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Plaintiff, the State of Nevada, by and through Aaron D. Ford, Attorney General, and the 1 2 undersigned attorneys (the "State") brings this Complaint against Defendants Meta Platforms, 3 Inc. ("Meta") and its social media platform<sup>1</sup>, Facebook (collectively, Meta and Facebook are 4 referred to herein as "Defendants") and alleges, upon information and belief, as follows:

### **INTRODUCTION**

1. The State of Nevada, by and through Aaron D. Ford, Attorney General for the State of Nevada, and Ernest Figueroa, Consumer Advocate, files this Complaint on behalf of the State to eliminate the hazard to public health and safety caused by Defendants' social media platform Facebook, and to recover civil penalties and other relief arising out of Defendants' false, deceptive and unfair marketing and other unlawful conduct arising from the design and implementation of Facebook.

2. Meta (formerly Facebook, Inc.) is the parent company of some of the world's largest social media platforms, including the wildly popular platform Facebook. Worldwide, users number over 2.9 billion, meaning that over one third of the world's population utilizes this platform every month.<sup>2</sup> Because of its scale, Facebook is also wildly remunerative, with Meta generating billions of dollars in revenue from facilitating targeted advertising.

17 3. However, this revenue is only available as long as there is an audience on 18 Facebook to view those highly-targeted advertisements. Thus, Meta is incentivized to keep as 19 many of its users on the platform for as long as possible. But Meta has crossed a line from 20 simply enticing its audience to taking steps to keep its audience *addicted* to the platform. 21 Highly-skilled and highly-paid employees have invested years of research and analysis into 22 designing and deploying features on Facebook that make it impossible not just to quit using the 23 app, but simply to put our phones down to attend to the most basic functions of our daily lives.

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<sup>&</sup>lt;sup>1</sup> In general, the term "social media platform" refers to a website and/or app (often operating in 25 conjunction, under the same name) that allows people to create, share, and exchange content (such as posts of text, photos, videos, etc.) with other users of the platform. Examples of popular 26 social media platforms include Facebook, Instagram, Messenger, Snapchat, and TikTok.

<sup>27</sup> https://www.sec.gov/Archives/edgar/data/1326801/000132680122000018/fb-20211231.htm (last visited Jan. 27, 2024). 28

1 It demands our attention first thing in the morning and last thing at night, at the dinner table, 2 while we're walking down the street, even when we are driving.

3 4. This addiction to social media-and its consequences-is increasingly being 4 called out by stakeholders and advocates. One of the most succinct critiques can be found in the 5 documentary film, *The Social Dilemma*, which addresses our addiction to posts, likes, pokes, chats, and all of the other prompts that Big Tech<sup>3</sup> has deployed to keep us addicted to their apps. 6 7 As an interviewee in the film notes: "There are only two industries that call their customers 'users': illegal drugs and software."<sup>4</sup> 8

9 5. And, much like an illegal drug, Facebook has been designed to be an addiction 10 machine, targeting people under the age of 18 ("Young Users") and more insidiously children under the age of 13 ("Youngest Users") who, as Meta well knows, have developmentally limited 12 capacity for self-control. Children are the most vulnerable to these intentionally addictive 13 design elements. As one specialist in social media addiction notes, "[a]dolescence is second 14 only to infancy when it comes to growth. Therefore, the impact of social media on a developing 15 teen's mind and body can be huge."<sup>5</sup> Social media platforms like Facebook, with design 16 elements that intentionally keep children engaged for as long as possible—to the exclusion of 17 all other activities-harm their users emotionally, developmentally, and physically. They lead to a condition known as "problematic internet use,"<sup>6</sup> which is associated with a range of harms, 18

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<sup>20</sup> <sup>3</sup> "Big Tech" is a term commonly used to describe the largest global technology corporations most typically, this group includes Meta, Alphabet (Google), Amazon, Apple, and Microsoft. 21 However, more broadly, the term refers to the amalgam of large technology companies that create and maintain technologies and platforms that are intertwined with our daily lives. 22

<sup>&</sup>lt;sup>4</sup> The Social Dilemma. Directed by Jeff Orlowski-Yang; Produced by Exposure Labs, Argent 23 Pictures, The Space Program; 2020. Netflix, https://www.netflix.com/watch/81254224 (last visited Jan. 27, 2024). 24

https://www.newportacademy.com/resources/mental-health/teens-social-media-addiction/ (last visited Jan. 27, 2024). 25

<sup>&</sup>lt;sup>6</sup> Wen Li, et al., Diagnostic Criteria for Problematic Internet Use among U.S. University 26 Mixed-Methods PLOS Students: Evaluation, ONE (Jan. 11,  $\boldsymbol{A}$ 2016), https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0145981 (last visited Jan. 27, 27 2024).

including but not limited to exposure to predators and online bullies, age-inappropriate content, 1 2 damage to children's self-esteem, and increased risk of eating disorders and even suicide.

6. As the U.S. Surgeon General recently explained, children's and parents' 4 attempts to resist social media is an unfair fight: "You have some of the best designers and 5 product developers in the world who have designed these products to make sure people are maximizing the amount of time they spend on these platforms. And if we tell a child, use the 6 force of your willpower to control how much time you're spending, you're pitting a child 7 against the world's greatest product designers."<sup>7</sup> 8

7. Unlike other consumer products that have appealed to children for generations like candy or soda—with social media platforms there is no natural break point where the consumer has finished the unit of consumption. Instead, social media platforms are a bottomless pit where users can spend an infinite amount of their time. And Meta profits from each additional second a user spends on its platforms.

14 8. Meta has designed Facebook to exploit that dynamic by embedding within the 15 platform an array of design features that maximize youth engagement, peppering them with 16 reminders to "log on" and making it psychologically difficult to "log off." Specifically, 17 Defendants rely on design elements to make Facebook addictive to all users, and to Young 18 Users in particular ("Design Elements"). These Design Elements—Low-Friction Variable 19 Rewards; Social Manipulation; Ephemeral Content; Push Notifications; and Harmful Filters 20 (each defined below)—each serve as an obstacle to Young User's free decision-making.

9. 21 Facebook's design and platform features have fueled the explosive increase in 22 the amount of time that Young Users spend on these platforms. As

23 -and as anyone who has recently spent time with adolescents can attest—Meta has successfully induced Young Users to spend vast amounts of time on its social media platforms. 24 25 Indeed, for many Young Users, social media platforms are viewed as an indispensable part of 26

<sup>7</sup> Allison Gordon & Pamela Brown, Surgeon General says 13 is 'too early' to join social media, (Jan. 29. 2023), https://www.cnn.com/2023/01/29/health/surgeon-general-social-CNN 27 media/index.html (last visited Jan. 27, 2024).

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their identity, a forum to share a carefully cultivated personality "highlight reel," and a place
 where they must constantly be "present"—whether they want to be or not.

10. All the while, Meta understands that Young Users' time spent on its social media platforms is not the product of free choice. As

-Young Users feel

addicted to these platforms. They widely report difficulty controlling their time spent on the
applications (also referred to as "app" or "apps"). And they frequently express that they would
prefer to spend meaningfully less time on social media platforms but feel powerless to do so.
Still, Meta has not introduced any product changes to meaningfully reduce its platforms'
addictiveness.

11. The widespread compulsive use that Meta induced—and allowed to continue unabated—has come at a massive societal cost. In effect, Meta is conducting a potentially society-altering experiment on a generation of Young Users' developing brains.<sup>8</sup> While this experiment's full impact may not be realized for decades, the early returns are alarming.

15 12. Researchers warn that compulsive use of social media platforms impose a wide 16 range of harms, including increased levels of depression, anxiety, and attention deficit 17 disorders; altered psychological and neurological development; and reduced sleep, to name a 18 few. And that is to say nothing of the immense opportunity cost imposed when youth spend 19 critical years glued to social media platforms, not engaged in the varied and profound 20 experiences associated with growing up in the physical world.

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At least one recent study involving children's use of Facebook, Instagram, and Snapchat "suggests that social media behaviors in early adolescence may be associated with changes in adolescents' neural development, specifically neural sensitivity to potential social feedback." Maria T. Maza, Kara A. Fox, Seh-Joo Kwon, et al., Association of Habitual Checking Behaviors on Social Media With Longitudinal Functional Brain Development, JAMA Pediatr. (Jan. 3, 2023), <u>https://jamanetwork.com/journals/jamapediatrics/article-abstract/2799812</u> (last visited Jan. 27, 2024). These changes in adolescents' neural development may permanently alter their brains with unknown long-term impacts. *Id*.

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In short, Meta's business strategy that purposefully addicts Young Users to its
 social media platforms has caused widespread and significant injury to Nevadans, and young
 Nevadans in particular.

14. Meta also deceived and continues to deceive Nevada consumers—and, critically,
parents—on a large scale. Here, Meta misled consumers, parents, and guardians by concealing
the various and significant risks social media platforms present to its users, particularly Young
Users. Meta further made multiple, affirmative misrepresentations and engaged in material
omissions regarding the safety of its platforms, to the detriment of Nevadans.

9 15. First, Meta has long known that Facebook was harmful for users, and especially
10 ruinous for young women. But Meta did not share that materially important information with
11 consumers using their products. Instead, Meta's leadership

16. In one particularly distressing episode, Zuckerberg

## harmful effects of this platform feature.

17. Second, Meta publicizes its "Community Standards Enforcement Reports," or
CSER, to create the façade that its social media platforms are a safe platform where harmful
content was rarely encountered. Specifically, these reports touted the low "prevalence" of
Community Standards violations, which the Company used as evidence that its platforms are
safe. But that is a false narrative that misleads consumers about the true extent of harmful
experiences on Facebook.

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preferring to mislead its users (and parents) than suffer a public-relations hit for rolling back or fixing a purported "wellness" feature. 23. Fourth, Meta made material misrepresentations to develop trust among consumers, parents, and guardians that its social media platforms are a safe place for Young Users. In various public channels, Meta deceptively represented (1) that it does not prioritize increasing users' time on its platforms; (2) that it protects Young Users from harmful or inappropriate content on its platforms; (3) that it does not place a monetary value on Young Users' use of Meta platforms; (4) that it has not changed its internal data and research access policies in response to The Wall Street Journal's 2021 coverage of its internal research findings; and (5) that its platforms are not addictive.

Third, Meta misled the public through false, affirmative statements about its

commitment to well-being related products and features. As one example, it long touted its

as a demonstration of Meta's commitment to well-being. But when Meta learned that its

18 24. In sum, through its acts, omissions, and statements, Meta carefully created the
19 impression that its social media platforms were and are still a safe platform where users were
20 unlikely to experience significant harm and where users' mental health was an important
21 Company priority. That representation was material, false, and misleading.

22 25. Based on this misconduct, and as more fully described below, Nevada brings
23 this action pursuant to the Nevada Deceptive Trade Practices Act, N.R.S. §§ 598.0903 through
24 598.0999 ("NDTPA"), and further brings claims of negligence, products liability, and unjust
25 enrichment.

26 26. The State brings this action exclusively under the laws of the State of Nevada.
27 No federal claims are being asserted, and to the extent that any claim or factual assertion set

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1 forth herein may be construed to have stated any claim for relief arising under federal law, such 2 claim is expressly and undeniably disavowed and disclaimed by the State.

3 27. Nor does the State bring this action on behalf of a class or any group of persons 4 that can be construed as a class. The claims asserted herein are brought solely by the State and 5 are wholly independent of any claims that individual Nevadans may have against Defendants. The Attorney General is authorized to bring an action-independently in the name of the State 6 7 as well as in a *parens patriae* capacity on behalf of the persons residing in Nevada—to remedy 8 violations of Nevada law.

