

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF ILLINOIS**

METROPLEX COMMUNICATIONS, INC.,	)	
on behalf of itself and all others similarly situated,	)	
	)	Case No. 3:22-cv-1455
Plaintiff,	)	
	)	JURY TRIAL DEMANDED
v.	)	
	)	
META PLATFORMS, INC.,	)	
	)	
Defendant.	)	

**CLASS ACTION COMPLAINT**

Plaintiff, Metroplex Communications, Inc. (“Metroplex”), on behalf of itself and on behalf of all others similarly situated, for its Complaint against Defendant Meta Platforms, Inc., formerly known as Facebook, Inc., (referred to herein as “Meta” or “Facebook”), states as follows:

**NATURE OF THE ACTION**

1. This lawsuit seeks redress under the Lanham Act and the Illinois Uniform Deceptive Trade Practices Act for Meta’s false and misleading statements in its advertising and promotions regarding the amount of people on the Facebook platform and its statements about potentially and actually delivering advertisements to people.

2. At its core, Meta, formerly known as Facebook, Inc., is an advertising company.

3. Meta primarily generates revenue by selling digital advertisements for placement on the Facebook platform.

4. Metroplex, a competitor of Meta, also sells advertisements to businesses seeking to reach consumers.

5. The law permits and encourages competition between businesses, but both federal and Illinois state law prohibit *unfair* competition—and that is the genesis of this lawsuit. Metroplex

brings claims of unfair competition on behalf of itself and a class of similarly situated competitors of Meta.

6. Throughout the relevant time period, Meta has made false and/or misleading statements regarding the metrics material to consumers considering purchasing advertisements from Meta—including, but not limited to, understating the number of duplicate accounts, understating the number of false accounts, overstating the number of monthly active users in the United States and Canada, and overstating and falsely describing the potential reach, estimated audience size, and achieved reach of advertising campaigns.

7. Meta made these false and/or misleading statements for the purpose of, *inter alia*, influencing potential advertisers to buy, and to continue buying, the main product Meta sells: digital advertising.

8. Meta has been paid hundreds of billions of dollars for digital advertising over the past three years and, as such, has become one of the world's most valuable companies. As a result of Meta's false and/or misleading statements, however, Metroplex and the class of similarly situated competitors have been, and/or are likely to be, injured by diversion of their sales to Meta, or by lessening of the goodwill associated with their products in light of the false and/or misleading statements Meta has made, and continues to make, about its audience size and delivery of advertisements to people.

### **THE PARTIES**

9. Metroplex is an Illinois corporation with its principal place of business in Illinois. It is, therefore, a citizen of Illinois. Metroplex offers advertising services to businesses. It sells and places digital and targeted advertisements on its local news website, [advantagenews.com](http://advantagenews.com), and the “Best of Edwardsville” website, sells radio advertisements for its stations 94.3 FM, 107.1 FM, and

1570 AM, and print advertisements that are placed in local newspapers and in the “Best of Edwardsville” magazine.

10. Meta is a Delaware corporation with its principal place of business in California. It is, therefore, a citizen of Delaware and California.

### **JURISDICTION AND VENUE**

11. This Court has personal jurisdiction over Meta because Meta purposefully directs its activities at residents of Illinois and this litigation arises out of, or relates to, Meta’s contacts with Illinois.

12. Pursuant to 28 U.S.C. § 1331, this Court has original jurisdiction over Metroplex’s claims arising under federal law. Pursuant to the Class Action Fairness Act, 28 U.S.C. § 1332(d), this Court has original jurisdiction over Metroplex’s claims because Metroplex and Meta are citizens of different states, the total claims of Class Members exceed \$5,000,000 exclusive of interest and costs, and there are at least 100 Class Members. The Court has supplemental jurisdiction over Metroplex’s state law claim pursuant to 28 U.S.C. § 1367.

13. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b) because a substantial part of the events giving rise to each claim occurred within this judicial district or because this Court has personal jurisdiction over Meta.

