

March 20, 2018

Facebook, Inc.
Corporate Secretary
1601 Willow Road
Menlo Park, CA 94025

Registered Agent for Facebook
Corporation Service Company
251 Little Falls Drive
Wilmington, Delaware 19808

**Re: Demand of Ronald A. Fein for Inspection of Books and Records
pursuant to Del. Code Ann. tit. 8, § 220**

Dear Corporate Secretary:

Enclosed please find a demand for inspection of Facebook, Inc.'s books and records on behalf of Mr. Ronald A. Fein pursuant to his rights as a stockholder under Del. Code Ann. tit. 8, § 220. Mr. Fein has signed a power of attorney authorizing me and Free Speech For People to act on his behalf regarding any questions you may have about the demand for inspection of books and records.

If you have any questions please contact me at the address, phone number, or email listed below.

Best,



Shanna Cleveland
Senior Counsel
1340 Centre Street
Suite 209
Newton, MA 02459
617-564-0672
scleveland@freespeechforpeople.org

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Menlo Park, CA 94025

Registered Agent
Corporation Service Company
251 Little Falls Drive
Wilmington, Delaware 19808

Re: Inspection of books and records pursuant to 8 Del. C. § 220

Dear Corporate Secretary:

I, the undersigned, Ronald A. Fein, am the holder of one share of the common stock of Facebook, Inc. Attached hereto is a true and correct copy of a brokerage statement from Merrill Lynch showing that I own one share of Facebook, Inc. The brokerage statement has been redacted to remove my home address and account number as they do not pertain to this request.

I. Demand for Inspection of Books and Records

As a common stockholder of the Company, I hereby demand the opportunity to inspect and makes copies of the following books and records of the Company:

- 1) All documents related to any requests or agreements with Global Science Research and/or Aleksandr Kogan and/or Cambridge Analytica and/or Eunoia Technologies, Inc. and/or Christopher Wylie regarding the use of an app or apps on the Facebook platform. This should include, but is not limited to any contracts, terms of service agreements, correspondence or other communications regarding the use of any data collected through the app, and any communications regarding the types of data that a user may expect to collect by reaching an agreement with Facebook.
- 2) All documents relating to the improper harvesting of Facebook user data by third parties including, but not limited to, SCL Group, Cambridge Analytica, Global Science Research, Eunoia Technologies, Inc., Christopher Wylie, and/or Aleksandr Kogan from January 1, 2014 to the present. This should include, but is not limited to:
 - a. any documents regarding internal investigations (whether conducted by Facebook employees or independent contractors) of the harvesting of Facebook user data by any of these entities, any documents regarding concerns raised by any Facebook employees about potential or actual harvesting of user data by such third parties, any reports on the scope of data harvested, and any communications with third parties suspected of improperly harvesting data or using it improperly;
 - b. the results of any audits, investigations, or reports regarding the targeting of Facebook user data for the purpose of influencing the 2016 presidential election;

- c. any communications with federal, state, or local agencies or governments regarding the improper harvesting of Facebook user data by third parties for the purpose of influencing the 2016 presidential election.
 - d. Any documents indicating any advice or opinions obtained by Facebook regarding whether the terms of service or agreements reached with third parties to access Facebook user data could subject the company to legal action by users for violations of Facebook’s privacy policy or any state or federal laws regarding digital privacy or breaches of digital privacy.
- 3) All documents related to any plans, proposals, or pitches by Facebook or any of its employees, representatives, or agents to political campaigns or consultants to political campaigns to use Facebook to target advertisements, messages, or surveys to specific Facebook users.
 - 4) Any documents prepared by Facebook or its employees or agents regarding the potential for using, selling, or harvesting Facebook user data for use by political campaigns.
 - 5) Any documents demonstrating what, if any information, was relayed to the board of directors regarding potential risks or liability related to allowing third party app developers to access Facebook user information.
 - 6) Any documents demonstrating what, if any consideration, the board or senior management has given as to how to ensure that when third parties are given access to Facebook user data under specified terms and conditions they comply with those terms and conditions.
 - 7) Any documents demonstrating what, if any consideration, the board or senior management has given to how improper harvesting of user data could affect the value of the corporation.
 - 8) Any documents regarding what, if any investigation or consideration, has been given by the Board or senior management to the impacts of entering into agreements with Global Science Research, Cambridge Analytica, or political consultants or campaigns on the following risk factors described in Facebook’s 2018 annual report at page 13:
 - a. “[i]f events occur that damage our reputation and brands, our ability to expand our base of users, marketers, and developers may be impaired, and our business and financial results may be harmed.”
 - b. “Security breaches and improper access to or disclosure of our data or user data, or other hacking and phishing attacks on our systems, could harm our reputation and adversely affect our business.”¹
 - 9) Any documents regarding Facebook’s recent claim that “[w]hen we learned of this violation in 2015, we removed [Kogan’s] app from Facebook and demanded certifications from Kogan and all parties he had given data to that the information had been destroyed. Cambridge Analytica, Kogan and Wylie all certified to us that they destroyed the data.”²