## PARTIES

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28. The State of Nevada is a body politic created by the Constitution and laws of the State; as such, it is not a citizen of any state. This action is brought by the State in its sovereign capacity in order to protect the interests of the State of Nevada and its residents as parens patriae, by and through Aaron D. Ford, the Attorney General of the State of Nevada. Attorney General Ford is acting pursuant to his authority under, inter alia, NRS 228.310, 338.380, 228.390, and 598.0963(3).

29. Meta Platforms, Inc. ("Meta") is a Delaware corporation with a principal place of business in Menlo Park, California. From 2005 until October 28, 2021, Meta was known as 18 Facebook, Inc. Meta is a multinational technology company that designs, distributes, and 19 promotes multiple social media platforms, including Facebook.

20 30. All of the allegations described in this Complaint were part of, and in furtherance 21 of, the unlawful conduct alleged herein, and were authorized, ordered and/or done by 22 Defendants' officers, agents, employees, or other representatives while actively engaged in the 23 management of Defendants' affairs within the course and scope of their duties and employment, and/or with Defendants' actual, apparent and/or ostensible authority. 24

## JURISDICTION AND VENUE

31. Subject matter jurisdiction for this case is conferred upon this Court pursuant to, inter alia, Article 6, Section 6 of the Nevada Constitution.

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32. This Court has personal jurisdiction over Defendants because Defendants do 1 2 business in Nevada and/or have the requisite minimum contacts with Nevada necessary to 3 constitutionally permit the Court to exercise jurisdiction with such jurisdiction also within the 4 contemplation of the Nevada "long arm" statute, NRS § 14.065. More specifically, and set forth 5 in greater detail, *infra*, Meta enriches itself by selling advertisements targeted to Nevada. According to Meta's public advertising library, Meta regularly sells advertisements specific to 6 7 Nevada, and it allows businesses to target specific cities in Nevada.<sup>12</sup> All manner of Nevada entities advertise on Facebook to reach a Nevada audience and expand their business in Nevada.

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8 9 33. The instant Complaint does not confer diversity jurisdiction upon the federal 10 courts pursuant to 28 USC § 1332, as the State is not a citizen of any state and this action is not subject to the jurisdiction of the Class Action Fairness Act of 2005.<sup>13</sup> Likewise, federal question 11 12 subject matter jurisdiction pursuant to 28 USC § 1331 is not invoked by the Complaint, as it 13 sets forth herein exclusively viable state law claims against Defendants. Nowhere herein does 14 Plaintiff plead, expressly or implicitly, any cause of action or request any remedy that arises 15 under federal law. The issues presented in the allegations of this Complaint do not implicate 16 any substantial federal issues and do not turn on the necessary interpretation of federal law. No 17 federal issue is important to the federal system as a whole under the criteria set by the Supreme 18 Court in Gunn v. Minton, 568 U.S. 251 (2013) (e.g., federal tax collection seizures, federal 19 government bonds). Specifically, the causes of action asserted, and the remedies sought herein, 20 are founded upon the positive statutory, common, and decisional laws of Nevada. Further, the 21 assertion of federal jurisdiction over the claims made herein would improperly disturb the 22 congressionally approved balance of federal and state responsibilities. Accordingly, any 23 exercise of federal jurisdiction is without basis in law or fact.

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<sup>25 1&</sup>lt;sup>12</sup> <u>https://www.facebook.com/business/help/1501907550136620</u> (last visited Jan. 27, 2024).

34. 1 In this Complaint, to the extent Plaintiff cites federal statutes and regulations. 2 Plaintiff does so to state the duty owed under Nevada law, not to allege an independent federal 3 cause of action and not to allege any substantial federal question under Gunn v. Minton. "A 4 claim for negligence in Nevada requires that the plaintiff satisfy four elements: (1) an existing 5 duty of care, (2) breach, (3) legal causation, and (4) damages." Turner v. Mandalay Sports 6 Entertainment, LLC, 124 Nev. 213, 180 P.3d 1172 (2008). The element of duty is to be 7 determined as a matter of law based on foreseeability of the injury. Estate of Smith ex rel. Smith 8 v. Mahoney's Silver Nugget, Inc., 127 Nev. 855, 265 P.3d 688, 689 (2011).

35. To be clear, to the extent Plaintiff cites federal statutes and federal regulations, it is for the sole purpose of stating the duty owed under Nevada law to the residents of Nevada. Thus, any attempted removal of this complaint based on a federal cause of action or substantial federal question is without merit.

36. Venue is proper in this Court pursuant to NRS § 598.0989(3) because Defendants' conduct alleged herein took place in Clark County, Nevada.

## FACTS

16 I. FACEBOOK, GENERALLY.

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37. Facebook is a social media platform that enables users to upload ("post") text, 17 photos, videos and links to additional content on- and off-platform, and to interact with other 18 users' comparable posts. Primarily, users engage with Facebook either via its website or its free-19 standing app, which users download to their smartphone or other mobile device. Facebook 20 allows users to post content that can be edited (including with filters for visual posts like photo 21 and video) and organized by hashtags and geographical tagging. Users can browse other users' 22 posts by tag or location, view trending content, like posts, and follow other users to add their 23 content to a personal feed. 24

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Fig. 1<sup>14</sup>

kjc@kempjonès.com 38. As noted above, Facebook attracts billions of monthly active users worldwide, and roughly 260 million users in the United States.<sup>15</sup> A 2020 survey of American children ages 9-17 reported that 45% of the 9-12-year-old respondents and 28% of the 13-17-year-old respondents used Facebook at least once a day, with 66% and 60% of those respective cohorts reporting having used the platform at least once.<sup>16</sup> More broadly, an August 2022 report from https://www.fonearena.com/blog/330692/facebook-pages-dedicated-news-feed-easiernavigation.html (last visited Jan. 27, 2024). <sup>15</sup> https://www.sec.gov/Archives/edgar/data/1326801/000132680122000018/fb-20211231.htm (last visited Jan. 27, 2024). <sup>16</sup> Thorn, Responding to Online Threats: Minors' Perspectives on Disclosing, Reporting, and Blocking Findings from 2020 quantitative research among 9–17 year olds, (May 2021), https://info.thorn.org/hubfs/Research/Responding%20to%20Online%20Threats 2021-Full-Report.pdf?utm\_campaign=H2D%20report&utm\_source=website (last visited Jan. 27, 2024). 

the Pew Center states that "about six-in-ten teen Facebook users (57%) visit the platform daily."17

### Meta Offers Its Platforms in Exchange for Consumers' Valuable Α. Consideration that Enables Meta to Sell Advertising.

39. Like all social media platforms, Facebook does not charge money from its users for access. Instead, it monitors its users and surreptitiously collects data related to their online lives—including the way in which they use the product, the posts with which they interact, the friends they have, the places they go, the advertisements they view, and even what users do on other sites or apps. Defendants are consistently the target of regulatory actions, lawsuits, and news reports related to the vast troves of personal data they acquire on individuals, which they use (and misuse) to create detailed, individual profiles that in turn are employed to serve users targeted advertising.

40. As Zuckerberg has explained, "based on what pages people like, what they click on, and other signals, we create categories...and then charge advertisers to show ads to that category. Although advertising to specific groups existed well before the internet, online advertising allows much more precise targeting and therefore more-relevant ads."<sup>18</sup>

41. The practical effect of this arrangement—free access to the Facebook platform 17 in exchange for personal data-is best expressed in the documentary The Social Dilemma, 18 which quotes Google's former design ethicist, Tristan Harris: "if you're not paying for the 19 product, then you are the product."<sup>19</sup> 20

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<sup>&</sup>lt;sup>17</sup> Emily A. Vogels, et al., Teens, Social Media and Technology 2022, Pew Research Center 23 (Aug. 10, 2022), https://www.pewresearch.org/internet/2022/08/10/teens-social-media-andtechnology-2022/ (last visited Jan. 27, 2024). 24

<sup>&</sup>lt;sup>18</sup> Mark Zuckerberg, Understanding Facebook's Business Model, Mark Zuckerberg (January 24, 2019), https://about.fb.com/news/2019/01/understanding-facebooks-business-model/ (last 25 visited Jan. 27, 2024).

<sup>26</sup> <sup>19</sup> Abigail McCormick, Review: The Social Dilemma (Aug. 8, 2021), <u>https://sauconpanther.org/</u> 2535/arts-and-entertainment/if-youre-not-paying-for-the-product-then-you-are-the-product/ 27 (last visited Jan. 27, 2024).

42. Because Meta views its users as its product, and because it can best monetize 1 and collect information about its users while they are on its various platforms (including 2 Facebook), Meta is incentivized to keep its users on the platforms as long as possible, and as 3 often as possible. Via his current project, The Center for Humane Technology, Tristan Harris 4 further explains this concept: 5 6 Our attention is a limited resource. There are only so many waking hours in the day, and therefore only so many things we can focus on. When we pay attention 7 to one thing, we're not paying attention to something else. 8 This fact of life has been deeply complicated by technology. With more information and more choices at our fingertips than ever before, there are 9 unprecedented demands on our attention. 10 This feeling of constant distraction is fueled by tech companies that rely on capturing your attention to make money, normally by selling it to advertisers. Las Vegas, Nevada 89169 1385-6000 • Fax (702) 385-6001 kjc@kempjones.com 11 . . . 12 Each app is caught in a race for your attention, competing not just against other 13 apps, but also against your friends, your family, your hobbies, and even your sleep. 14 . . . 15 [S]ocial media companies don't sell software, they sell influence. They collect 16 in-depth data about how to influence your decisions, then sell that influence to the highest bidder. The more time they can get you to spend scrolling and 17 clicking, the more data they can collect and the more ads they can sell.<sup>20</sup> 43. Defendants acknowledge this fact in their most recent Form 10-K, warning that 18 decreased use of the Facebook platform—resulting in fewer opportunities to profile users and 19 serve targeted advertising—is fatal to its business model: "The size of our user base and our 20 users' level of engagement across our products are critical to our success. Our financial 21 performance has been and will continue to be significantly determined by our success in adding, 22 retaining, and engaging active users of our products that deliver ad impressions, particularly for 23 24 25 26 <sup>20</sup> Center for Humane Technology, *The Attention Economy – Why do tech companies fight for* our attention? (Aug. 17, 2021), https://www.humanetech.com/youth/the-attention-economy 27 (last visited Jan. 27, 2024). 13 28

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Facebook[.]<sup>"21</sup> Further, Defendants acknowledge that "advertising revenue can also be
 adversely affected by," *inter alia*, "decreases in user engagement, including time spent on our
 products" and "our inability to continue to increase user access to and engagement with our
 products."<sup>22</sup>

44. Competition for users' attention is fierce, and social media platforms—like Defendants'—are purposely designed to addict their users. Defendants have both in-house and external research initiatives designed to document and improve engagement reporting and have projects that use neuromarketing and virtual reality techniques to measure effectiveness.<sup>23</sup> The mobilization of all these resources indicates that the Facebook platform is built not for user experience, but for maximization of profit.

45. And this maximization of profit is achieved through addiction. As set forth below, Defendants employ sophisticated principles first identified by psychologists and other academics, which they manifest through intentional design elements that exploit those psychological principles.

46. These design elements are not subjective—instead they are part and parcel of Facebook's code. They operate consistently, and universally, across the platform, for all users, including the vulnerable children who Defendants know—to a certainty—are using Facebook.

47. Worse still, Defendants'

and continues to add features to keep children hooked.

