedule 14A ("2016 Proxy") in connection with the annual meeting of stockholders scheduled for June 20, 2016. The 2016 Proxy disclosed that for the years ending December 31, 2013-2015, Facebook awarded the following compensation to the Company's named executive officers ("NEOs"):

| Name and Principal Position | Fiscal Year | Salary (\$) | Cash Bonus (\$) | Stock Awards (\$) | All Other Compensation (\$) | Total(\$) |
|------------------------------------|--------------------|--------------------|------------------------|--------------------------|------------------------------------|------------------|
| Mark Zuckerberg | 2015 | 1 | — | — | 5,037,840 | 5,037,841 |
| CEO | 2014 | 1 | — | — | 6,213,106 | 6,213,107 |
| | 2013 | 1 | — | — | 3,300,452 | 3,300,453 |
| Sheryl K. Sandberg | 2015 | 715,385 | 1,265,193 | 15,465,667 | 1,252,724 | 18,698,969 |
| COO | 2014 | 592,885 | 624,204 | 14,332,313 | — | 15,549,402 |
| | 2013 | 384,423 | 603,967 | 15,158,758 | — | 16,147,148 |
| David M. Wehner | 2015 | 665,385 | 653,365 | 15,465,667 | 9,000 | 16,793,417 |
| CFO | 2014 | 418,051 | 535,077 | 11,024,750 | 9,905 | 11,987,783 |
| Christopher K. Cox | 2015 | 639,423 | 894,141 | 10,310,705 | 9,500 | 11,853,769 |
| CPO | 2014 | 533,654 | 898,991 | 11,024,750 | 12,750 | 12,470,145 |
| Mike Schroepfer | 2015 | 639,423 | 943,360 | 10,310,705 | 9,140 | 11,902,628 |
| CTO | 2014 | 535,577 | 979,021 | 11,024,750 | 9,164 | 12,548,512 |
| | 2013 | 352,060 | 358,764 | 11,842,776 | 4,683 | 12,558,283 |

20. The compensation determinations for Facebook executives based on business performance likely have been driven substantially by growth and continued projected growth in ad revenue. According to the 2016 Proxy, the Cash Bonus portion of the NEOs' compensation is "payable semi-annually" and "are designed to motivate [the NEOs] to focus on company-wide priorities and to reward them for individual results and achievements." In 2015, the Company-wide priorities included:

- a) grow Facebook's user base across all our products;
- b) increase sharing, engagement and utility;
- c) continue to achieve revenue growth and significant savings from efficiency;
- d) improve product quality;
- e) improve the Facebook brand; and
- f) make progress toward Facebook's long-term investments.

21. The stock awards issued to each of the NEOs was determined after the Facebook compensation & governance committee (“C&G Committee”) of the Facebook board of directors (“Board”) considered, among other things, the following factors:

- delivering equity values that are highly competitive when compared against those our Peer Group would grant to executives with similar responsibility; [and]
- each executive officer’s individual performance assessment, the results and contributions delivered during the year, as well as the anticipated potential future impact of each individual executive[.]³

22. According to the Schedule 14A disseminated on April 13, 2018 (“2018 Proxy”), the C&G Committee “is responsible for overseeing all aspects of [Facebook’s] executive compensation program, including salaries, payouts under [Facebook’s] bonus plan, the size and structure of equity awards, and any executive perquisites.” The C&G Committee is solely responsible for determining Mr. Zuckerberg’s compensation and reviews and approves the compensation of the other NEOs after receiving recommendations from Mr. Zuckerberg and Ms. Sandberg.

23. In fiscal 2016 and 2017, Facebook’s C&G Committee relied on the same factors listed in the 2016 Proxy in awarding Cash Bonuses and Equity

³ 2016 Proxy at 24.

Compensation to the NEOs. According to the 2018 Proxy,⁴ the C&G Committee awarded the NEOs the following compensation:

| Name and Principal Position | Fiscal Year | Salary (\$) | Cash Bonus (\$) | Stock Awards (\$) | All Other Compensation (\$) | Total(\$) |
|------------------------------------|--------------------|--------------------|------------------------|--------------------------|------------------------------------|------------------|
| Mark Zuckerberg <i>CEO</i> | 2017 | 1 | — | — | 8,852,365 | 8,852,366 |
| | 2016 | 1 | — | — | 5,765,831 | 5,765,832 |
| Sheryl K. Sandberg <i>COO</i> | 2017 | 795,769 | 640,378 | 21,072,431 | 2,687,643 | 25,196,221 |
| | 2016 | 738,077 | 1,293,635 | 19,908,426 | 2,609,319 | 24,549,457 |
| David M. Wehner <i>CFO</i> | 2017 | 711,539 | 633,317 | 21,072,431 | 9,000 | 22,426,287 |
| | 2016 | 662,692 | 940,421 | 14,931,596 | 9,566 | 16,544,275 |
| Christopher K. Cox <i>CPO</i> | 2017 | 711,539 | 567,404 | 21,072,431 | 9,000 | 22,360,374 |
| | 2016 | 658,846 | 933,209 | 14,931,596 | 9,538 | 16,533,189 |
| Mike Schroepfer <i>CTO</i> | 2017 | 711,539 | 633,317 | 21,072,431 | 9,000 | 22,426,287 |
| | 2016 | 658,846 | 859,356 | 14,931,596 | 9,377 | 16,459,175 |

