

SAN LUIS OBISPO SUPERIOR COURT  
*[Signature]*  
K. Martin, Deputy Clerk

1 Benjamin Woodhouse  
2 Havensight Capital LLC  
3 #5 Company St.  
4 Christiansted, USVI 00820  
5 805 478 1958  
6 California Bar #261361

7 **THE SUPERIOR COURT OF CALIFORNIA COUNTY OF SAN LUIS**  
8 **OBISPO**

9 Havensight Capital LLC, A  
10 USVI Limited Liability  
11 Corporation  
12 Plaintiff,

Case No.: 15CV-0586  
Complaint **CV 537307**  
**FILED**  
SAN MATEO COUNTY

13 Facebook, Inc., A California  
14 Corporation,  
15 Does 1 to 10  
16 Defendant

FEB - 9 2016  
Clerk of the Superior Court  
By *[Signature]*  
DEPUTY CLERK

17 **COMPLAINT**

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20 **Jurisdiction and Case History**

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23 The Superior Court of California of San Luis Obispo  
24 County has personal and subject matter jurisdiction, as  
25 both parties, here, are citizens of California. C.C.P.  
26 Section 410.10. Facebook Inc., here, is headquartered  
27 in Menlo Park, CA., and is a citizen of, both,  
28

1 Delaware, and California. The Federal Court of the  
2 Central District of California determined, after the  
3 Plaintiff's initial filing, in case 2:15-cv-03758, that  
4 the Plaintiff, here, is dual citizenship, and is a  
5 citizen of the USVI, and California, after reviewing  
6 two show of causes on citizenship prior to the  
7 discovery period, and without adjudicating any matters  
8 in the case. The case, there, was dismissed with  
9 prejudice for lack of subject matter jurisdiction,  
10 without any adjudication of any of the substantive  
11 issues, involved in this case. *See Court Record.*  
12 Thus, this California State Court, here, has been  
13 determined by the Federal Court, to be the proper Court  
14 for adjudication of this case.  
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### Venue

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24 Venue is proper, here, because both parties serve  
25 customers that are located in the County of San Luis  
26 Obispo and have substantial contacts with the County.  
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1 C.C.P. Sections 392 - 403. The Plaintiff actively  
2 serves a number of physical store customers, which are  
3 located in San Luis Obispo, along with the Defendant.  
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5 *Id.* Moreover, this forum is the most convenient forum  
6 for the parties, based on respective customer locations  
7 for the parties. *Id.*  
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10 **Parties**  
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13 1. Plaintiff is a Limited Liability Company, and has a  
14 mailing address, at #5 Company Street, Christiansted,  
15 USVI 00820. Attached, is its Certificate of Existence.  
16  
17 *Exhibit A.*  
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19  
20 2. Facebook Inc., is a Delaware Corporation, and  
21 headquartered, at 1601 Willow Rd, Menlo Park, CA.  
22 94025. The Company has an agent of process, at C.S.C.,  
23 2710 Gateway Oaks Dr. Ste. 150N, Sacramento, CA 95833.  
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27 **Statement of Facts**  
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1  
2 Havensight Capital LLC ("Plaintiff") owns and  
3 operates, a number of consumer products companies,  
4 including: a soccer brand, golf brand, men's razor  
5 company, and a financial convenience company. The  
6 Plaintiff relies primarily, on online advertising to  
7 market its products, and services. The Plaintiff's  
8 existence is dependent, on, both, placing online  
9 advertisements to drive sales, and recording customer  
10 acquisition data, to understand the unique customer  
11 acquisition costs, associated with marketing its  
12 products, and services in the market.  
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19 The Defendant, here, Facebook Inc. is currently the  
20 only viable social networking option of notable scale  
21 for online marketing. Facebook customers, here, are  
22 able to check a success, and effectiveness reporting  
23 tool that records the number of visits, to a specified  
24 website that occur, as a direct result of a purchase of  
25 Facebook's online advertising product. This specific  
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1 success reporting tool of the Defendant's, is entitled  
2 "Ads Manager" on Facebook. The Plaintiff, here,  
3 purchased ads on Facebook, with the sole purpose of  
4 gaining website visits, to a single specified website  
5 address, for one of the websites associated with its  
6 various business lines, on the following dates: Nov.  
7 11, 2013 Jan. 28, 2014, July 11, 2014, March 13, 2015,  
8 March 23, 2015, May 14<sup>th</sup> 2015, and May 24<sup>th</sup>, 2015.  
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13 Further, the Plaintiff, here, in conjunction, also  
14 utilizes Google analytics, a tool offered by Google  
15 Inc, a third independent party to this case, on each  
16 individual website that it owns, and operates. Google  
17 Analytics, here, records all website visits, and data  
18 associated, with such visits for all global online  
19 traffic generated from the Web to a specified site.  
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24 The Plaintiff, here, was shocked and outraged, to  
25 find that the Google Analytics data did not reconcile  
26 at all, with that of the data exhibited, on the  
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1 Facebook Ads manager reporting tool for the duration of

2 any of the placed Facebook marketing campaigns. In

3 fact, the differences in reported Website visits data

4 were materially substantial, and significant. For the

5 most recent campaigns, the Facebook Ads manager

6 allegedly reported website visits, to the specified

7 site at well over 30% more than those reported, on the

8 Google analytics, based on a campaign, in the high

9 hundreds of dollars, with hundreds of visits purchased,

10 as the sample size.