¹ Facebook, Inc., 2018 Annual Report, Form 10-K (Feb. 1, 2018) <https://goo.gl/UUuhBo>.

² Paul Grewal, VP & Deputy General Counsel, “Suspending Cambridge Analytica and SCL Group from Facebook,” Facebook (Mar. 16, 2018) <https://newsroom.fb.com/news/2018/03/suspending-cambridge-analytica/>.

- 10) Any documents regarding what, if any consideration, was given by the board, its Audit Committee, or senior management regarding whether to include information about its 2015 discovery of the misuse of Facebook user data by Kogan, Cambridge Analytica, Eunoia, and Wylie in any of its financial reporting.
- 11) Any documents regarding whether and how to notify affected users of the misuse of their data by Global Science Research, Cambridge Analytica, Eunoia Technologies, Inc., Kogan, and Wylie when Facebook discovered it in 2015, and any notifications sent to affected users regarding the improper sharing of their data by the above referenced entities.
- 12) Any documents regarding whether and how Facebook made changes to its platform, processes, and agreements with app users following the discovery that user data had been misused by Global Science Research in 2015.
- 13) Any documents, including emails, from or to Facebook's chief information security officer, Alex Stamos, regarding how to prevent the improper harvesting and misuse of Facebook user data by third party apps or by political campaigns or consultants.
- 14) Any reports from Facebook's chief information security officer, Alex Stamos, to other senior management, the board, or the audit committee regarding potential security breaches, violations of privacy policies, or misuse of user data related to the 2016 presidential election or the upcoming 2018 elections.
- 15) Any recommendations from employees, senior management, or the board regarding disclosure of potential security breaches, hacking of user data, violation of privacy policies or terms of service, or misuse of user data related to the 2016 presidential election or the upcoming 2018 elections and/or the potential impacts of disclosure or failure to disclose such information upon the value of the company.
- 16) Any analysis of whether the misuse of data by Global Science Research, Cambridge Analytica, or its employees may have violated Facebook's 2011 consent decree with the Federal Trade Commission and the scope of potential fines and/or liability associated with a violation.

II. Proper Purpose of Request

I, the undersigned state that the inspection is sought for a proper purpose which is to allow me to investigate the actions of Facebook's senior management and board with respect to the Company's admission that Global Science Research, Cambridge Analytica and Eunoia Technologies, Inc. misused Facebook user data; whether Facebook's senior management or board of directors engaged in mismanagement, wrongdoing, or breach of fiduciary duties in dealing with the misuse of user data by Global Science Research, Cambridge Analytica and Eunoia Technologies, Inc., and whether this mismanagement, wrongdoing, or breach of fiduciary duties may have occurred with respect to other third parties that Facebook entered into agreements with regarding the acquisition of Facebook user data between 2014 and the present.

I want to ensure that the Company is not harmed in this process and thus will agree to enter into an appropriate confidentiality agreement regarding the documents he will inspect, but insists that such agreement contains a provision allowing a court to order that I may make public documents

that are not truly confidential, or that contain information of which the stockholders should be aware. I am also willing to discuss and refine in good faith the categories of documents sought.