24. Despite the admission that since 2014 Facebook has overestimated its calculations of advertising views, the compensation awarded to the most senior executives, including Ms. Sandberg and Messrs. Wehner, Cox and Schroepfer, have increased by more than 150% to 180% each year from 2014 through 2017. The 2018 Proxy Statement states that Ms. Sandberg’s first half 2017 Cash Bonus of \$368,690 reflected, among other things, “her contribution to growing revenue [and] continued strong growth in the number of advertisers on our platform.” The

⁴ 2018 Proxy at 28.

2018 Proxy was disseminated in April 2018, after the March 2018 Wall Street Journal article reporting that Facebook’s major advertisers had made significant cuts to their spending on Facebook advertising. The Facebook Proxy Statements have included no evidence or suggestion that the C&G Committee or the Board or any other committee has considered information relating to the data errors or deceleration in growth expectations or the knowledge of the senior executive officers regarding this embedded problem in connection with the executive compensation determinations. In fact, the Proxy disclosures appear to evidence that executives were credited with advertising growth in the compensation determinations. Facebook’s senior executives knew or should have known the facts concerning Facebook’s raw data and expectations regarding revenue growth, as ads were sold and compensation determinations were made with ad revenue as a factor.

Say on Pay Vote

25. The 2016 Proxy, among other things, requested that the Facebook shareholders approve the Company’s executive compensation practices, in a non-binding advisory vote (“Say On Pay Vote”). Facebook conducts a Say On Pay Vote every three years. According to the 2016 Proxy, the C&G Committee would “consider the outcome of the [Say On Pay Vote] when making future compensation decisions for [the Company’s] named executive officers.”⁵

⁵ 2016 Proxy at 48.

26. According to the 2018 Proxy, Facebook's next Say On Pay Vote will occur at the 2019 Annual Meeting of Stockholders which will likely be scheduled for late May or early June.

DEMANDS

27. On August 02, 2018, SEPTA made a demand on Facebook. On August 10, 2018, Boston made a demand on Facebook. SEPTA and Boston made the Demands under oath and directed them to the Company's principal place of business. Attached to the Demands were true and correct copies of current brokerage account statements evidencing beneficial ownership of common stock in the Company, as well as powers of attorney authorizing counsel to make the Demands on behalf of SEPTA and Boston. The Demands were mailed to the Company's principal place of business by UPS Overnight on August 2, 2018 and August 10, 2018, respectively, and hand delivered to the Company's registered agent in Delaware on August 2, 2018 and August 10, 2018, respectively.

28. By the Demands, Plaintiffs sought to inspect the books and records of Facebook as described in the Exhibit C attached to the Demands and incorporated by reference as if fully set forth herein, for the period from January 1, 2014 through the present, unless otherwise specifically provided therein.

29. The purposes of Plaintiffs' demands, as set forth in the Demands, are, among other purposes: (1) to aid Plaintiffs in determining how to vote with respect

to the 2019 Say On Pay Vote, the election of Directors and other matters to be considered at the 2019 Annual Meeting of Shareholders; (2) to aid Plaintiffs in determining whether to pursue contact with Facebook's directors and/or other minority stockholders concerning Facebook's decelerating revenue growth and executive compensation determinations, and the performance of Facebook officers, directors and advisors; (3) to investigate possible fiduciary wrongdoing, mismanagement or unjust enrichment by Facebook directors or officers in connection with advertising sales and compensation awards decisions for Facebook's NEOs, and disclosures regarding Facebook's executive compensation process and determinations to stockholders; and (4) to investigate the independence and ability of the Board of Directors to consider and act on a stockholder demand to initiate claims for fiduciary mismanagement, wrongdoing or unjust enrichment.

30. These purposes are reasonably related to Plaintiffs' interests as stockholders of the Company, and the inspection is not sought for a purpose that is in the interest of a business or object other than the business of the Company.