- 23 21 <u>https://www.sec.gov/Archives/edgar/data/1326801/000132680122000018/fb-20211231.htm</u>
   24 24 24 25 25 26 27 2024).
  - <sup>+</sup> ||<sup>22</sup> Id.
- 25 23 See, e.g., Meta Careers, Shape the Future of Marketing with the Marketing Science Team, Meta (Sept. 19, 2018), <u>https://www.metacareers.com/life/come-build-with-the-facebook-marketing-science-team/</u> (last visited Jan. 27, 2024); *How Virtual Reality Facilitates Social Connection*, Meta, <u>https://www.facebook.com/business/news/insights/how-virtual-reality-facilitates-social-connection</u> (last visited Jan. 27, 2024).

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**B**.

## Account Creation for Facebook.

48. To fully access Facebook, consumers must create an account. As part of the
account-creation process, consumers enter into a contract with Meta. By entering into these
contracts, users agree to comply with Facebook's Terms of Service.<sup>24</sup>

49. As noted above, although users can establish accounts on Facebook without
paying a fee, Defendants do not provide their products for free—rather, they charge users by
collecting their data and time, which Meta then converts into advertising dollars.

8 50. In exchange for the right to use Facebook, consumers agree to a host of terms
9 that power Meta's advertising business. For example, this is confirmed by Facebook's Terms
10 of Service:

We don't charge vou to use Facebook or the other products and services covered by these Terms, unless we state otherwise. Instead, businesses and organizations, and other persons pay us to show vou ads for their products and services. By using our Products, vou agree that we can show vou ads that we think may be relevant to vou and vour interests. We use your personal data to help determine which personalized ads to show you.<sup>25</sup>

51. Consumers also pay for Facebook by agreeing to give Meta access to vast reams 15 of data arising out of their platform use. In order to create an account, consumers also must 16 agree to Meta's Privacy Policy. And pursuant to that Privacy Policy, each consumer must agree 17 that Meta may collect a host of data, ranging from information about the consumer's activity 18 on Facebook (such as the content they like and accounts they follow); the messages the 19 consumer sends and receives; the content the consumer provides through Facebook's camera 20 feature and the consumer's camera roll; the ways the consumer interacts with ads, the time the 21 user spends interacting with various pieces of content; the hardware and software the consumer 22 is using, the GPS, Bluetooth signals, nearby Wi-Fi access points, beacons and cell towers; and 23 many other categories of data. 24

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- 26 <sup>24</sup> Facebook Terms of Service, <u>https://www.facebook.com/legal/terms</u> (last visited Jan. 27, 2024).
   27 <sup>25</sup> Id
- 28

52. Meta also represents itself as a common enterprise. Meta's financial disclosures 1 describe Facebook, Instagram, Messenger, and WhatsApp, as Meta's "family' of products," 2 and report revenue and expenses for the entire "family" together.<sup>26</sup> Meta's supplemental terms 3 for its "Meta Platforms Technologies Products" is similarly styled as an agreement between 4 Meta Platforms, Inc. and the user.<sup>27</sup> Meta Platforms Technologies Products are defined to 5 include its VR-related products, such as its Meta Quest and Oculus virtual reality headsets, and 6 Meta Horizon Worlds, its virtual reality social media platform.<sup>28</sup> Meta Platforms also reports 7 its revenue from its VR business segment in its financial disclosures.<sup>29</sup> 8

53. Consumers' payment in the form of time, attention, and data enables Meta to sell highly targeted, data-informed advertising opportunities, which is the foundation of Meta's business.

# C. Meta Prioritizes Acquiring Young Users and Maximizing Their Time Spent on its Platforms.

54. In Meta's business model, not all consumers are created equal. Young Users are Meta's prized demographic.

55. Accordingly, Meta has pursued increasing Young Users' time spent on its platforms as one of the Company's most important goals.

56. For instance, as of November

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- <sup>26</sup> Meta Platforms, Inc. Form 10-Q, 1, 4, 33, (Q2 2023), <u>https://archive.ph/MSvSt</u> (last visited Jan. 27, 2024).
- <sup>23</sup> 27 Supplemental Meta Platforms Technologies Terms of Service, <u>https://www.meta.com/</u>
   <sup>24</sup> <u>legal/supplemental-terms-of-service</u> (last visited Jan. 27, 2024).
- 25 Meta Platforms Technologies Products Definition, <u>https://www.meta.com/legal/meta-platforms-technologies-products</u> (last visited Jan. 27, 2024).
- 26 Meta Platforms, Inc. Form 10-Q, 31, (Q1 2023), <u>https://archive.ph/T6xDK</u> (last visited Jan. 27, 2024).
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57. This strategy was 1 2 58. Meta pursues Young Users because Meta's advertising customers value that 3 audience. Among other reasons, Meta's advertising partners want to reach Young Users because 4 they: (1) are more likely to be influenced by advertisements, (2) may become lifelong 5 customers, and (3) set trends that the rest of society emulates. 6 59. Advertisers pay Meta a premium to serve advertisements to Young Users. And 7 many advertisers are willing to pay Meta for the opportunity to reach Young Users in specific 8 geographic markets, such as those in Nevada. 9 60. Meta is motivated to increase Young Users' time spent on its platforms not only 10 3800 Howard Hughes Parkway, 17<sup>th</sup> Fl. Las Vegas, Nevada 89169 (702) 385-6000 • Fax (702) 385-6001 kjc@kempjones.com because it is a meaningful stream of advertising business, but also, because the data that Meta 11 collects from that use is itself highly valuable to the Company. 12 61. Meta has worked to maximize Young Users' 13 Meta does this both because Young Users are a prized demographic, and because loss of Young 14 Users on its platform threatens Meta's bottom line. As noted in the company's most recent Form 15 10-K filing: 16 17 We believe that some users, particularly younger users, are aware of and actively engaging with other products and services similar to, or as a substitute 18 for, our products and services, and we believe that some users have reduced their use of and engagement with our products and services in favor of these 19 other products and services. In the event that users increasingly engage with other products and services, we may experience a decline in use and 20 engagement in key user demographics or more broadly, in which case our business would likely be harmed.<sup>32</sup> 21 62. 22 In short, Meta has many strong short-term and long-term financial incentives to 23 increase the time that Young Users spend on its platforms, including Facebook. And as 24 25 26 <sup>32</sup> https://www.sec.gov/Archives/edgar/data/1326801/000132680122000018/fb-20211231.htm 27 (last visited Jan. 27, 2024). 17 28

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described in further detail below, Meta has chased that goal with incredible success, capturing a mind-boggling amount of time and attention from a generation of Young Users.

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3 63. This approach has been profitable. Meta reported earning \$116.6 billion in
4 revenue in 2022, with \$23.2 billion in net income, making Meta one of the largest companies
5 in the United States by revenue and income.

64. A significant portion of these earnings come from the Young Users on Meta's platforms. A recent study estimated the revenue derived from Young Users across the world's largest social media platforms, including Facebook, and concluded that there were roughly 9,900,000 U.S.-based Young Users (ages 0-17 years) on the platform as of 2022.<sup>33</sup> Roughly \$500 million in Facebook's ad revenue came from that cohort in the same year, while almost \$5 billion in ad revenue on Instagram was attributable to U.S.-based Young Users.<sup>34</sup> Upon information and belief, a portion of these income-generating Young Users reside in Nevada.

65. And because of his ownership stake in Meta, Zuckerberg is one of the wealthiest people in the world. In addition to financial success, Zuckerberg's role as Meta's CEO and Founder has made him a public figure able to exert significant influence not only over the Company, but also over society at large. In a private email exchange with



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### D. Social Media Use—and Ensuing Exposure to Harms—is Especially **Prevalent Among Young Users of Color.**

66. Research shows that a higher percentage of children of color in America use social media platforms—including Facebook—than their white counterparts.

67. A recent study by Pew, entitled Teens, Social Media and Technology 2023, reveals that Black and Hispanic teenagers between ages 13 and 17 spend more time on social media platforms than their white counterparts.<sup>36</sup>

68. According to that study, 55% of Hispanic teenagers and 54% of Black teenagers report generally being online "almost constantly," compared with 38% of their white teenage counterparts. 10

69. That study indicated that while only 2% of white children between the ages of 13 and 17 report being "almost constantly" on Facebook, the number doubles to 4% for Black children and further climbs to 5% for Hispanic children between the ages of 13 and 17.

70. Another study similarly found that Black and Hispanic children, ages 8 to 12, also use social media platforms more than their white counterparts.<sup>37</sup>

Researchers have found that due to lower income levels, Black and Hispanic 71. teenagers are less likely to have broadband access or computers at home, causing disproportionate reliance on smartphones and corresponding use of social media platforms.

72. Thus, while 95% of children between the ages of 13 and 17 have access to a 19 smartphone at home, having access to a home computer remains less common for those in 20 lower-income households. 21

Experts believe that internet usage among teenagers may be displacing other 73. 22 activities, including sports participation, in-person socializing, and reading, among other things. 23

- 24 <sup>36</sup> Pew Research Center, Teens, Social Media and Technology 2023 (Dec. 11, 2023), https://www.pewresearch.org/internet/2023/12/11/teens-social-media-and-technology-2023/ 25 (last visited Jan. 27, 2024).
- 26 <sup>37</sup> Rideout, V., Peebles, A., Mann, S., & Robb, M. B. (2022), The Common Sense Census: Media Use by Tweens and Teens, 2021, https://www.commonsensemedia.org/sites/default/ 27 files/research/report/8-18-census-integrated-report-final-web 0.pdf (last visited Jan. 27, 2024).

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#### E. Meta Directs Its Business Towards Nevada.

79. Notably, Meta allows advertisers to target Young Users based on their age and location,<sup>41</sup> and Facebook is popular among Young Users in Nevada.

80. While there is a dearth of publicly available granular data on Facebook usage by 4 age and State, a 2012 resource shows that 12% of all Facebook users in Nevada are between the ages of 13 and 17.42 6

81. And of course, Meta enriches itself by selling advertisements targeted to Nevada. 7 According to Meta's public advertising library, Meta regularly sells advertisements specific to 8 Nevada, and it allows businesses to target specific cities in Nevada.<sup>43</sup> All manner of Nevada 9 entities advertise on Facebook to reach a Nevada audience and expand their business in Nevada. 10 Some examples include:44 11





<sup>44</sup> Each of the following examples comes from a natural language search of Meta's "Ad Library" 26 tool, when enables users to "[s]earch all the ads currently running across Meta technologies," https://www.facebook.com/ads/library/?active status=all&ad type=political and issue ads& 27 country=US&media type=all (last visited Jan. 27, 2024).

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## Nevada Health Link



Outside Magazine, with Travel Nevada



and sells



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117. Several categories of engagement-optimizing design features are especially pernicious: Low-Friction Variable Rewards; Social Manipulation; Ephemeral Content; Push Notifications; and Harmful Filters. The State discusses each, in turn.