The background to this demand is as follows. Facebook has been under scrutiny for the role that misuse of its platform and acquisition of Facebook user data by third parties may have played in influencing the 2016 presidential election.³ Over the course of the inquiry into the impacts that Russian interference may have had, Facebook's statements about the scope of Russian advertising and use of Facebook profiles have shifted and changed multiple times, damaging management's credibility.⁴ Facebook acknowledged this scrutiny and its impacts in its 2017 Fourth Quarter Earnings call, admitting: "We've seen abuse on our platform, including interference from nation states, the spread of news that is false, sensational and polarizing, and debate about the utility of social media."⁵ Facebook also acknowledged the importance of the potential damage to its brand and reputation from claims about "Russian interference" in its 2018 annual report, and Facebook explicitly highlighted the risk that security breaches, improper access of or improper disclosure of its data or user data could have an adverse impact on its business and harm its reputation.⁶ Nonetheless, Facebook's senior management and board now appear to be engaged in a similar response to equally disturbing allegations about misuse of user data.

On Friday, March 16, 2018 multiple news outlets reported that a whistleblower from Cambridge Analytica had documentary evidence showing that Facebook user data that had been acquired by Global Science Research through an arrangement with Facebook had been improperly shared with Cambridge Analytica and used by the campaign of Donald J. Trump to target Facebook users and influence the 2016 presidential election.⁷ Facebook has since issued a statement

³ Mike Isaac and Daisuke Wakabayashi, "Russian Influence Reached 126 Million Through Facebook Alone," New York Times (Oct. 30, 2017) <https://goo.gl/oXJ5Wf>; Leslie Shapiro, "Anatomy of a Russian Facebook ad," Washington Post (Nov. 1, 2017) <https://goo.gl/EZxDtA>; Jonathan Allen, "Facebook's General Counsel to Testify to Congress in Russia Probe," (Oct. 18, 2017) <https://goo.gl/D346iQ>.

⁴ Sheera Frenkel, "Fact-Checking a Facebook Executive's Comments on Russian Interference," New York Times (Feb. 19, 2018) <https://goo.gl/4feh4K>; Brett Molina, "Facebook and Russian election interference; some Americans say Facebook should be fined," USA Today (Feb. 18, 2018) <https://goo.gl/KvaS1G>; Brennan Weiss, "From 'crazy' to 'regret'—here's how Facebook's positions on Russian interference evolved over time," Business Insider (Nov. 1, 2017) <http://www.businessinsider.com/facebook-changing-statements-russian-meddling-2016-election-2017-11>.

⁵ Mark Zuckerberg, "Transcript of Fourth Quarter and Full Year 2017 Results Conference Call," Facebook, Inc. (Jan. 31, 2018) <https://goo.gl/QC4cEv>.

⁶ *Supra* note 1 at 13 ("We will also continue to experience media, legislative, or regulatory scrutiny of our decisions regarding user privacy, content, advertising, and other issues, which may adversely affect our reputation and brands. For example, we previously announced our discovery of certain ads and other content previously displayed on our products that may be relevant to government investigations relating to Russian interference in the 2016 U.S. presidential election. We also may fail to respond expeditiously to the sharing of objectionable content on our services or objectionable practices by advertisers, or to otherwise address user concerns, which could erode confidence in our brands.").