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16 Moreover, the Google Analytics tool, here, records

17 not only the site visits, as a result of Facebook

18 marketing, but also all site visits generated from the

19 Web. Google analytics also records visits from spam

20 bots, and visitors that spend less than one second on

21 your site. Thus, the data presented in the Exhibits,

22 which already reflect a 30% gross inflation rate of

23 successful visits to one's site could be allegedly even

1 further over valuing the actual traffic generated by  
2 Facebook advertising.

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4  
5 Additionally, this alleged over inflation practice  
6 was observed for each and every campaign that was  
7 placed by the Plaintiff, here, and roughly at the same  
8 30% or more level. This seems to allegedly be a  
9 pattern of fraud. Attached, for the Court are

10  
11 screenshots from identical time periods of, both, the  
12 Facebook Ads manager reporting page, and the Google  
13 analytics reporting page from the most recent campaign.

14  
15 See Attached Exhibits B,C,D, and E. Both Companies  
16 update the data, on these tools on a real time basis,  
17 and there is no reasonable innocent explanation for  
18 such substantial discrepancies and over inflation, in  
19 the reporting data.  
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24 In Exhibit B, here, reflected is data collected  
25 from a campaign, through the dates of May 17, 2015, to  
26 May 17<sup>th</sup>, with the reading taken simultaneously at the  
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1 very beginning of May 18<sup>th</sup>, 2015. There is a  
2 difference, here, of 378 visits, vs. 342 visits for  
3 Google, which collects all visits, and not just visits  
4 from Facebook, like the Facebook Ads Manager does.  
5 Additionally, in *Exhibit C*, here, data is reflected for  
6 the single date of May 26, 2015, Facebook Ads Manager  
7 reported 819 visits, vs. the 645 visits, which Google  
8 reported. The Court should also take note, here, that  
9 Facebook Ads manager reports, in a different section  
10 all clicks on the Facebook Ad and not just actual  
11 visits to one's website from the Facebook Ad, which is  
12 reflected in the Exhibited Data. The Defendant, here,  
13 cannot defend these discrepancies, on a beguiling  
14 argument that the reported data, represents more than  
15 website visits to the ad purchaser's site, as an  
16 explanation for the discrepancy, as this is simply not  
17 the case.  
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26 Further, although this is just two sample periods  
27 frozen in time, the Plaintiff observed a similar amount  
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1 of over inflation for all campaigns, across various  
2 time periods. More importantly, the Facebook Ads  
3 Manager displays a count of 378 clicks, at a random  
4 pricing of \$.67 a click, which was not ordered by the  
5 client, but is generated by Facebook, in contrast the  
6 Google Analytics, which measures all traffic, including  
7 non-Facebook ad traffic reported, 342 sessions. *Id.*  
8 Whereas, the Plaintiff paid close to \$.25 a click for  
9 each website visitor found, according to Facebook  
10 alleged over inflated reporting, which creates a  
11 discrepancy, in pricing of over 300%. Such a pricing  
12 discrepancy is more than a product of a magical private  
13 making market within Facebook, it is material and  
14 substantial.  
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21 The Plaintiff has relied, here, on this alleged  
22 fraudulent data to make business decisions, and  
23 determine the feasibility of the market for products,  
24 and also has been allegedly overcharged for these  
25 critical business marketing services, as a result of  
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1 Facebook's alleged fraudulent conduct. Moreover, the  
2 Plaintiff contends that a taking of these businesses  
3 has occurred, here, as the Plaintiff's launch depended  
4 on these online marketing campaigns, and potential  
5 success was constricted, as a result of Facebook's  
6 allegedly unfairly and fraudulently reporting, and  
7 predatory pricing practices, on services delivered.  
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12 Furthermore, the Plaintiff also believes that the  
13 Defendant may have been enticed to engage in such  
14 alleged fraud, as it possesses an illegal monopoly, on  
15 online marketing, and social networking. There are no  
16 other social networking service providers, which offer  
17 such Website click marketing models, with a substantial  
18 network size, as Facebook possess. **The Plaintiff**  
19 **believes that the Defendant's illegal industry monopoly**  
20 **is a driving force, behind this fraudulent behavior.**  
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26 Lastly, the Plaintiff also alleges that the  
27 Defendant practices product tying, and **Vertical price**  
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1 **fixing**, here, as it requires all customers to sign up,  
2 as social networking members and create a social  
3 networking profile, in order to access the online  
4 marketing products, offered by the Defendant.  
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8 Moreover, the Defendant also utilizes a bid for  
9 clicks model, which forces the customer to bid across  
10 various online platforms for online marketing service,  
11 which is the very definition of product tying - the  
12 forced purchase of different products. Furthermore,  
13 the **Plaintiff is not allowed to use an online campaign,**  
14 **to market multiple products, or services, here.**  
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17 Facebook intentionally limits one brand cover picture,  
18 and website to be marketed for each respective  
19 campaign, which makes the marketing services  
20 inefficient, and unfairly costly, and is a per se  
21 example of alleged vertical price fixing.  
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26 In addition, the Plaintiff, here, has attached two  
27 articles on Facebook, one published by CNET, and the  
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1 other by Bloomberg, which are both respected sources.  
2 Exhibit F, and Exhibit G. The first discussed how  
3 Facebook's European marketing leader believes that they  
4 should remove certain advertising products from their  
5 mix, here, and that some of their products are unfairly  
6 marketed, and improper, in his own words. The second  
7 article discusses how the Billionaire leader of  
8 Facebook purports to be bringing free internet to the  
9 poor in South Africa, through a pseudo non-profit,  
10 which is owned by Facebook, called Internet.org.  
11 Unfortunately, the article notes that the customers are  
12 actually only allowed to visit about ten selected  
13 internet sites by Facebook, and are then encouraged to  
14 purchase services from Facebook. This demonstrates  
15 that Facebook perhaps allegedly preys on the poor, and  
16 implements alleged improper pricing schemes, on a  
17 global level, and in an all-inclusive manner. The  
18 indigent are not protected from their greed.  
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1 Finally, the Plaintiff also, here, was restricted  
2 from gaining access to private capital markets, and  
3 potentially public capital markets, in order to obtain  
4 capital for its business operations, as a result of the  
5 Defendant's alleged fraudulent reporting, and inflated  
6 predatory product pricing for its online marketing  
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8 services. Venture leaders rely, on these customer  
9 acquisition costs, and generated online sales, to  
10 determine whether or not to allow, a startup company,  
11 access to capital. Thus, a taking of the Plaintiff's  
12 company, across all of its five major business lines,  
13 has allegedly occurred, here, as a result of this  
14 improper behavior.  
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## 20 Claims