### 1. Low-Friction Variable Rewards: Endless Scroll, Autoplay, and Reels

The "Low-Friction Variable Reward" design element (also called the "Hook 118. Model"<sup>71</sup>) is a powerful cognitive manipulation principle, first identified by the psychologist B.F. Skinner in the early 20<sup>th</sup> Century.<sup>72</sup> It is premised on the observation that when test subjects—both humans and other animals—are rewarded unpredictably for a given action, they will engage in the action for a longer period of time than if the reward is predictable.<sup>73</sup> In his 10 testing, Skinner observed that lab mice responded voraciously to random rewards. The mice would press a lever and sometimes they would get a small treat, other times a large treat, and other times nothing at all. Unlike the mice that received the same treat every time, the mice that received variable rewards seemed to press the lever compulsively. 14

At a chemical level, this is because the brain generates more dopamine in 15 119. response to an uncertain reward than in response to an expected and reliable one.<sup>74</sup> The 16 tendency of variable rewards to drive compulsive behavior is sometimes referred to as the 17 "Vegas Effect," and is the primary mechanism at work in slot machines, keeping players sitting 18

them/ (last visited Jan. 27, 2024); Mike Brooks, The "Vegas Effect" of Our Screens, Psychol. 24 Today (Jan. 4, 2019), https://www.psychologytoday.com/us/blog/tech-happy-life/201901/thevegas-effect-our-screens (last visited Jan. 27, 2024). 25

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<sup>19</sup> <sup>71</sup> Bart Krawczyk, *What is the hook model? How to build habit-forming products*, Log Rocket Frontend Analytics (Dec. 2, 2022), https://blog.logrocket.com/product-management/what-is-20 the-hook-model-how-to-build-habit-forming-products/ (last visited Jan. 27, 2024).

<sup>21</sup> <sup>72</sup> B. F. Skinner, Two Types of Conditioned Reflex: A Reply to Konorski and Miller, 16 J. Gen. Psychology, 272-279 (1937), https://doi.org/10.1080/00221309.1937.9917951 (last visited Jan. 22 27, 2024).

<sup>&</sup>lt;sup>73</sup> Laura MacPherson, A Deep Dive into Variable Designs and How to Use Them, DesignLi 23 (Nov. 8, 2018), https://designli.co/blog/a-deep-dive-on-variable-rewards-and-how-to-use-

<sup>&</sup>lt;sup>74</sup> Anna Hartford & Dan J. Stein, Attentional Harms and Digital Inequalities, 9 JMIR Mental 26 Health 2, 3 (Feb. 11, 2022), https://pubmed.ncbi.nlm.nih.gov/35147504/ (last visited Jan. 27, 2024) ("At the level of our neural reward system, an uncertain reward generates a more 27 significant dopamine response than those generated by a reliable reward.").



scroll, a user can never predict what will come next or how interesting it will be. The user is rewarded at unpredictable intervals and levels with pieces of content they find funny, 2 entertaining, or otherwise interesting.<sup>76</sup> 3

122. Critically, the action required by the user is "low-friction" - that is to say, there 4 is little commitment required of the user beyond simply scrolling through the app. This enables 5 the user to engage in the pursuit of the next "rewarding" piece of content in perpetuity. 6

Facebook employs the endless scroll, supplying minor users with unpredictable 123. variable rewards by strategically and intermittently surfacing content that the respective platforms predict users will want to see. But Meta is not just making a "lucky" guess about the type of content that children- and others- would wish to engage. Rather its predictions are incredibly precise and "effective" as they are made because Facebook siphons private and personal user data to create individualized user "profiles"-including of children who uses the apps.

## Autoplay

ii.

124. Another form of navigation manipulation called "Autoplay," is similar to endless scrolling, and is especially prevalent on social media platforms, like Facebook, that provide video content for users. Simply put, video playback begins without any prompting from the user.

Meta deploys the Autoplay feature to keep Young Users on Facebook, 125. 19 automatically and continuously playing video content in their Feed and elsewhere and 20 encouraging Young Users to remain on the platform ad infinitum. 21

126. Autoplay takes a way a user's sense of control, increasing the chances of binge-22 watch or going down a "rabbit hole." Moreover, because there is no longer any user choice in 23 the interaction (Facebook chooses what videos will be played next), there is an increased risk 24 of children being exposed to inappropriate, harmful content. 25

26 GCFGlobal.org, Digital Media Why We *Literacy:* Can't Stop Scrolling, https://edu.gcfglobal.org/en/digital-media-literacy/why-we-cant-stop-scrolling/1/ (last visited 27 Jan. 27, 2024).

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Neurobiology 81 (2016)).

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There Heightened Sensitive to Social Reward in Adolescence?, 40 Current Opinion

Many social manipulation design features induce anxiety in children that they or 134. 1 their content may not be as popular as that of their peers. In the words of a Massachusetts high 2 school student who spoke with Common Sense Media, "[I]f you get a lot of likes, then 'Yay,' 3 you look relevant, but then if you don't get a lot of likes and/or views, it can completely crush 4 one's confidence. Especially knowing that you're not the only one who's able to see it."<sup>84</sup> Not 5 only are children spotting and seeing posts, but now they are obsessing over the popularity of 6 their posts and those of others. These factors all converge to create a feedback loop: because 7 children crave this social reinforcement, they seek it out, but ultimately children are unequipped 8 with the tools to protect themselves against the allure of "rewards" that these manipulative 9 social media designs purportedly promise. 10

# Quantified Popularity of a Minor's Account or Content

135. This design element "gamifies" a user's popularity by displaying (publicly, privately, or both) the number of friends or connections a user has, the number of interactions their content has received, and sometimes also the names or usernames of specific other users who have interacted with the user or their content. Metrics that may be displayed include views, likes, dislikes, reactions, and comments received on content.

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136. These tallies act as quantified proof of popularity and exploit children's natural tendency to pursue social relevance.

If children's posts get Likes, they feel validated, but the fewer Likes they get, the worse they feel.



















#### 3. Ephemeral Content

166. As research shows and Meta knows, Young Users are developmentally wired such that the fear of missing out ("FOMO") is a "repeatedly identified driver of smartphone and social media use[.]"<sup>139</sup> Meta induces constant engagement by making certain content ephemeral. This dovetails with a psychological concept identified by B.F. Skinner as "avoidance," meaning that an individual performs a behavior to avoid a negative outcome.<sup>140</sup>

7 167. Facebook utilizes avoidance as a design element by creating ephemeral posts,
8 called "Stories," which disappear 24 hours after being originally posted. Another example is
9 "Live," which gives users the ability to livestream videos to followers or the public.<sup>141</sup> When
10 an account "goes Live," the Facebook sends out a notification alerting users that a given account
11 has started a live video, encouraging the users to watch until the video ends.

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169. Because of the impermanence of Stories and Live, users are incentivized to check their Facebook feeds more often, and for longer periods, so as not to miss out on any posts that may soon vanish. A recent analysis correlated use of Stories with addiction:

Laura Marciano, Anne-Linda Camerini, Rosalba Morese, *The Developing Brain in the Digital Era: A Scoping Review of Structural and Functional Correlates of Screen Time in Adolescence*, Front. Psychol., Vol. 12 (Aug. 27, 2021) <u>https://www.frontiersin.org/articles/10.3389/fpsyg.2021.671817/full</u> (last visited Jan. 27, 2024).

<sup>140</sup> GameQuitters, Are Video Games Designed to Be Addictive?, <u>https://gamequitters.com/are-video-games-addictive/</u> (last visited Jan. 27, 2024).

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- <sup>141</sup> <u>https://www.facebook.com/formedia/tools/facebook-live</u> (last visited Jan. 27, 2024).
- 27

[U]ser engagement with Instagram Stories has a significant positive impact on psychological dependency, denoted by cognitive preoccupation and compulsive use of Instagram Stories. The literature has shown that a high level of engagement plays a predictive role in addictive use of Internet activities, and the findings of this study indicate that users who are highly engaged with Instagram Stories tend to become dependent on it. As users obtain a variety of gratifications from using Instagram Stories, they are likely to become more reliant on it, potentially leading to excessive use. ...[Further] it is clear that negative feelings exert an even stronger influence than pleasant feelings on the development of psychological dependency in the current context. On the one hand, the positive feelings that users experience from using Instagram Stories may reinforce their addictive patterns of its usage. On the other hand, because users may also experience negative emotions as a result of engaging in social interactions and self- and identity-related activities using Instagram Stories (e.g., unsuccessful self-promotion, missed opportunities, social comparison), they may become more dependent on the platform to help regulate and alter such mood states with the hope of bringing their affect back to optimal levels. However, this is alarming, as recent studies conducted by Facebook show that frequent use of Instagram could lead to detrimental effects on young users' mental health.143

170. Unlike content delivery systems that permit a user to view existing posts on a

schedule convenient for the user, ephemeral content is only available on a temporary basis-

incentivizing users to engage with the ephemeral content immediately.

172. Meta could make Live and Stories available for viewing days or weeks after they
are created, allowing Young Users to take meaningful breaks from its platforms (for instance,
during the school week or while on vacation) without missing content. Instead, Meta deploys
ephemeral content features because it knows Young Users' fear of missing out on content will

- <sup>143</sup> Jia-Dai (Evelyn) Lu, Jhih-Syuan (Elaine) Lin, *Exploring uses and gratifications and psychological outcomes of engagement with Instagram Stories*, Computers in Human Behavior Reports, Vol. 6 (May 2022), 100198, <u>https://www.sciencedirect.com/science/article/pii/S245195882200032X</u> (last visited Jan. 27, 2024) (internal citations omitted).
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4. Push Notifications: Audio, Visual, and Haptic Alerts

17 176. Meta causes Young Users to increase their time spent on its platforms by
inundating them with notifications when they are off Facebook, in an effort to entice them to
stop whatever else they are doing and return to engaging with social media. By default,
Facebook peppers users (including Young Users) with frequent alerts or notifications intended
to cause users to open the application.



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183. On September 30, 2021 while testifying before Congress, Meta executive
Antigone Davis denied that Meta contains features that promote eating disorders, stating: "[w]e
do not direct people towards content that promotes eating disorders. That actually violates our
policies, and we remove that content when we become aware of it. We actually use AI to find
content like that and remove it."

184. She also testified that for teen girls struggling with "loneliness, anxiety, sadness, and eating disorders," they "were more likely to say that Instagram was affirmatively helping them, not making it worse," and that Meta "work[s] with experts to help inform our product and policies" around eating disorders. Meta publishes this same statement in a section devoted to "[e]ating disorders" and "negative body image" in its "parent and guardian's guide to Instagram," which it makes available on its website.





















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240. Defendants have substantially injured Young Users by designing their platforms, including Facebook, to induce compulsive and excessive use, which interferes with important developmental processes and behaviors.

241. These injuries include Young Users' lack of sleep and related health outcomes, diminished in-person socialization skills, reduced attention, increased hyperactivity, selfcontrol challenges and interruption of various brain development processes.

### 1. Mental Health Harms

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13 242. Maximizing children's time and activities online is linked with worse 14 psychological well-being in children in concrete and serious ways that cannot be ignored in the 15 context of the current youth mental health crisis. Defendants have caused Young Users to 16 experience mental health harms, such as increased levels of depression and anxiety. In addition, 17 Defendants have caused Young Users to have diminished social capacity and other 18 developmental skills by virtue of the "opportunity cost" associated with devoting significant 19 time to social media, rather than partaking in other developmentally important, in-person life 20 experiences.

21 243. The United States Surgeon General's May 2023 Advisory, titled "Social Media
 22 and Youth Mental Health" (the "Advisory"), describes some of the harms caused by
 23 Defendants. <sup>206</sup> As the Advisory explains, "[a] Surgeon General's advisory is a public statement
 24 that calls the American people's attention to an urgent public health issue . . . Advisories are

<sup>25</sup>  $\frac{1}{205}$  Id.

 <sup>&</sup>lt;sup>206</sup> U.S. Dep't of Health & Hum. Servs., Social Media and Youth Mental Health: The U.S.
 <sup>207</sup> Surgeon General's Advisory 4 (2023), <u>https://www.hhs.gov/sites/default/files/sg-youth-mental-health-social-media-advisory.pdf</u> (last visited Jan. 27, 2024).

reserved for significant public health challenges that require the nation's immediate awareness
 and action.<sup>207</sup> According to the Surgeon General, Young Users' social media use is one such
 significant public health challenge.