⁷ Carole Cadwalladr and Emma Graham-Harrison, "Revealed: 50 million Facebook profiles harvested for Cambridge Analytica in major data breach," The Guardian (Mar. 17, 2018) <https://goo.gl/3Kkd42>; Carole Cadwalladr and Emma Graham-Harrison, "How Cambridge Analytica turned Facebook 'likes' into a lucrative political tool," The Guardian (Mar. 17, 2018) <https://goo.gl/oXT1qr>; Elizabeth Dwoskin, "Facebook bans Trump campaign's data analytics firm for taking user data," The Washington Post (Mar. 16, 2018) <https://goo.gl/VWYLtS>; Matthew Rosenberg, et al., "How Trump Consultants Exploited the Facebook Data of Millions," New York Times (Mar. 17, 2018) <https://goo.gl/bG3d3X>.

suspending Cambridge Analytica and SCL Group from Facebook and explaining that as early as 2015, Facebook knew that Global Science Research's principal, Dr. Aleksander Kogan, had violated its terms of service by passing user data to SCL/Cambridge Analytica and a firm known as Eunoia Technologies, Inc.⁸ While Facebook stated that 270,000 users downloaded the app that was used to harvest this data,⁹ the news reports indicate that information may have been collected on as many as 50 million Facebook users.¹⁰ Facebook did not indicate in its statement whether it took or has since taken any actions to notify users whose information had been improperly shared as a result of this violation of its terms.

Facebook's shares reportedly fell by as much as 8 percent on Monday after reports of the improper data mining.¹¹ Lawmakers in the U.S. and in the U.K. are calling for investigations, and questions abound regarding when Facebook first knew of the improper sharing of user data and what measures were taken by senior management and the board to address the risks associated with such actions. Reports have now surfaced that the chief of data security may leave the company,¹² and questions are being raised about whether the improper sharing of user data could have violated an existing consent decree between Facebook and the Federal Trade Commission.¹³

These reports and Facebook's public statements and actions regarding the improper sharing of data by Global Science Research form a credible basis for concerns that the senior management and board may have engaged in mismanagement, wrongdoing, and breaches of their fiduciary duties to shareholders.

⁸ Paul Grewal, VP & Deputy General Counsel, "Suspending Cambridge Analytica and SCL Group from Facebook," Facebook (Mar. 16, 2018) <https://newsroom.fb.com/news/2018/03/suspending-cambridge-analytica/>.

⁹ *Id.*

¹⁰ *Supra* note 7.

¹¹ Arjun Kharpal, "Facebook shares slump amid continued fallout from Cambridge Analytica scandal," CNBC (Mar. 19, 2018) <https://goo.gl/GZp2xZ>; Reuters, "Facebook shares get hammered on Cambridge Analytica reports," (Mar. 19, 2018) New York Post <https://goo.gl/2Mt43t>.


¹² Nicole Perloth, et al., "Alex Stamos, Facebook Data Security Chief, To Leave Amid Outcry," New York Times (Mar. 19, 2018) <https://goo.gl/i6nySV>.

¹³ David Shepardson and Kate Holton, "FTC to investigate Facebook over use of personal data: report," Reuters (Mar. 20, 2018) <https://goo.gl/kov1qs>.

III. Conclusion

The undersigned hereby authorizes Shanna Cleveland, Senior Counsel of Free Speech For People and any of Free Speech For People's agents or representatives designated by Shanna Cleveland, acting together, singly, or in combination, as its agent, to conduct the inspection and copying requested herein and otherwise act on behalf of the undersigned pursuant to the attached power of attorney. Please direct any communications or inquiries to Shanna Cleveland, Free Speech for People, 1340 Centre Street, Suite 209, Newton, MA 02459, telephone 617-564-0672.

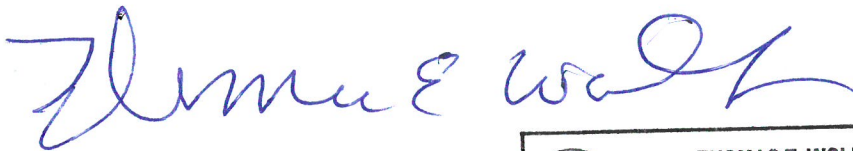
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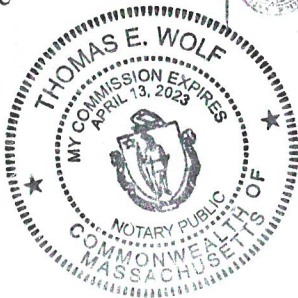
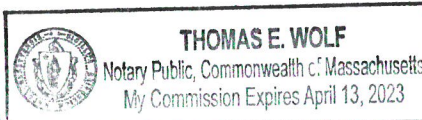
Ronald A. Fein
Shareholder

3/20/2018
Date

Signed and sworn to before me under penalty of perjury this 20 day of March 2018.