### 21 22 23 **I. Intentional Interference with Prospective** 24 **Economic Relations** 25 26 27 28

1           The Court should probably find that the tort of  
2 Intentional interference with prospective economic  
3 advantage has been violated. In *Youst v. Longo* (1987)  
4 43 Cal.3d 64, 71, the Court held that there are "five  
5 elements for the tort of intentional interference with  
6 prospective economic advantage, are: (1) [a]n economic  
7 relationship between the plaintiff and some third  
8 party, with the probability of future economic benefit  
9 to the plaintiff; (2) the defendant's knowledge of the  
10 relationship; intentional acts on the part of the  
11 defendant designed to disrupt the relationship; (4)  
12 actual disruption of the relationship; and (5) economic  
13 harm to the plaintiff proximately caused by the acts of  
14 the defendant." Also See *Ab Group v. Wertin*, 59 CA 4th  
15 1022, 1034. Whether or not such a relationship exists,  
16 is a question of fact for the Court to determine, and a  
17 Defendant can be liable for only having negligent  
18 knowledge of any such economic relationship. *Buckaloo*  
19 *v. Johnson*, (1975) 14C3d, 815, 830.  
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1 The Defendant, here, either, knew, or had  
2 constructive notice of the fact that the Plaintiff has  
3 contractual relations, with, both, existing customers,  
4 and potential customers. The Defendant, here, offered  
5 online business marketing services, thus it is  
6 reasonable for the Court to infer, here, that the  
7 Defendant would expect this business online marketing  
8 tool to be used for contractual relations. It also had  
9 actual notice when the data entered Facebook's physical  
10 servers, which are in the Company's possession.  
11 Specifically, here, business owners use Facebook  
12 products, in order to create contractual relations with  
13 customers, through the purchase of products online.  
14 The Plaintiff, here, used the Facebook online marketing  
15 products, to create contractual relations with  
16 purchasers of soccer, golf, men's care, and financial  
17 convenience products and services.  
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26 Moreover, there was actual damage, here, to  
27 contractual relations, and economic advantage, as the  
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1 Plaintiff, here, alleges that the Defendant  
2 fraudulently conveyed the number of potential customers  
3 that were reached, as a result of the online marketing  
4 purchase on a continuous, and methodical basis.  
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8 Specifically, the Defendant, here, allegedly  
9 inflated the number of website visits reported, in  
10 excess of 30%, which is neither, insignificant nor  
11 inadvertent. Thus, the Plaintiff, here, lost potential  
12 sales, and its economic advantage was damaged by the  
13 Plaintiff making incorrect business decisions, here,  
14 based on the alleged fraudulent customer acquisition  
15 cost data, exhibited by Ads Manager data, and the  
16 Defendant arbitrary and inconsistent alleged price  
17 fixing scheme.  
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## 23 **II. Unfair Competition and Trade Practices**