4 244. As the Advisory explains, "[e]xcessive and problematic social media use, such
5 as compulsive or uncontrollable use, has been linked to sleep problems, attention problems, and
6 feelings of exclusion among adolescents."<sup>208</sup>

7 245. The Advisory also identifies "changes in brain structure," "altered neurological
8 development," "depressive symptoms, suicidal thoughts, and behaviors," "attention
9 deficit/hyperactivity disorder (ADHD,)" and "depression, anxiety and neuroticism," as
10 additional harms to Young Users associated with compulsive social media use.<sup>209</sup>



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1 Other studies examining the link between these increases found that adolescents who spent more 2 time on screen activities were significantly more likely to have high depressive symptoms or 3 have at least one suicide-related outcome, and that the highest levels of depressive symptoms 4 were reported by adolescents with high social media use and fewer in-person social 5 interactions.<sup>216</sup>

Fueled by social media addiction, youth suicide rates are up an alarming 57%.<sup>217</sup>
In the decade leading up to 2020, there was a 40% increase in high school students reporting
persistent sadness and hopelessness,<sup>218</sup> and a 36% increase in those who attempted to take their
own lives. In 2019, one in five high school girls had made a suicide plan.<sup>219</sup> By 2018, suicide
was the second leading cause of death for youth ages 10–24.<sup>220</sup>

254. Because of this shortage of psychiatrists and the extent of the youth mental health crisis fueled by social media addiction, the number of teens and adolescents waiting in

- Health & Hum. Servs. (Dec. 7, 2021), <u>https://www.hhs.gov/sites/default/files/surgeon-general-youth-mental-health-advisory.pdf</u> (last visited Jan. 27, 2024).
- $24 ||^{218} Id.$
- 25 219 Id.

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 <sup>16</sup> cyber.2019.0563 (last visited Jan. 27, 2024); Jean M. Twenge, et al., *Increases in Depressive Symptoms, Suicide-Related Outcomes, and Suicide Rates Among U.S. Adolescents After 2010 and Links to Increased New Media Screen Time*, 6 Clinical Psych. Sci. 3–17 (2017), https://doi.org/10.1177/2167702617723376 (last visited Jan. 27, 2024).

 <sup>&</sup>lt;sup>216</sup> Jean M. Twenge, et al., Increases in Depressive Symptoms, Suicide-Related Outcomes, and Suicide Rates Among U.S. Adolescents After 2010 and Links to Increased New Media Screen Time, 6 Clinical Psych. Sci. 3–17 (2017), <u>https://doi.org/10.1177/2167702617723376</u> (last visited Jan. 27, 2024); see also Anthony Robinson, et al., Social comparisons, social media addiction, and social interaction: An examination of specific social media behaviors related to major depressive disorder in a millennial population, Journal of Applied Biobehavioral Research (Jan. 8, 2019), <u>https://doi.org/10.1111/jabr.12158</u> (last visited Jan. 27, 2024).
 <sup>217</sup> Protecting Youth Mental Health: The U.S. Surgeon General's Advisory at 8, U.S. Dep't of

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 28</sup> AAP-AACAP-CHA Declaration of a National Emergency in Child and Adolescent Mental Health, Am. Acad. Pediatrics (Oct. 19, 2021), <u>https://www.aap.org/en/advocacy/child-and-adolescent-healthy-mental-development/aap-aacap-cha-declaration-of-a-national-emergency-in-child-and-adolescent-mental-health/</u> (last visited Jan. 27, 2024).

emergency rooms for mental health treatment for suicide nationwide tripled from 2019 to 2021.221

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#### 2. Harm to Body Image

Design features that maximize time spent on social media can also lead to 255. heightened exposure to negative body image-related content, which increases children's susceptibility to poor body image and, consequently, disordered eating. A study of data from 7th and 8th graders published in 2019 in the International Journal of Eating Disorders "suggest[ed] that [social media], particularly platforms with a strong focus on image posting and viewing, is associated with elevated [disordered eating] cognitions and behaviors in young adolescents."222 Personal stories from sufferers of disordered eating have highlighted the link to social media.<sup>223</sup>

Time spent on social media can harm children's body image and increase their 256. 12 susceptibility to disordered eating in multiple ways. First, visual social media platforms trigger 13 social comparison as children compare their appearance to others, including influencers. For 14 example, an exploratory study performed internally at Meta concluded that 66% of teen girls 15 on Instagram experienced negative social comparison, and 52% of those who experienced 16 negative social comparison attributed this experience to viewing images on the platform that 17 were related to beauty.<sup>224</sup> None of these findings was shared with the public. 18

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<sup>&</sup>lt;sup>221</sup> Stephen Stock et al., Children languish in emergency rooms awaiting mental health care, 20 CBS News (Feb. 27, 2023, 8:02 am), https://www.cbsnews.com/news/emergency-roomschildren-mental-health/ (last visited Jan. 27, 2024). 21

<sup>&</sup>lt;sup>222</sup> Simon M. Wilksch et al., The Relationship Between Social Media Use and Disordered 22 Eating in Young Adolescents, 53 Int. J. Eat. Disord. 96, 104 (2020).

<sup>&</sup>lt;sup>223</sup> See, e.g., Jennifer Neda John, Instagram Triggered My Eating Disorder, Slate (Oct. 14, 23 https://slate.com/technology/2021/10/instagram-social-media-eating-disorder-2021),

trigger.html (last visited Jan. 27, 2024); Clea Skopeliti, 'I Felt My Body Wasn't Good Enough': 24 Troubles Guardian Teenage with Instagram. The (Sept. 18. 2021). https://www.theguardian.com/society/2021/sep/18/i-felt-my-body-wasnt-good-enough-25 teenage-troubles-with-instagram (last visited Jan. 27, 2024).

<sup>26</sup> <sup>224</sup> Spence v. Meta Platforms, N.D. Cal. Case No. 3:22-cv-03294 at 9 (June 6, 2022) (citing Facebook Papers: "Teen Girls Body Image and Social Comparison on Instagram - An 27 Exploratory Study in the US" (March. 2020), at pg. 8).

257. The documents Frances Haugen shared with the Wall Street Journal in 2021 1 revealed that Facebook has been aware at least since 2019 that "[w]e make body image issues 2 worse for one in three teen girls."225 Haugen has explained how this becomes a vicious 3 feedback cycle for children: they feel bad about themselves so they go to social media for 4 distraction in order to self-soothe, only to end up seeing the type of posts that led to their anxiety 5 in the first place.<sup>226</sup> Negative self-comparison on social media is experienced by cisgender girls 6 and boys; specifically, boys feel pressure to lose weight and build muscle as a result of the 7 muscular men they see on social media platforms, including Meta's platforms. Eliot, a 17-year-8 old, told the New York Times, "Girls discuss those pressures more, but it's completely the same 9 for boys."227 10

258. Second, platforms use algorithms to deliver content related to topics or themes that the platform believes will maximize a user's time spent on the platform. These recommendation systems create "bubbles" or "rabbit holes" of content around a specific theme and also expose users to increasingly extreme content on a given topic.<sup>228</sup> This has proven true for negative body image and pro-eating disorder content.<sup>229</sup> Indeed, research shows that social media platforms' content selection algorithms have pushed disordered eating and harmful diet

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   <sup>225</sup> Georgia Wells et al., *Facebook Knows Instagram Is Toxic for Teen Girls, Company Documents Show*, W.S.J. (Sept. 14, 2021), <u>https://www.wsj.com/articles/facebook-knows-instagram-is-toxic-for-teen-girls-company-documents-show-11631620739</u> (last visited Jan. 27, 2024).
- 19 <sup>226</sup> Allison Slater Tate, Facebook Whistleblower Frances Haugen Says Parents Make 1 Big TODAY Mistake with Social Media, (Feb. 7, 2022, 7:06 PM EST). 20 https://www.today.com/parents/teens/facebook-whistleblower-frances-haugen-rcna15256 (last visited Jan. 27, 2024). 21
- 22 Alex Hawgood, *What Is 'Bigorexia'*?, N.Y. Times (Mar. 5, 2022, updated May 17, 2022), <u>https://www.nytimes.com/2022/03/05/style/teen-bodybuilding-bigorexia-tiktok.html</u> (last visited Jan. 27, 2024).
- <sup>23</sup>
   <sup>24</sup>
   <sup>28</sup> Fairplay, *Designing for Disorder: Instagram's Pro-eating Disorder Bubble* at 1 (Apr. 2022), <u>https://fairplayforkids.org/wp-content/uploads/2022/04/designing for disorder.pdf</u> (last visited Jan. 27, 2024); *Inside TikTok's Algorithm: A WSJ Video Investigation*, W.S.J. (July 21,
- 25 2021), <u>https://www.wsj.com/articles/tiktok-algorithm-video-investigation-11626877477</u> (last visited Jan. 27, 2024).
- <sup>26</sup> <sup>229</sup> Fairplay, *Designing for Disorder: Instagram's Pro-eating Disorder Bubble* at 6-7 (Apr. 2022), <u>https://fairplayforkids.org/wp-content/uploads/2022/04/designing for disorder.pdf</u> (last visited Jan. 27, 2024).

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techniques to teenage girls.<sup>230</sup> Girls who express an interest in dieting or dissatisfaction with their looks are bombarded with content targeted to these insecurities and often pushed to more extreme content such as pro-anorexia posts and videos. And because platforms know teenage girls disproportionately engage with this type of content,<sup>231</sup> even minor users who do not express interest in these topics are often delivered this content.

6 259. The harm that social media does to children's body image and eating habits has 7 been widely discussed in public discourse in recent months, but even as of the filing of this 8 Action, content depicting disordered eating remains widely available to children and profitable 9 to platforms,<sup>232</sup> and even popular among teens, who are exposed to more of it as they spend 10 more time online.

## 3. "Problematic" Internet Use

260. Maximizing time and activities online also fosters "problematic internet use" psychologists' term for excessive internet activity that exhibits addiction, impulsivity, or compulsion.<sup>233</sup> Indeed, the design features discussed in this Action plainly impede children's ability to put their devices down, even when they want to use them less. For example, a high school student told Common Sense Media,

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 <sup>21 &</sup>lt;sup>230</sup> See generally id.; Jim Waterson & Alex Hern, Instagram 'Pushes Weight-Loss Messages to Teenagers', The Guardian (Jul 19, 2021, 7:01 AM), <u>https://www.theguardian.com/society/</u>2021/jul/20/instagram-pushes-weight-loss-messages-to-teenagers (last visited Jan. 27, 2024).

 <sup>23 231</sup> See Fabrizio Bert et al., Risks and Threats of Social Media Websites: Twitter and the Proana Movement, 19 Cyberpsychology, Behav. Soc. Networking (Apr. 2016), <a href="https://pubmed.ncbi.nlm.nih.gov/26991868/">https://pubmed.ncbi.nlm.nih.gov/26991868/</a> (last visited Jan. 27, 2024).

 <sup>&</sup>lt;sup>232</sup> Fairplay, *Designing for Disorder: Instagram's Pro-eating Disorder Bubble* (Apr. 2022), https://fairplayforkids.org/wp-content/uploads/2022/04/designing for disorder.pdf (last visited Jan. 27, 2024).

 <sup>&</sup>lt;sup>26</sup>
 <sup>233</sup> Chloe Wilkinson et al., Screen Time: The Effects on Children's Emotional, Social, and Cognitive Development at 6 (2021), <u>https://informedfutures.org/screen-time/</u> (last visited Jan. 27, 2024).