Notary public



Power of Attorney

The undersigned does hereby make, constitute, and appoint: Shanna Cleveland, Senior Counsel of Free Speech for People; and their respective partners, associates, employees and any other person designated by any of them, his true and lawful attorneys-in-fact and agents for him in their names, places and steads giving and granting unto said attorneys and agents full power and authority to act on his behalf, as a stockholder of Facebook, Inc., to seek the production and to engage in the inspection and copying of records and documents of every kind and description.

The undersigned reserves all rights on his part to do any act which said attorneys hereby are authorized to do or perform. This Power of Attorney may be terminated by each of the undersigned or said attorneys by written notice to the other.

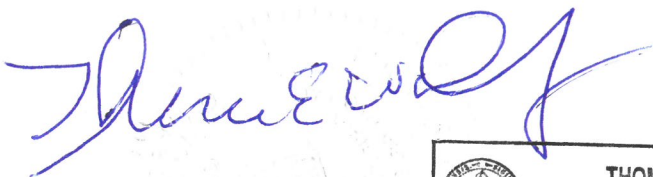
Please address any correspondence regarding the production, inspection and copying of records to Shanna Cleveland, Free Speech For People, 1340 Centre Street, Suite 209, Newton, MA 02459.



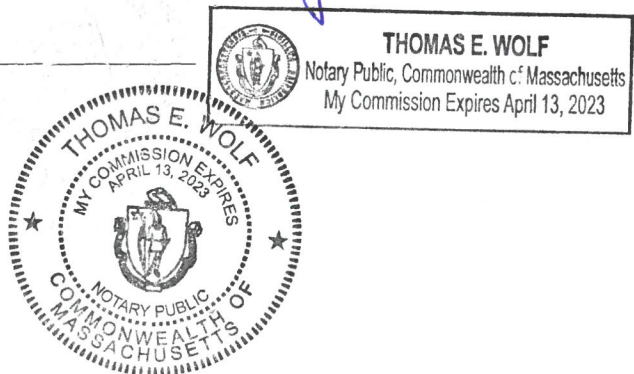
Ronald A. Fein

3/20/2018
Date

Signed and sworn to before me under penalty of perjury this 20 day of March 2018.



Notary public



CMA-Edge [REDACTED]

Trade Date	Action	Quantity	Price	Amount
03/19/2018	Bought	1	171.86	171.86

Security Description	FACEBOOK INC CLASS A COMMON STOCK EXECUTED 100% AGENCY. WE MAKE A MARKET IN THIS ISSUE CLIENT ENTERED. PRICE SHOWN IS AN AVERAGE PRICE. DETAILS REGARDING ACTUAL PRICES, REMUNERATION AND THE CAPACITY IN WHICH ML ACTED ARE AVAILABLE UPON REQUEST. ML ACTED AS AGENT.	Processing Fee
	SEE ABOVE FOR TRANSACTION DETAILS	Transaction Fee
Security	FB	Accrued Interest/Dividend
CUSIP	30303M102	Charge or Mark-up/Down
FA Number	1000	6.95
Client Address	RONALD A FEIN [REDACTED]	Net Amount
Office Address	Office Serving Your Account P.O. BOX 1527 PENNINGTON NJ 08534-4125 877-653-4732	178.81
		Settlement Date
		03/21/2018

Please write your account numbers shown above on the face of your check, money order or correspondence and forward to the office serving your account.

Payment for securities or other investment purchased and delivery of securities or other investment instruments sold are due on **Settlement Date** unless otherwise indicated by a **Date Due**. Delivery on or before settlement date will avoid premium charges.

If you have moved or plan to move, notify your Financial Advisor of your new address or update your account profile .

We confirm the following transaction subject to the attached agreement.