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26 The Court should probably find that the Defendant  
27 has committed the tort of Unfair Competition and Trade  
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1 practices. *Under California's Unfair Competition Law*  
2 *(UCL), Cal. Bus. of Prof. Code § 17200, et seq.* the UCL  
3 defines unfair competition as, among other things,  
4 "including any unlawful, unfair or fraudulent business  
5 act or practice and unfair, deceptive, untrue or  
6 misleading advertising." The Defendant, here, allegedly  
7 engages, in monopolistic behavior, and has violated  
8 anti-trust statutes, in its fraudulent conveyance of  
9 marketing services. Further, it is the sole player,  
10 here, in the social networking online marketing arena,  
11 with any significant member scale, and leverages this  
12 anti-competitive position to unduly charge customers,  
13 clandestinely price its online marketing products, and  
14 inappropriately misrepresent actual service provided.  
15 This is a direct violation of *Section 15 U.S.C. Title*  
16 *2, commonly known as the Sherman*  
17 *Act.*

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26 Further, the definition of monopolistic behavior is  
27 the power to "exclude competition." See *United States*  
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1 v. *E.I. DuPont de Nemours & Co.*, 351 U.S. 377, 391  
2 (1956). The Defendant, here, is able to unfairly  
3 exclude competition through its predatory pricing for  
4 online marketing services, and fraudulent  
5 misrepresentations, about the success of these  
6 services. Specifically, the Defendant, here, grossly  
7 inflated the success of its online marketing products  
8 by 30%, provides no transparency on pay for click  
9 pricing, and abolishes efficiencies by requiring  
10 customers to create completely separate campaigns for  
11 individual products, and services. A customer can only  
12 enter, here, on picture and website in a campaign.  
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19 The Court can find liability, here, if the  
20 Defendant has acted in any one of the following three  
21 prong capacities: unlawfully, fraudulently, and  
22 unfairly. *State Farm Fire Cas Co. v. Superior Court*,  
23 (1996) 45 CA 4th 1093, 1104. "Unfair" is defined, as  
24 any action, which contravenes anti-trust policy or  
25 threatens competition. *Id.* Moreover, the fraudulently  
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1 prong can be found to be satisfied, with any  
2 presentation that is misleading by the Defendant.  
3 *Boslina v. Home Loan Center Inc.* (2011) 198 CA 4th 230,  
4 129. Unlawful business practices can be found by the  
5 Court, simply if the Defendant has committed an act,  
6 which threatens the laws of competition. *Cal Tech*  
7 *Communications, Inc. v. Los Angeles Cellular Tel Co.*,  
8 (1999) 20 C 4th 163, 187.  
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13 The Defendant, here, violated this Unfair business  
14 tort, as clearly the prong of misleading, and  
15 fraudulent representations in marketing, is satisfied,  
16 here, through the Defendant's exhibited alleged gross  
17 over inflation of website visits, as a result of its  
18 online marketing services. *Boslina v.* See Attached  
19 *Exhibits.* Specifically, the alleged misrepresentation  
20 and inflation of website clicks on the Defendant's Ads  
21 Manager page. This behavior, here, has been shown to  
22 be systematic, and continuous, as the Plaintiff alleges  
23 that all purchased campaigns, demonstrated, this  
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1 fraudulent reporting, and the presence of material  
2 discrepancies between, Ads Manager, and Google  
3 Analytics.  
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6 Further, the Court, here, can also see that the  
7 Defendant has engaged in behavior, with the intention  
8 of "excluding competition," through allegedly  
9 exaggerating, here, the effectiveness, and success of  
10 its online marketing products, and fraudulently  
11 manipulating, the customer acquisition data, sent to  
12 Facebook customers. *State Farm v. See Attached*  
13 *Exhibits.* Further, the Defendant also has created a  
14 predatory pricing structure, here, through its non-  
15 transparent bid for clicks pricing model, and has  
16 unfairly raised prices on unsuspecting customers, here,  
17 as a direct result of these presented alleged  
18 fraudulent conveyances. The Court has a duty, here,  
19 to protect the public from monopolistic companies that  
20 allegedly take advantage of their position, to inflate  
21 results, and unfairly overcharge customers for  
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1 services, and do not deliver on what they provide to  
2 the consumer, in order to remain illegally dominant in  
3 the marketplace. *Id.*  
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6 Furthermore, the fact that the Defendant's own head  
7 of European marketing states that the products are  
8 dated, ineffective, and serve no purpose in his own  
9 words, also lend support for the violation of the  
10 alleged tort. *Exhibit E.* In fact, the Defendant  
11 proclaims in the article that no one gives a expletive  
12 about your website, referring to Facebook customers.  
13 Such a statement demonstrates a lack of respect for  
14 Facebook's customers, and a sense of entitlement across  
15 Facebook's management that such alleged unfair business  