One of the challenges I face with social media is getting off it. Once I get on, I have to really force myself off it because it's so addictive. All I'm doing is scrolling, but I'm subconsciously looking for an end so I can feel accomplished. But the scrolling never stops.<sup>234</sup>

Problematic internet use, in turn, is linked to a host of additional problems. For 261. example, in one study of 564 children between the ages of 7 and 15 spearheaded by the Child Mind Institute in New York, researchers found that problematic internet use was positively associated with depressive disorders, Attention Deficit Hyperactivity Disorder, general impairment, and increased sleep disturbances.<sup>235</sup> A meta-analysis of peer-reviewed studies involving cognitive findings associated with problematic internet use in both adults and adolescents found "firm evidence that PIU... is associated with cognitive impairments in motor 10 inhibitory control, working memory, Stroop attentional inhibition and decision-making."236 Another study of over 11,000 European adolescents found that among teens exhibiting problematic internet use, 33.5% reported moderate to severe depression; 22.2% reported selfinjurious behaviors such as cutting; and 42.3% reported suicidal ideation.<sup>237</sup> The incidence of 14 attempted suicide was also ten times higher for teens exhibiting problematic internet use than their peers who exhibited healthy internet use.<sup>238</sup>

<sup>234</sup> Katie Joseff, Social Media Is Doing More Harm than Good, Common Sense Media (Dec. 20 17, 2021), https://www.commonsensemedia.org/kids-action/articles/social-media-is-doingmore-harm-than-good (last visited Jan. 27, 2024). 21

- 23 <sup>236</sup> Konstantinos Ioannidis et al., Cognitive Deficits in Problematic Internet Use: Meta-Analysis of 40 Studies, 215 British Journal of Psychiatry 639, 645 (2019), https://pubmed.ncbi.nlm. 24 nih.gov/30784392/ (last visited Jan. 27, 2024).
- 237 Michael Kaess et al., Pathological Internet use among European adolescents: 25 psychopathology and self-destructive behaviours, 23 Eur. Child & Adolescent Psychiatry 1093, 1096 (2014), https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4229646/ (last visited Jan. 27, 26 2024).

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- <sup>238</sup> Id. 27
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<sup>&</sup>lt;sup>235</sup> Restrepo et al., Problematic Internet Use in Children and Adolescents: Associations with Disorders and Impairment. BMC Psychiatry *Psvchiatric* 20 252 22 (2020).https://doi.org/10.1186/s12888-020-02640-x (last visited Jan. 27, 2024).



- 267. Some teens set alarms in the middle of the night to remind them to check their notifications or complete video game tasks that are only available for a limited time.<sup>243</sup> 2
- 268. In addition, screen time before bed is known to inhibit academic performance in 3 children.244 4
- Teenagers who use social media for more than five hours per day are about 70% 269. 5 more likely to stay up late on school nights.<sup>245</sup> 6

270. A lack of sleep in teenagers has been linked to inability to concentrate, poor 7 grades, drowsy-driving incidents, anxiety, depression, thoughts of suicide, and even suicide 8 attempts.246 9

Decades of research have shown that more time online is consistently correlated 271. with children's risk of obesity, which in turn increases their risk of serious illnesses like diabetes, high blood pressure, heart disease, and depression.<sup>247</sup> Spending time online displaces time when children could be engaging in physical activity.<sup>248</sup> Further, when children spend more time online, they are exposed to more advertisements for unhealthy products.<sup>249</sup> which are

20 245 Heavy Social Media Use Linked to Poor Sleep, BBC News (Oct. 23, 2019), https://www.bbc.com/news/health-50140111 (last visited Jan. 27, 2024). 21

23 <sup>247</sup> Jeff Chester, et al., Big Food, Big Tech, and the Global Childhood Obesity Pandemic at 3 (2021), https://democraticmedia.org/assets/resources/full report.pdf (Last visited Jan. 27, 24 2024).

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<sup>17</sup> <sup>243</sup> Emily Weinstein & Carrie James, *Behind Their Screens: What Teens Are Facing (And Adults* Are Missing), MIT Press, at 31 (2022). 18

<sup>&</sup>lt;sup>244</sup> Chloe Wilkinson, et al., Screen Time: The Effects on Children's Emotional, Social, and Cognitive Development at 6 (2021), https://informedfutures.org/screen-time/ (last visited Jan. 19 27, 2024).

<sup>246</sup> Among teens, sleep deprivation an epidemic, Stanford News Ctr. (Oct. 8, 2015), https://med.stanford.edu/news/all-news/2015/10/among-teens-sleep-deprivation-an-22 epidemic.html (last visited Jan. 27, 2024).

<sup>&</sup>lt;sup>248</sup> E de Jong, et al., Association Between TV Viewing, Computer Use and Overweight, 25 Determinants and Competing Activities of Screen Time in 4- to 13-Year-Old Children, 37 Int'l

J. Obesity 47, 52 (2013), https://pubmed.ncbi.nlm.nih.gov/22158265/ (last visited Jan. 27, 26 2024).

<sup>&</sup>lt;sup>249</sup> Id. 27

heavily targeted toward children.<sup>250</sup> In addition, poor sleep quality —which, as discussed 1 above, is associated with problematic internet use-increases the risk of childhood obesity by 2 20%.<sup>251</sup> Broadly, the harms of social media use include increased rates of major depressive 3 episodes, anxiety, eating disorders, body image problems, sleep disturbances, suicidal ideation, 4 and suicide attempts.<sup>252</sup> 5

> 5. **Privacy Harms**

272. Design features that maximize children's time and activities online also exacerbate privacy harms. Like all users, children are tracked as they engage in online activities.<sup>253</sup> Data about what children do online is collected by a vast network that includes platforms, marketers, and third-party data brokers all over the world that use the information apps, websites, and other services collect and retain about children to profile them, make predictions about their choices, and influence their behavior. Children do not developmentally understand digital privacy. The constant surveillance they are subjected to as a result of these techniques is manipulative, limits creativity and experimentation, and perpetuates discrimination, substantially harming children and teens.

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<sup>&</sup>lt;sup>250</sup> Jeff Chester, et al., Big Food, Big Tech, and the Global Childhood Obesity Pandemic at 3 18 (2021). https://democraticmedia.org/assets/resources/full report.pdf (last visited Jan. 27, 2024). 19

<sup>&</sup>lt;sup>251</sup> Yanhui Wu, et al., Short Sleep Duration and Obesity Among Children: A Systematic Review 20 and Meta-Analysis of Prospective Studies, 11 Obesity Rsch. & Clinical Prac. 140, 148 (2015), https://pubmed.ncbi.nlm.nih.gov/27269366/ (last visited Jan. 27, 2024); Michelle A. Miller et

<sup>21</sup> al., Sleep Duration and Incidence of Obesity in Infants, Children, and Adolescents: A Systematic *Review and Meta-Analysis of Prospective Studies*, 41 Sleep 1, 15 <u>https://pubmed.ncbi.nlm.nih.gov/29401314/</u> (last visited Jan. 27, 2024). (2018).22

<sup>&</sup>lt;sup>252</sup> See, e.g., Jonothan Haidt & Jean Twenge, Social Media and Mental Health: A Collaborative 23 (New York University, unpublished manuscript), Review. tinyurl.com/ SocialMediaMentalHealthReview (last visited Jan. 27, 2024); Jacqueline Nesi et al., Handbook 24 of Adolescent Digital Media Use and Mental Health, Cambridge Univ. Press (2022).

<sup>25</sup> <sup>253</sup> See, e.g., Reyes, et al., "Won't Somebody Think of the Children?" Examining COPPA Compliance at Scale, 3 Proceedings on Privacy Enhancing Technologies 63, at 77 (2018), 26 https://petsymposium.org/2018/files/papers/issue3/popets-2018-0021.pdf (finding that out of 5,855 child-directed apps, roughly 57% were collecting personal information in potential 27

violation of the Children's Online Privacy Protection Act) (last visited Jan. 27, 2024).

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273. Invasion of privacy has been recognized as a common law tort for over a century. 1 See Matera v. Google Inc., 15-CV-0402, 2016 WL 5339806, at \*10 (N.D. Cal, Sept. 23, 2016) 2 (citing Restatement (Second) of Torts §§ 652A-I for the proposition that "the right to privacy 3 was first accepted by an American court in 1905, and 'a right to privacy is now recognized in 4 the great majority of the American jurisdictions that have considered the question"); see also, 5 Restatement (Second) of Torts § 652B and defining an intrusion claim as follows: "One who 6 intentionally intrudes, physically or otherwise, upon the solicitude or seclusion of another or his 7 private affairs or concerns, is subject to liability to the other for invasion of his privacy, if the 8 intrusion would be highly offensive to a reasonable person." 9



274. As Justice Brandeis explained in his seminal article, *The Right to Privacy*, "[t]he common law secures to each individual the right of determining, ordinarily, to what extent his thoughts, sentiments, and emotions shall be communicated to others." Samuel D. Warren & Louis Brandeis, *The Right to Privacy*, 4 HARV. L. REV. 193, 198 (1890). The Supreme Court similarly recognized the primacy of privacy rights, explaining that the Constitution operates in the shadow of a "right to privacy older than the Bill of Rights." *Griswold v. Connecticut*, 381 U.S. 479, 486 (1965).

275. More recently, the Supreme Court explicitly recognized the reasonable 17 expectation of privacy an individual has in her cell phone, and the Personal Data generated 18 therefrom, in its opinion in Carpenter v. United States, 138 S. Ct. 2206 (2018). There, the Court 19 held that continued access of an individual's cell phone location data constituted a search under 20 the Fourth Amendment because "a cell phone—almost a "feature of human anatomy[]"—tracks 21 nearly exactly the movements of its owner ... A cell phone faithfully follows its owner beyond 22 public thoroughfares and into private residences, doctor's offices, political headquarters, and 23 other potentially revealing locales . . . Accordingly, when the Government tracks the location 24 of a cell phone it achieves near perfect surveillance, as if it had attached an ankle monitor to the 25 phone's user." Id. at 2218 (internal citations omitted). 26
276. And, even more recently, the Northern District of California, in an order denying 1 a motion to dismiss an intrusion upon seclusion claim for the exfiltration of children's personal 2 data in different mobile apps, held that "current privacy expectations are developing, to say the 3 least, with respect to a key issue raised in these cases - whether the data subject owns and 4 controls his or her personal information, and whether a commercial entity that secretly harvests 5 it commits a highly offensive or egregious act." McDonald v. Kiloo ApS, 385 F. Supp.3d 1022, 6 1035 (N.D. Cal. 2019). The McDonald court's reasoning was subsequently adopted in the 7 District of New Mexico in analogous litigation. See New Mexico ex rel. Balderas v. Tiny Lab 8 Prods., 457 F. Supp. 3d 1103, 1127 (D.N.M. 2020), on reconsideration, No. 18-854 MV/JFR, 9 2021 WL 354003 (D.N.M. Feb. 2, 2021). 10

277. It is precisely because of Facebook's capacity for "near perfect surveillance" that 11 courts have consistently held that time-honored legal principles recognizing a right to privacy 12 in one's affairs naturally apply to online monitoring. Defendants' unlawful intrusion into their 13 minor users' privacy is made even more egregious and offensive by the fact that the Defendants 14 are targeting and collecting children's information, without obtaining parental consent. The 15 conduct described herein violates children's expectations of privacy, as well as a parent's 16 inherent right to protect his or her child and set the parameters of what, when, and how 17 information pertaining to the child will be obtained. Parents' interest in the care, custody, and 18 control of their children is perhaps the oldest of the fundamental liberty interests recognized by 19 society. The history of Western civilization reflects a strong tradition of parental concern for 20 the nurture and upbringing of children in light of children's vulnerable predispositions. Our 21 society recognizes that parents should maintain control over who interacts with their children 22 and how, in order to ensure the safe and fair treatment of their children. 23

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## 6. **Risk to Physical Safety**

278. Finally, Defendants' Facebook platform provides fertile ground for child 25 predators. The National Center on Sexual Exploitation has placed Meta on its "Dirty Dozen" 26 27

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list as recently as 2022, citing Facebook as one of the main contributors for facilitating child
 sexual abuse, sex trafficking, and the grooming of young children.<sup>254</sup>

3 279. In May 2021, the child protection non-profit Thorn published quantitative 4 research, based on data collected in 2020.<sup>255</sup> According to this report, Facebook ranked at 5 the top among platforms for various harms caused to minors. Thorn found the following 6 regarding harm on Facebook:

7 • 17% of surveyed minors reported having had a potentially harmful online
8 experience on Facebook.