31. Under 8 *Del. C.* §220, a proper purpose to investigate books and records is to facilitate the communication with the Company or other stockholders concerning matters of governance particularly when the stockholders are requested to vote on the matters. *See, e.g. Henry v. Phixios Holdings, Inc.*, 2017 Del. Ch.

LEXIS 119, *32 (July 10, 2017) (“[company] concedes, as it must, that communicating with other stockholders . . . states a proper purpose for inspection”); *Louisiana Mun. Police Employees Retirement System v. Morgan Stanley & Co., Inc.*, 2011 Del. Ch. 42, 15* (Mar. 4, 2011) (“Proper purposes include: . . . “To communicate with other stockholders in order to effectuate changes in management policies”) (citations omitted).

32. The investigation of possible fiduciary misconduct also is a proper purpose for books and records inspection under Section 220. *See Amalgamated Bank v. UICI*, 2005 Del. Ch. LEXIS 82 (Del. Ch. June 2, 2005); *Meltzer v. CNET Networks, Inc.*, 934 A.2d 912, 917 (Del. Ch. 2007); *see also Seinfeld v. Verizon Communs., Inc.*, 909 A.2d 117 (Del. 2006) (articulating the “credible basis” standard for establishing a proper purpose).

33. The books and records sought are narrowly tailored to serve Plaintiffs’ purposes.

FACEBOOK’S RESPONSES

34. Having received no response from Facebook in response to the Demands, on August 21, 2018, counsel for SEPTA and Boston called Facebook’s counsel to inquire about the status of Facebook’s response to the Demands. During this call, Facebook’s counsel informed Plaintiffs’ counsel that Facebook had not received the Demands. At the conclusion of this call, Plaintiffs’ counsel

sent the Demands to Facebook's counsel via email

35. Facebook requested an extension to respond to the Demands through August 31, 2018. Plaintiffs agreed.

36. On August 31, 2018, Facebook responded to the Demands stating that the Demands did not comply with Delaware law and that the categories of documents listed in the demands were "significantly overbroad."⁶

37. On September 7, 2018, counsel for Plaintiffs and counsel for Facebook held a meet and confer regarding the Demands, Facebook's objections thereto and the Parties' respective positions.

38. On September 18, 2018, Facebook indicated that, without waiving any rights, and subject to Facebook's standard confidentiality agreement in Section 220 Actions, Facebook would produce board level materials (i.e., minutes and presentations) that were relevant to "measurement errors relating to data provide to Facebook advertisers."

39. On September 19, 2018, Plaintiffs indicated they would accept the production of these materials without waiving their right to seek complete compliance with the Demands.

40. Following execution of a Confidentiality Agreement by the parties, on November 7, 2018, Facebook made an initial production of documents in response

⁶ Attached hereto as Exhibits 3 and 4.

to the Demands. This initial production consisted of 4 highly redacted documents. None of the produced portions of the documents included information relating to compensation determinations.

41. On November 30, 2018, counsel for Plaintiffs and counsel for Facebook held a meet and confer during which Facebook indicated it would make a second production during the first week of December 2018.

42. After Facebook failed to produce the promised second production, on December 7, 2018 counsel for Plaintiffs and counsel for Facebook held a meet and confer during which counsel for Plaintiffs advised that, absent Facebook producing further documents, Plaintiffs would get to enforce the Demands with a petition in the Court of Chancery.

43. On December 14, 2018, Facebook made a second production of 5 highly redacted documents. Facebook's document production was limited to minutes and presentations from Audit Committee meetings and does not include any minutes or presentations to the entire Facebook Board or any other Committee of the Facebook Board, including the C&G Committee. The produced portions of the documents included no information relating to compensation determinations or whether or how advertising issues were considered in the determinations.

44. Following numerous emails from Plaintiffs' counsel, Facebook indicated on January 19, 2019 that it was finished producing documents in

response to Plaintiffs' Demands and did not intend to produce any additional documents to shareholders who have made similar demands.⁷

PLAINTIFFS ARE ENTITLED TO THE DEMANDED DOCUMENTS

45. Plaintiffs are entitled to the books and records of the Company described in Exhibit C to the Demands for the period January 1, 2014 through present.

46. In particular, Plaintiffs are entitled to the following documents:

- All minutes of meetings of the Facebook Board of Directors and/or any committee or subcommittee, including the C&G Committee, at which the following topics was addressed or discussed:
 - Compensation of Facebook officers or directors including but not limited to the consideration of growth or declines in advertisers or advertising-based revenue in compensation determinations.
- All documents concerning communications with Facebook advertisers concerning alleged, possible or actual errors in the calculation of video metrics or the user data provided by Facebook.
- All documents concerning any agreement or resolution between Facebook and any Facebook advertisers concerning any dispute regarding video ad metric calculations, payments, billing or data.