16 practices have probably inspired. The Court, here, can  
17 send the Defendant a message that small business owners  
18 need to be respected, products need to be priced  
19 fairly, and products always need to be calibrated - and  
20 not just defended on the hopes of boiler plate legal  
21 jargon, which references potential ineffectiveness. In  
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1 conclusion, the Court should find that the Defendant  
2 has committed the Tort of Unfair business practices.  
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6 **III. Intentional Interference with Contractual**  
7 **Relations**  
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10 The Court should probably find that the defendant  
11 committed the tort of Intentional Interference with  
12 Contractual Relations, *Leasing Corp. v. Geltman*, 406  
13 Mass. 811, 812, 551 N.E.2d 20 n. 6 (Mass. 1990), the  
14 Court held that a party is liable for intentional  
15 interference with contractual relations, if a valid  
16 contract existed, that defendant had knowledge of the  
17 contract, that defendant acted intentionally and  
18 improperly, and that plaintiff was injured by the  
19 defendant's actions.  
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24 In this case, there was an intentional interference  
25 with contractual relations, here, because the Defendant  
26 probably had constructive notice of contractual  
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1 relations. The Defendant, here, offered an online  
2 marketing tool for business owners, and for the sole  
3 purpose of creating contractual relations with e-  
4 commerce customers. *Id.* The Contractual relations,  
5 here, were valid, as they were relations for consumer  
6 products, and services, and the Plaintiff, here,  
7 allegedly was injured by the Defendant, as a direct  
8 result of the Defendant's fraudulent behavior and  
9 alleged misrepresentation of its delivery of marketing  
10 services. *Id.* The Plaintiff, here, had its businesses  
11 damaged, as a direct result of being sent improper  
12 customer acquisition data, overpaying for online  
13 marketing services, and making improper business  
14 decisions, based on the alleged improper data.  
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21 Moreover, such allegedly fraudulent data also  
22 materially affected, here, the Plaintiff's ability to  
23 access private capital markets, and potentially public  
24 capital markets, to obtain capital for ongoing business  
25 purposes. The Plaintiff, here, was improperly denied  
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1 access to customers for potential sales of products,  
2 and was potentially denied institutional funding, based  
3 on alleged improperly reported customer acquisition  
4 data. Hence, the Court, here, can determine that a  
5 taking of the Plaintiff's business has occurred, as a  
6 direct result of the Defendant's alleged improper  
7 pricing, fraudulent conveyances, and non-delivery of  
8 undeniably critical online marketing services.  
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13 This case is also analogous to *Nautical Solutions*  
14 *Mktg. v. Boats.com*, 2003 WL 2607869, a Company  
15 improperly used property to re-direct customer traffic  
16 from one online business to another. The Court, there,  
17 found the Defendant to be liable for improperly  
18 interfering with the flow of customer traffic between  
19 sites. The Defendant, here, has either, constructive,  
20 or actual notice of contractual relations with  
21 customers as it sells business ads, and the Defendant,  
22 here, has improperly affected those relationships, like  
23 the Defendant, in *Nautical Solutions Mktg v.*, through  
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1 its alleged over reporting of website visits. Thus,  
2 the Court, here, should find the Defendant has  
3 committed the tort of IICR, through its alleged failure  
4 to affirmatively calibrate its products, and to provide  
5 accurate data to customers.  
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#### 9 **IV. Negligence**

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12 The Court should probably, here, find that the  
13 Defendant committed the tort of Negligence. In *U.S. v.*  
14 *Carroll Towing Co.*, 159 F.2d 169, 174 (2nd Circuit  
15 1947), the Court ruled that a Defendant, here, is  
16 liable for Negligence if the risk outweighed the burden  
17 of prevention of the obstruction. In this case, the  
18 Defendant, here, should have known that its alleged  
19 monopolistic behavior, and alleged fraudulent  
20 conveyances, would materially affect small business  
21 owners. *Id.*  
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1           Moreover, under the tort of negligence, a Defendant  
2 has a reasonable care of duty to the whole world, and,  
3 here, probably had a heightened care of duty, as the  
4 Plaintiff became an invitee, once a paying customer  
5 relationship was established. *Coates v. Mulji Inn,*  
6 *Inc.*, 342 S.E.2d 488 (Ga. App. 1986). The Court, here,  
7 specifically recognized an affirmative duty of care,  
8 and an even heightened standard for businesses that  
9 rely on customers entering their premises, or using  
10 their physical computer servers. *Id.* This duty is a  
11 common law duty and cannot be waived by illegal boiler  
12 plate contractual language. *Id.*