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• 10% of all respondents said they have had an online sexual interaction, which includes being asked to send a nude photo or video, go 'on cam' with a sexually explicit stream, being sent a sexually explicit photo (of themselves or another child), or sexually explicit messages, etc.

280. Facebook is uniquely positioned to place children in contact with predators, without the knowledge of their parents, and to date, they have operated with flagrant disregard for the safety of their child users.

## IV. META ENGAGES IN DECEPTIVE CONDUCT BY OMITTING AND MISREPRESENTING MATERIAL FACTS ABOUT FACEBOOK.

281. Under the NDTPA, a business engages in deceptive conduct when its acts,
statements, or omissions have a capacity or tendency to deceive whether that is intentional or
not.<sup>256</sup>



































369. However, this is a false equivalency intended to sow confusion. As Meta well
 understands, the prevalence of community-standards-violating content, which is often quite
 low, is not the same as the actual prevalence of *harmful content*, which is rampant on Facebook.

370. The "community standards," which are drafted by Meta, address only a narrow
subset of harmful content; indeed, Meta purposely designed those standards narrowly so that
they are rarely violated.

7 371. This allows Meta to expressly represent that Facebook is safe due to enforcement
8 of these community standards. But this simply is artful misclassification—enabling Meta to
9 engage in a conversation that purposely excludes and ignores the larger swath of harmful
10 content on Facebook.

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Center—creates the impression that through the Reports, Meta is disclosing its information most relevant to the safety of Facebook and the incidence of harmful content on that platform. In other words, Meta posts these reports to its online Transparency Center so that users, parents, and guardians who visit that site will wrongly believe that Young Users are unlikely to experience harm on Facebook.

25 325
26 326 <u>https://transparency.fb.com/data/community-standards-enforcement/</u> (last visited Jan. 27, 2024).
27 327







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Facebook's head of integrity at the time, Meta's classifiers were reliable enough to remove
 only a low single-digit percentage of hate speech with any degree of precision."<sup>344</sup>

3 393. "There's a grading-your-own-homework problem," said Zvika Krieger, a former
director of responsible innovation at Meta who worked with the Well-Being Team. "Meta
defines what constitutes harmful content, so it shapes the discussion of how successful it is at
dealing with it."<sup>345</sup>

394. In other words, contrary to the impression the Reports created, Meta users in
general—and Young Users in particular—regularly encounter content related to self-harm,
bullying, and harassment on the Company's platforms. Through its Reports, Meta affirmatively,
drastically, and materially misrepresents the actual prevalence of such harms.







411. In that announcement, Meta acknowledged that it has "a responsibility to help
 people understand how much time they spend on [Meta] platforms so they can better manage
 their experience." Meta stated that it hopes "that these tools give people more control over the
 time they spend on our platforms and also foster conversations between parents and teens about
 the online habits that are right for them."<sup>357</sup>









433. In the opening remarks to her September 2021 Congressional testimony about
 the mental health effects of Meta's platforms, Antigone Davis—Meta's Global Head of
 Safety—told lawmakers: "We have put in place multiple protections to create safe and age appropriate experiences for people between the ages of 13 and 17."

434. During subsequent questioning from senators, Davis explained that "[w]hen it comes to those between 13 and 17, we consult with experts to ensure that our policies properly account for their presence, for example, by age-gating content." Davis added, Meta does not "allow young people to see certain types of content. And we have age gating around certain types of content."<sup>368</sup>

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435. Davis also specifically testified that Meta does not "direct people towards content that promotes eating disorders."<sup>369</sup>

436. Through Davis's testimony, Meta led the public to believe that Meta successfully age-gates content that is inappropriate or harmful for Young Users.





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478. Children under the age of 13 are particularly vulnerable to the harms caused by Defendants' social media platforms, and Meta's conduct violates longstanding societal norms meant to protect children, and to preserve parents' autonomy to ensure the same.

## CAUSES OF ACTION

## **COUNT I: DECEPTIVE ACTS OR PRACTICES BY DEFENDANTS** IN VIOLATION OF NEVADA'S DECEPTIVE TRADE PRACTICES ACT (N.R.S. §§ 598.0903 THROUGH 598.0999)

479. Plaintiff repeats and realleges the preceding paragraphs of this Complaint as if fully set forth herein.

480. The Attorney General is authorized to bring an action—independently in the name of the State as well as in a *parens patriae* capacity on behalf of the persons residing in Nevada—to remedy violations of the Deceptive Trade Practices Act. See, e.g., NRS 598.0963 and 598.0999.

481. At all times relevant herein, the Defendants violated the Nevada Deceptive Trade Practices Act, §§ 598.0903 to 598.0999, by repeatedly and willfully committing deceptive acts or practices, in the conduct of commerce, which are violations of the Act.

482. The Attorney General is authorized to bring an action in the name of the State to remedy violations of the Deceptive Trade Practices Act. NRS §§ 598.0999. This action is proper in this Court because Defendants are using, have used, and/or are about to use practices that are 18 unlawful under the Act. NRS § 598.0915(5). 19

483. Defendants willfully committed deceptive trade practices because of false 20 representations as well as omission of material facts. See NRS § 598.0915(5); see also §§ 21 598.0915(2) ("[k]knowingly makes a false representation as to the source, sponsorship, 22 approval or certification of goods or services for sale..."), 598.0915(3) ("[k]knowingly makes 23 a false representation as to affiliation, connection, association with or certification by another 24 person"), and 598.0915(15) ("[k]nowingly makes any other false representation in a 25 transaction"). 26

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1 484. Defendants acted knowingly under Nevada law, which states that under the 2 NDTPA, "'knowingly' means that the defendant is aware that the facts exist that constitute the 3 act or omission." *Poole v. Nev. Auto Dealership Invs., LLC*, 2019 Nev. App. LEXIS 4, \*2. 4 Similarly, "a 'knowing[]' act or omission under the NDTPA does not require that the defendant 5 intend to deceive with the act or omission, or even know of the prohibition against the act or 6 omission, but simply that the defendant is aware that the facts exist that constitute the act or 7 omission." *Id.* at \*8 (alteration original).

8 485. As set forth in Sections IV and V, *supra*, Defendants knowingly failed to
9 disclose the material facts concerning the true nature of the risks of harm posed to Young Users
10 on Facebook.

486. As set forth in Sections IV and V, *supra*, Defendants knowingly misrepresented to regulators and the public that Facebook was safe for Young Users, and prioritized the wellbeing of Young Users, when in fact Defendants knew that those representations were false.

487. As set forth in Sections IV and V, *supra*, Defendants, at all times relevant to this Complaint, willfully violated the Deceptive Trade Practices Act by committing deceptive trade practices by representing that Facebook "ha[s] ... characteristics, ... uses, [or] benefits" that it does not have. NRS § 598.0915(5).

488. As set forth in Sections IV and V, *supra*, Defendants willfully committed further
deceptive trade practices by causing confusion or misunderstanding as to the safety and risks
associated with the Facebook social media platform. NRS § 598.0915(2).

489. As set forth in Sections IV and V, *supra*, Defendants willfully committed further
deceptive trade practices by making "false representation as to [the] affiliation, connection,
association with or certification" of Facebook. NRS § 598.0915(3).

490. As set forth in Sections IV and V, *supra*, Defendants willfully committed further
deceptive trade practices by representing that Facebook was "of a particular standard, quality
or grade" (to wit, designed to be safe for Young Users), despite knowing that this was not true.
NRS § 598.0915(7).

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491. As set forth in Sections IV and V, *supra*, Defendants willfully committed further deceptive trade practices by representing that Facebook is safe and not harmful to Young Users' wellbeing when such representations were untrue, false, and misleading. NRS § 598.0915(15).

4 492. As set forth in Sections IV and V, *supra*, Defendants willfully committed further
5 deceptive trade practices by using exaggeration and/or ambiguity as to material facts and
6 omitting material facts, which had a tendency to deceive and/or did in fact deceive. NRS §
7 598.0915(15).

8 493. As set forth in Section V, *supra*, Defendants willfully committed further
9 deceptive trade practices by violating one or more laws relating to the sale or lease of goods or
10 services. NRS § 598.0923(1)(c).

494. As set forth in Sections IV and V, *supra*, Defendants willfully committed further deceptive trade practices by failing to disclose a material fact in connection with the sale or lease of goods or services. Nev. Rev. Stat. Ann. § 598.0923(1)(b).

495. As set forth in Sections IV, *supra*, Defendants willfully committed further deceptive trade practices by making false assertions of scientific, clinical or quantifiable facts in its advertisements and public statements which would cause a reasonable person to believe that such assertions were true. NRS § 598.0925(1)(a).

18 496. Defendants' deceptive representations, concealments, and omissions were
19 knowingly made in connection with trade or commerce, were reasonably calculated to deceive
20 the public and the State, were statements that may deceive or tend to deceive, were willfully
21 used to deceive the public and the State, and did in fact deceive the public and the State.

497. As described more specifically above, Defendants' representations,
concealments, and omissions constitute a willful course of conduct which continues to this day.
Unless enjoined from doing so, Defendants will continue to violate the Nevada Deceptive Trade
Practices Act.

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498. But for these representations, concealments, and omissions of material fact,
 Nevada's Young User citizens (and their families) would not have suffered the harms detailed
 herein.

4 499. Defendants' deceptive trade practices are willful and subject to a civil penalty 5 and equitable relief. NRS § 598.0999.

6 500. Because Defendants' deceptive trade practices are toward minors, Defendants
7 are subject to additional civil penalties and equitable relief. NRS § 598.09735.

8 501. Each exposure of a Nevada Young User to Facebook resulting from the
9 aforementioned conduct of each Defendant constitutes a separate violation of the Nevada
10 Deceptive Trade Practices Act.

502. Plaintiff, State of Nevada, seeks all legal and equitable relief as allowed by law, including *inter alia* injunctive relief and all recoverable penalties under all sections of the Deceptive Trade Practices Act including all civil penalties per each violation, attorney fees and costs, and pre- and post-judgment interest.

## COUNT II: UNCONSCIONABLE ACTS OR PRACTICES BY DEFENDANTS IN VIOLATION OF NEVADA'S DECEPTIVE TRADE PRACTICES ACT (N.R.S. §§ 598.0903 THROUGH 598.0999)

503. Plaintiff repeats and realleges the preceding paragraphs of this Complaint as if fully set forth herein.

19 504. The Attorney General is authorized to bring an action—independently in the
20 name of the State as well as in a *parens patriae* capacity on behalf of the persons residing in
21 Nevada—to remedy violations of the Deceptive Trade Practices Act. *See, e.g.*, NRS 598.0963
22 and 598.0999.

505. At all times relevant herein, Defendants violated the Nevada Deceptive Trade
Practices Act, §§ 598.0903 to 598.0999, by repeatedly and willfully committing unconscionable
trade practices, in the conduct of commerce, which are violations of the Act.