### **FACTUAL ALLEGATIONS**

14. Meta owns and operates the social media platform, Facebook.

15. At its core, Meta is a digital advertising company. As self-described in its most recent Annual Report filed with the United States Securities and Exchange Commission (“SEC”),

“We generate substantially all of our revenue from advertising. The loss of marketers, or reduction in spending by marketers, could seriously harm our business.”<sup>1</sup>

16. In 2021, Meta generated nearly \$115 billion in advertising revenue.<sup>2</sup>

17. In 2021, more than \$48 billion of Meta’s revenue originated in the United States.<sup>3</sup>

18. In its public filings with the SEC, Meta readily acknowledges it competes with companies like Metroplex: “We compete with companies providing connection, sharing, discovery, and communication products and services to users online, as well as companies that sell advertising to businesses looking to reach consumers and/or develop tools and systems for managing and optimizing advertising campaigns.”<sup>4</sup>

19. Meta acknowledges to federal regulators and its shareholders the vast competition it faces within the marketplace: “We face significant competition in every aspect of our business . . . .”<sup>5</sup>

### **Meta Markets itself as a Real Identity Platform**

20. Meta has long represented that it requires users to have just one master account that must be connected to a real person.

21. According to Meta, this policy helps prevent impersonation and scams.

22. Because of this, Meta has characterized itself as a “real identity platform” that bars users from having multiple personal accounts. As Kirthiga Reddy, the head of Facebook India,

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<sup>1</sup> Meta 2021 10-K, p. 15, <https://www.sec.gov/Archives/edgar/data/1326801/000132680122000018/fb-20211231.htm>.

<sup>2</sup> *Id.* p. 65.

<sup>3</sup> *Id.* p. 94.

<sup>4</sup> *Id.* p. 7.

<sup>5</sup> *Id.* p. 7.

explained in 2014: “[W]e are a real identity platform. We have a whole team making sure we keep that trust.”<sup>6</sup>

23. Thus, Meta states: “Authenticity is the cornerstone of our community. . . . [W]e require people to connect on Facebook using the name they go by in everyday life. Our authenticity policies are intended to create a safe environment where people can trust and hold one another accountable.”<sup>7</sup>

24. Accordingly, even where a business or entity has a Facebook page, that page is connected to a real person’s account (or the accounts of multiple real people).

25. The perception that advertisements will reach real people is material to consumers deciding whether to purchase advertisements from Meta or to instead purchase advertisements from a competitor of Meta.

### **Meta’s Annual Disclosures of Monthly Active Users**

26. When a consumer is considering purchasing advertisements on Meta platforms, Meta directs them to review Meta’s quarterly and annual public filings for relevant information regarding users on Meta’s platforms.<sup>8</sup>

27. Meta’s annual public filings provide “key metrics” about its users, “which include daily active users (DAUs), monthly active users (MAUs), and average revenue per user (ARPU).”<sup>9</sup>

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<sup>6</sup> Shelley Singh & Chaitali Chakravarty, “Buying likes is not a valid business model: Kirthiga Reddy, FB India head” *The Economic Times*, Feb. 4, 2014, <https://economictimes.indiatimes.com/opinion/interviews/buying-likes-is-not-a-valid-business-model-kirthiga-reddy-fb-india-head/articleshow/29843614.cms>.

<sup>7</sup> <https://transparency.fb.com/policies/community-standards/account-integrity-and-authentic-identity/> (last visited June 27, 2022).

<sup>8</sup> <https://www.facebook.com/business/help/1665333080167380?id=176276233019487> (last visited April 12, 2022).

<sup>9</sup> Facebook 2018 10-K, p. 4, <https://www.sec.gov/Archives/edgar/data/1326801/000132680119000009/fb-12312018x10k.htm>; Facebook 2019 10-K, p. 4, <https://www.sec.gov/Archives/edgar/data/1326801/000132680120000013/fb-12312019x10k.htm> (same); *see also* Facebook 2020 10-K, p. 4, <https://www.sec.gov/Archives/edgar/data/1326801/000132680121000014/fb-20201231.htm> (explaining key metrics are “based on user activity only on Facebook and Messenger and not on our other products”); Meta 2021 10-K, p. 4, <https://www.sec.gov/ix?doc=/Archives/edgar/data/1326801/000132680122000018/fb-20211231.htm> (same).

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