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19           The Defendant, here, has a duty to check and see if  
20 its online marketing products are working properly, and  
21 as advertised to the consumer. In fact, the Plaintiff,  
22 here, could not imagine a more important business  
23 investment for a social networking company, which  
24 relies primarily on online marketing for revenue, than  
25 a checks and balance system for the accurate delivery  
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1 and reporting of online marketing services. Moreover,  
2 the Defendant, here, possesses tens of billions of  
3 dollars, thus the burden of investing in system to  
4 ensure that customers are not receiving fraudulent  
5 service, does not outweigh the risk of obstruction,  
6 here, which is global damage to the businesses of  
7  
8 customers.  
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12 Specifically, here, the Defendant was negligent in  
13 its operation of Ads Manager, and in fraudulently  
14 conveying grossly inflated success rates, in  
15 conjunction, with amorphous, and non-transparent  
16 pricing schemes. *See Attached Exhibits.* The  
17 Defendant, here, did not provide the Plaintiff with a  
18 price per click for the campaign on initiation and then  
19 proceeded to fraudulently misrepresent the number of  
20 customers that the products, drove to the Plaintiff's  
21 business websites. The Court, here, should probably  
22 find that the Defendant was negligent, and protect the  
23 public from such injustices in the future.  
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2 **V. Vertical and Horizontal Price Fixing**  
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5 The Defendant should probably be found to have  
6 violated the tort of Vertical, and Horizontal price  
7 fixing. A Defendant should be found liable for any  
8 action that adversely affects the marketplace, and  
9 competition, without legal justification. *Marin Country*  
10 *Bd. Of Realtors Inc. v. Palsson*, (1976) 16 C 3d 920,  
11 930, 931. See also *Custom Kitchen v. Owens-Illinois*  
12 *Inc.*, (1987) 191 CA 3d 1341. Moreover, a Defendant can  
13 also be found liable for the tort for "tying" products,  
14 under *California Business and Practices Code Section*  
15 *16727*. This is where a Defendant forces a customer, to  
16 purchase a separate product concurrently, with another  
17 product which is marginally distinct. *Id.*  
18  
19  
20  
21  
22

23  
24 In *Freeman v. San Diego Ass'n of Realtors*, (1999)  
25 77 CA 4th 171, 188, 189, the Court found liability for  
26 the Defendant interfering, with the distributor's  
27  
28

1 ability to set, raise, or maintain prices through the  
2 manipulation of capacity. Also See *Kowlong v. Dow*  
3 *Jones & Co. Inc.*, (1982) 137 CA 3d 709. Finally, the  
4 Court has upheld this law on many occasions, and  
5 recently in an analogous case, upheld a government fine  
6 of close to \$300MM for a tech company illegally  
7 inflating the price of DRAM products, to their  
8 customers. *State of California v. Infineone Tech.*,  
9 2010 WL 3411378 (N.D. Cal.)  
10  
11  
12  
13  
14

15 The Defendant, here, should be found liable of the  
16 tort of price fixing because like in *Freeman v.*, and  
17 *State of California v.*, the Defendant constrained  
18 trade, and affected the market through allegedly  
19 grossly inflating the results of its online marketing  
20 product, and engaging in Vertical price fixing in the  
21 sales of its online products. Specifically, the  
22 Defendant, here, allegedly represented that it had  
23 delivered more website visits from potential customers  
24 than it actually had, to the Plaintiff, and thus  
25  
26  
27  
28

1 allegedly inappropriately charged for these online  
2 marketing services. *See Attached Exhibits.*

3  
4  
5 Further, the Defendant, here, engages in Vertical  
6 price fixing. Specifically, here, the Defendant  
7 constrains capacity, like in *Freeman v.*, as a Plaintiff  
8 is unable to determine how much it will cost to obtain  
9 a click for its business website upon purchase of  
10 Defendant's marketing products, and the Plaintiff is  
11 constrained from marketing multiple products, within a  
12 single campaign. **This is clearly evidenced in the**  
13 **exhibited data, which shows a 300% price increase**  
14 **across identical marketing campaigns,** in almost all  
15 shapes and forms. *Exhibits B,C,D,E.* The Plaintiff in  
16 one campaign paid close to \$.67 a click, and then \$.25  
17 a click for another. As the Defendant allegedly  
18 inflated the website click rate anyway, here, these  
19 prices could be even more distorted, and unfair. There  
20 is no reason why the Defendant, here, should not be  
21 requested to demonstrate to the Court why these pricing  
22  
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1 discrepancies exist, after a through discovery period,  
2 on product calibration, and pricing schemes.  
3  
4