26 506. The Attorney General is authorized to bring an action in the name of the State to
 27 remedy violations of the Deceptive Trade Practices Act. NRS §§ 598.0999. This action is proper

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in this Court because Defendants are using, have used, and/or are about to use practices that are 1 unlawful under the Act. NRS § 598.0915(5). 2

507. As set forth in Sections I-III, supra, Defendants willfully committed 3 unconscionable trade practices in designing and deploying the Design Elements on the 4 Facebook social media platform. Such conduct violates the NDTPA's prohibition of knowingly 5 using "an unconscionable practice in a transaction." NRS § 598.0923(1)(e). 6

508. Defendants acted knowingly under Nevada law, which states that under the NDTPA, "knowingly' means that the defendant is aware that the facts exist that constitute the act or omission." Poole v. Nev. Auto Dealership Invs., LLC, 2019 Nev. App. LEXIS 4, \*2. Similarly, "a 'knowing] ' act or omission under the NDTPA does not require that the defendant 10 intend to deceive with the act or omission, or even know of the prohibition against the act or omission, but simply that the defendant is aware that the facts exist that constitute the act or omission." Id. at \*8 (alteration original).

509. The Design Elements identified in Sections I-III, supra, are "unconscionable trade practices" because they (1) "[t]ake[] advantage of the lack of knowledge, ability, experience or capacity of the consumer to a grossly unfair degree;" and (2) "[r]esult[] in a gross disparity between the value received and the consideration paid, in a transaction involving transfer of consideration." NRS § 598.0923(2)(b)(1)-(2).

510. NRS § 598.0923(2)(b)(1): As discussed, *supra*, the Design Elements represent a 19 vast asymmetry in sophistication and knowledge between Defendants, on the one hand, who 20 have devoted extensive time, energy, and resources in identifying ways in which Young Users 21 may be manipulated and exploited into compulsive use of Facebook; and Young Users (and 22 their caretakers), on the other hand, who do not-and could not be expected to-have the same 23 fundamental and sophisticated knowledge of behavioral psychology, biology of young people, 24 and social media platform design principles. This asymmetry in knowledge is compounded by 25 the fact that Defendants knowingly and intentionally hide, obscure, or minimize critical 26

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information, preventing public access to anything that might be damaging to their reputation and that would alert the public to the harms identified herein. 2

511. NRS § 598.0923(2)(b)(2): Further, as discussed, supra, use of the Facebook platform is a transaction that involves consideration (exemplified by the fact that Defendants 4 seek to bind Young Users to, *inter alia*, a contract in the form of Facebook's Terms of Use). 5 Due to the harms identified herein that afflict Young Users as a result of using Facebook, and 6 which are the result of the Design Elements deployed by Facebook for purposes of inducing 7 compulsive use of the platform, the disparity between the value received and the consideration 8 paid is so vast as to be unconscionable. 9

As described more specifically above, Defendants' conduct is willful and 512. continues to this day. Unless enjoined from doing so, Defendants will continue to violate the Nevada Deceptive Trade Practices Act.

513. But for this unconscionable conduct, Nevada's Young User citizens would not have suffered the harms detailed herein.

514. Defendants' unconscionable practices are willful and subject to a civil penalty and equitable relief. NRS § 598.0999.

515. Because Defendants' unconscionable practices are toward minors, Defendants 17 are subject to additional civil penalties and equitable relief. NRS § 598.09735. 18

516. Each exposure of a Nevada Young User to Facebook resulting from Defendants' 19 aforementioned conduct constitutes a separate violation of the Nevada Deceptive Trade 20 Practices Act. 21

517. Plaintiff, State of Nevada, seeks all legal and equitable relief as allowed by law, 22 including inter alia injunctive relief and all recoverable penalties under all sections of the 23 Nevada Deceptive Trade Practices Act including all civil penalties per each violation, attorney 24 fees and costs, and pre- and post-judgment interest. 25

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**COUNT III: PRODUCT LIABILITY – DESIGN DEFECT** 1 518. Plaintiff repeats and realleges the preceding paragraphs of this Complaint as if 2 fully set forth herein. 3 519. The Attorney General is authorized to bring an action-independently in the 4 name of the State as well as in a parens patriae capacity on behalf of the persons residing in 5 Nevada—to remedy violations of Nevada law. 6 520. Defendants created and maintain Facebook, and therefore are manufacturers of 7 Facebook. 8 521. As set forth in Sections I-III, *supra*, Facebook has a design defect (the Design 9 Elements) that renders it unreasonably dangerous. Specifically, Facebook failed to perform in 10 the manner reasonably to be expected in light of its nature and intended function and was more 11 dangerous than would be contemplated by the ordinary user having the ordinary knowledge 12 kjc@kempjones.com available in the community. 13 522. As set forth in Sections I-III, *supra*, the defect existed at all times relevant hereto, 14 including the time the product left the manufacturer (*i.e.*, Defendant). 15 523. As set forth, supra, the defect caused injury to Young Users in Nevada. 16 524. As a result of Defendants' conduct, the State is entitled to-and does-seek 17 damages (including punitive damages) in an amount to be proven at trial. 18 **COUNT IV: PRODUCT LIABILITY – FAILURE TO WARN** 19 525. Plaintiff repeats and realleges the preceding paragraphs of this Complaint as if 20 fully set forth herein. 21 526. The Attorney General is authorized to bring an action—independently in the 22 name of the State as well as in a parens patriae capacity on behalf of the persons residing in 23 Nevada-to remedy violations of Nevada law. 24 527. Defendants created and maintain Facebook, and therefore are a manufacturer of 25 Facebook. 26 27 28 112

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528. As set forth in Sections I-V, supra, Facebook has a defective warning that renders it unreasonably dangerous. Any and all representations, misrepresentations, and omissions made in relation thereto that Defendants made regarding the suitability and safety of Facebook for Young Users have not been accompanied by suitable and adequate warnings concerning its safe and proper use.

529. As set forth in Sections I-V, supra, Defendants had reason to anticipate that a 6 particular use of Facebook-*i.e.*, its use by Young Users-may be dangerous without such 7 warnings. 8

530. As set forth in Sections I-V, supra, any warnings that Defendants made in connection with Young Users' use of Facebook was not (1) designed so it can reasonably be expected to catch the attention of the consumer; (2) be comprehensible and give a fair indication of the specific risks involved with the product; and (3) be of an intensity justified by the magnitude of the risk.

531. As set forth in Sections I-V, *supra*, the defective warning existed at all times relevant hereto, including the time the product left the manufacturer (i.e., Defendants).

As set forth in Sections I-V, supra, the defect caused injury to Young Users in 532. Nevada.

533. As a result of Defendants' conduct, the State is entitled to-and does-seek 18 damages (including punitive damages) in an amount to be proven at trial. 19

**COUNT V: NEGLIGENCE** 

534. Plaintiff repeats and realleges the preceding paragraphs of this Complaint as if 21 fully set forth herein. 22

535. The Attorney General is authorized to bring an action-independently in the 23 name of the State as well as in a *parens patriae* capacity on behalf of the persons residing in 24 Nevada-to remedy violations of Nevada law. 25

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536. Defendants had and continue to have a duty to exercise reasonable care in
 designing, implementing, maintaining, and otherwise introducing Facebook into the stream of
 commerce.

537. This duty of reasonable care extends to Young Users in the State of Nevada.

538. As set forth in Sections I-V, *supra*, Defendants breached that duty.

6 539. As a result of Defendants' breach of that duty, Young Users in Nevada have
7 been injured.

540. Defendants' conduct was the legal cause of that injury.

9 541. As set forth in Sections I-V, *supra*, Defendants' conduct was willful, wanton,
10 malicious, reckless, oppressive, and/or fraudulent.

542. Plaintiff, the State of Nevada, seeks all legal and equitable relief as allowed by law, including *inter alia* injunctive relief, restitution, disgorgement of profits, compensatory and punitive damages, and all damages allowed by law to be paid by the Defendants, attorney fees and costs, and pre- and post-judgment interest.

# **COUNT VI: UNJUST ENRICHMENT**

543. Plaintiff repeats and realleges the preceding paragraphs of this Complaint as if fully set forth herein.

18 544. The Attorney General is authorized to bring an action—independently in the
19 name of the State as well as in a *parens patriae* capacity on behalf of the persons residing in
20 Nevada—to remedy violations of Nevada law.

545. Young Users in the State of Nevada have conferred a benefit on Defendants in
the form of being a monetizable audience (providing not just an opportunity for Defendants to
sell advertisements, but also for Defendants to acquire sensitive and valuable personal data
associated with Young Users; as well as for all other reasons that Defendants have described a
monetary value to Young Users).

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- 546. Defendants knew of the benefits conferred.
- 547. Defendants accepted the benefits conferred.
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548. It would be unjust to allow Defendants to retain the benefits conferred without paying their reasonable value.

## PRAYER FOR RELIEF

Wherefore, Plaintiff respectfully prays that the Court grant the following relief:

A. On the First Cause of Action, Judgment in favor of the State and against Defendants declaring that all acts and omissions of the Defendants described in this Complaint 6 constitute multiple, separate violations of the Deceptive Trade Practices Act and that thereby 7 Defendants willfully and knowingly violated the Nevada Deceptive Trade Practices Act, NRS 8 §§ 598.0903 to 598.0999; 9

B. On the Second Cause of Action, Judgment in favor of the State and against Defendants declaring that all acts and omissions of the Defendants described in this Complaint constitute multiple, separate violations of the Deceptive Trade Practices Act and that Defendants willfully and knowingly violated the Nevada Deceptive Trade Practices Act, NRS §§ 598.0903 to 598.0999;

С. On the Third Cause of Action, Judgment in favor of the State and against Defendants that Defendants' challenged social media platform contains one or more design defects that caused damages as alleged herein;

D. On the Fourth Cause of Action, Judgment in favor of the State and against 18 Defendants that Defendants failed to provide adequate warnings about the challenged social 19 media platform and that failure caused damages as alleged herein; 20

E. On the Fifth Cause of Action, Judgment in favor of the State and against 21 Defendants that Defendants' negligence caused damages as alleged herein; 22

F. On the Sixth Cause of Action, Judgment in favor of the State and against 23 Defendants that Defendants were unjustly enriched as alleged herein; 24

G. That Plaintiff recover all measures of damages allowable under all applicable 25 State statutes and the common law, but in any event more than \$15,000, that Judgment be 26

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entered against Defendants in favor of Plaintiff, and requiring that Defendant pay punitive damages;

H. That Defendants be ordered to pay civil penalties pursuant to the Deceptive
Trade Practices Act including disgorgement and civil penalties of up to \$15,000 for each
violation of the Deceptive Trade Practices Act, and up to \$25,000 for each violation of the
Deceptive Trade Practices Act directed toward a minor person;

7 I. That Plaintiff be awarded all injunctive, declaratory, and other equitable relief
8 appropriate and necessary based on the allegations herein;

J. That, in accordance with the Nevada Deceptive Trade Practices Act, Defendants, their affiliates, successors, transferees, assignees, and the officers, directors, partners, agents, and employees thereof, and all other persons acting or claiming to act on their behalf or in concert with them, be enjoined and restrained from in any manner continuing, maintaining, or renewing the conduct, alleged herein in violation of the above stated Nevada laws, or from entering into any other act, contract, or conspiracy having a similar purpose or effect;

K. That Plaintiff recover the costs and expenses of suit, pre- and post-judgment interest, and reasonable attorneys' fees as provided by law; and

L. That the Court order such other and further relief as the Court deems just, necessary, and appropriate.

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