⁷ Attached hereto as Exhibit 5.

- All documents constituting or reflecting communications involving any NEO concerning errors in calculations of user data or in data provided to Facebook advertisers, deceleration in revenue growth or communications with advertisers concerning return on ad investment.
- All documents, communications and directors questionnaires, and responses thereto, relating to actual or potential director independence and impartiality issues arising from any social, personal and/or professional relationships existing between and among any of the members of the Facebook Board of Directors, such as:
 - Overlapping service on any Board or commission, whether of a governmental or quasi-governmental entity, or a non-profit or a for profit corporation other than the Facebook Board;
 - Joint ventures or partnerships;
 - Investment by a Board member or any member of his or her immediate family in any real or personal property or any enterprise in which another Board member or any member of his or her immediate family has an interest, or made at the response of or in conjunction with another Board member or any member of his or her immediate family;
 - Any in-person interaction among Board members and any members of their immediate families unrelated to service on the Board occurring

- more frequently than 4 times per year on average (including, but not limited to, attendance at dinners, sporting events, theater events, and/or parties);
- Any non-profit or charitable entity with which a Board member or any member of his or her immediate family has or had any relationship as a director, officer, manager, employee, agent or substantial contributor of more than \$500,000 in the aggregate over any 5 year period or to which the Company or a Board member or any members of his or her immediate family has or had contributed more than \$500,000 in the aggregate over any 5 year period for which another Board member is (or was during the preceding five years) a director or officer; Loans made from a Board member or any member of his or her immediate family to another Board member or any member of his or her immediate family;
 - Employment of a Board member or any member of his or her immediate family in any enterprise in which another Board member or any member of his or her immediate family has an interest, or in which the Board member or any member of his or her immediate family reported to another Board member or any member of his or her immediate family;
 - Contributions by a Board member or any member of his or her immediate family to a political or campaign committee made at the request of or in

- conjunction with another Board members or any member of his or her immediate family;
- Service of a Board member or any member of his or her immediate family in a personal capacity with respect to another Board member, or a member of his or her immediate family, e.g., godfather/godmother of offspring, trustee of trust for the benefit of offspring, etc.;
 - Contributions, awards, or honors conferred to a Board member or any member of his or her immediate family or any enterprise on which a Board member or any member of his or her immediate family serves as a member of the Board, by an enterprise other than Facebook on which a Board member or any member of his or her immediate family serves as a member of the Board.

47. The Company has wrongfully denied Plaintiffs' demands for these books and records.

48. Plaintiffs seek relief from the Court under 8 *Del. C.* § 220(c) to compel the inspection set forth in the Demands.

COUNT I
(Demand for Inspection Pursuant to 8 *Del. C.* § 220)

49. Plaintiffs repeat and re-allege all of the preceding allegations as if fully set forth herein.

50. On August 2, 2018 and August 10, 2018, Plaintiffs made written

demand upon Facebook for the inspection of the books and records set forth in the Demands.

51. Plaintiffs have fully complied with all requirements under Section 220 of the Delaware General Corporation Law respecting the form and manner of making a demand for inspection of the books and records set forth in the Demands.

52. Plaintiffs' Demands for inspection are for proper purposes. Moreover, the documents identified in the Demands are necessary and essential to the proper purposes.

53. Plaintiffs are entitled to the books and records of the Company described in Exhibit C to the Demands for the period January 1, 2014 through present.

54. By reason of the foregoing and pursuant to 8 *Del. C.* § 220, Plaintiffs are entitled to an Order to permit Plaintiffs to inspect and make copies of the books and records of the Company described in Exhibit C to the Demands for the period January 1, 2014 through present.

55. Plaintiffs have no adequate remedy of law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully pray for the following relief:

1) An order permitting Plaintiffs to inspect and make copies of the books and records of the Company described in Exhibit C to the Demands for the period

January 1, 2014 through present;

2) An order assessing Plaintiffs' attorneys fees and costs against Defendant; and

3) Such other and further relief this Court deems just and appropriate.

DATED: March 22, 2019

CHIMICLES SCHWARTZ KRINER &
DONALDSON-SMITH LLP

/s/ Scott M. Tucker

Robert J. Kriner, Jr. (#2546)

Scott M. Tucker (#4925)

Tiffany J. Cramer (#4998)

Vera G. Belger (#5676)

2711 Centerville Road, Suite 201

Wilmington, Delaware 19808

(302) 656-2500

Attorneys for Southeastern Pennsylvania
Transportation Authority and Boston
Retirement System