5 The Defendant, here, operates an ultra clandestine  
6 bid system, which generates inequitable prices per  
7 Website click across customers, and its Ads creation  
8 tool, here, does not allow customers to add additional  
9 pictures or websites to a purchased campaign. This  
10 monopolistic behavior creates market inefficiencies,  
11 and capitalizes, on the fact that other social  
12 networking sites of Facebook's scale, neither, exist,  
13 nor offer such online marketing services.  
14  
15  
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17  
18

19 Moreover, the Defendant should also be found to  
20 have violated the tort of Price Fixing, here, as the  
21 Defendant engages, in product tying. *California*  
22 *Business and Practices Code Section 16727.* The  
23 Defendant, here, required the Plaintiff's staff to sign  
24 up, and create a profile in its social networking  
25 business, in order to gain access to its online  
26  
27  
28

1 marketing products. The Plaintiff, here, was not able,  
2 to purchase the online marketing products, without this  
3 social networking sign up. This is product tying per  
4 se, as the Plaintiff staff, here, was forced to sign up  
5 for Facebook, in order to access the Defendant's online  
6 marketing products.  
7  
8

9  
10 Lastly, the Defendant, here, as mentioned above,  
11 also provides online marketing products only, in a bid  
12 format, where a customer bids for clicks in a non-  
13 transparent virtual online market. This bidding  
14 pricing structure, here, also constitutes product  
15 tying, as the Plaintiff, here, allegedly is required to  
16 make bids on a variety of different, and distinct,  
17 online platforms, in order to obtain potential website  
18 clicks, thus bids on multiple types of online marketing  
19 platforms are unduly being forced, on all of the  
20 Defendant's customers, as a result of the Defendant's  
21 predatory pricing schemes.  
22  
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1           Moreover, such a bidding format, here, as also  
2 mentioned above, does not provide for the Defendant to  
3 commit to the cost per click of an online ad, rather  
4 the customer is told through the Ad manager what price  
5 per click is charged to the customer, based on  
6 Facebook's magical bid system. *See Attached Exhibits.*  
7  
8

9  
10           If the Ads Manager, here, demonstrates fraudulent  
11 conveyances, regarding clicks, then the Court should  
12 also consider, here, the Defendant's non transparent  
13 and inequitable pricing model, to aid in the fraud.  
14 This is per se Vertical price fixing. The Defendant is  
15 constricting trade, and altering market forces by  
16 charging individual customers different respective  
17 prices for online marketing services, on a per click  
18 basis. Perhaps, some content warrants a higher  
19 marketing click price, but the pricing should still be  
20 uniform for customers, either, across intended  
21 industries, or, target audiences.  
22  
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1 Furthermore, the Plaintiff has attached an article,  
2 on the Defendant's pseudo non profit, which was  
3 launched in South Africa. *Exhibit G*. The Defendant  
4 advertised it as a non profit venture, in which it  
5 provided free internet to indigent citizens of South  
6 Africa - a very noble cause for the almost trillion  
7 dollar company. Unfortunately, the non profit only  
8 provides access to about ten chosen websites, and then  
9 seeks to encourage the indigent citizens to purchase  
10 services via their phones from Facebook.  
11  
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16 The fact that the Defendant would engage, here, in  
17 such behavior supports the allegations of unfair  
18 business practices, and price fixing. The Defendant,  
19 here, should demonstrate a stronger respect for small  
20 business owner customers through its policies, and its  
21 potential commitment to some kind of calibration  
22 program. The idea that it is using these alleged  
23 schemes on indigent people is abhorrent, and the Court  
24  
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1 should send a strong message to the Defendant, here,  
2 that such alleged tortious behavior is unacceptable.  
3  
4

5 In conclusion, the Court, here, should find that  
6 the Defendant allegedly purposefully engages, in  
7 constrictive and fraudulent marketing behavior, whose  
8 sole purpose, here, is to extort unduly earned money  
9 from its customers, inflate the success of its offered  
10 services, and solidify, its impenetrable industry  
11 monopoly on online social networking marketing. The  
12 Court has a duty to protect the public, and not allow  
13 Facebook to continue to engage, in an alleged predatory  
14 price fixing scheme, which capitalizes on its monopoly,  
15 and also emboldens the Defendant, to engage in alleged  
16 fraudulent conveyances of the success of its products.  
17  
18

19 **Such Fraudulent conveyances of bid clicks, in turn, are**  
20

21 **further increasing, the actual costs associated, with**  
22

23 **the Defendant's illegal price schemes.** The Defendant  
24

25 will continue to cause takings, here, of startup  
26

27 companies, which rely heavily on the Defendant's  
28

1 alleged marketing services, unless the Court, here,  
2 steps in, and sends Facebook a message, about these  
3 Unfair business, and price fixing practices.  
4

5  
6 **Request for Jury Trial**  
7

8  
9 The Plaintiff, here, requests the Court to grant a  
10 Jury trial pursuant to *Section 16 of Article I of the*  
11 *California Constitution.*  
12

13  
14 **Request for Relief**  
15

16  
17 Plaintiff seeks U.S. \$390 million, in compensatory  
18 damages for the damage to, and taking of its business  
19 property, and the damage to all exiting, and potential  
20 relations with Plaintiff's customers. Also, in *Waits v.*  
21 *Frito Lay, Inc.* 978 F.2d 1093 (9th Cir. 1992), the  
22 Court held that punitive damages are available where it  
23 is proven by clear and convincing evidence that the  
24 Defendant is guilty of either, fraud, or malice. The  
25  
26  
27  
28

1 Defendant, here, clearly engages, in fraud through the  
2 alleged fraudulent conveyance of the website clicks  
3 generated by its Online marketing products, and gross  
4 predatory product pricing, thus punitive relief should  
5 be duly granted, in the amount of U.S. \$200 million,  
6 and a total of U.S. \$590 million, should be awarded in  
7  
8  
9 damages.

10  
11  
12 Respectfully submitted,

13  
14  
15 /s/ Benjamin Woodhouse  
16 Benjamin Woodhouse esq.  
17 Havensight Capital LLC  
18 #5 Company St.  
19 Christiansted, VI 00820  
20 805 478 1958  
21 California Bar #261361  
22  
23  
24  
25  
26  
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28

**GOVERNMENT OF  
THE VIRGIN ISLANDS OF THE UNITED STATES  
--- O ---  
CHARLOTTE AMALIE, ST. THOMAS, VI 00802**

**CERTIFICATE OF EXISTENCE**

To All To Whom These Presents Shall Come:

I, GREGORY R. FRANCIS, Lieutenant Governor of the Virgin Islands do hereby certify that I am, by virtue of the laws of the Virgin Islands, the custodian of the corporate records and the proper officer to execute this certificate.

I further certify that the records of this office disclose that


**HAVENSIGHT CAPITAL, LLC**

**Limited Liability Company**

was duly registered to conduct business in the Territory on **August 19, 2014** and has a legal existence as a Limited Liability Company so far as the records of this office show.



Witness my hand and the seal of the Government of the Virgin Islands of the United States, at Charlotte Amalie, St. Thomas, this 28th day of August, 2014.

  
GREGORY R. FRANCIS  
Lieutenant Governor of the Virgin Islands

**ARTICLES OF ORGANIZATION  
OF  
HAVENSIGHT CAPITAL LLC**

The undersigned, acting pursuant to The Uniform Limited Liability Company Act of the Territory of the United States Virgin Islands (the "Act"), adopt the following Articles of Organization for the purpose of organizing a Virgin Islands Limited Liability Company (the "Company").

1. **Name.** The Company's name is:

**HAVENSIGHT CAPITAL LLC.**

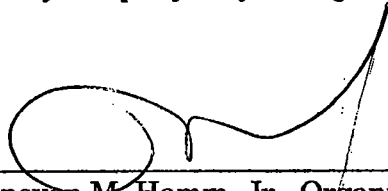
2. **Designated Office.** The physical address of the Company's designated office is 2128 Company Street, Christiansted, VI 00820-4945. The Company's mailing address is 2975 Bayview Drive Pismo Beach, CA 93449.
3. **Agent For Service of Process.** The name and physical address of the initial agent of the Company for service of process is Trust Company of the Americas, Inc. The physical address of the agent is 5030 Anchor Way, Christiansted, VI 00820 and the mailing address of the agent is 5030 Anchor Way, Christiansted, VI 00820.
4. **Organizer.** The name and physical address of the organizer of the Company is Donovan M. Hamm, Jr., 5030 Anchor Way, Christiansted, VI 00820.
5. **Minimum Capital.** The minimum amount of capital with which the Company will commence business shall be One Thousand Dollars (\$1,000.00).
6. **Term.** The Company will be an at-will company.
7. **Management.** The Company will be a manager-managed company. The name and the physical and mailing addresses of each initial manger of the Company are as follows:

2014 AUG 19 AM 9:02  
CORPORATIONS - ST  
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LT. GOV. OFFICE

<u>Name of Manager</u>	<u>Physical Address</u>	<u>Mailing Address</u>
Benjamin James Woodhouse	2128 Company Street, Christiansted, VI 00820-4945	2128 Company Street, Christiansted, VI 00820-4945

8. **Liability of Members.** The members of the Company will not be liable for the debts and obligations of the Company as permitted by Section 1303(c) of the Act.
9. **Purpose.** The Company's purpose is to engage in any lawful act or activity for which a limited liability company may be organized under the Act.

Dated: August 15, 2014

  
\_\_\_\_\_  
Donovan M. Hamm, Jr., Organizer

ACKNOWLEDGMENT

TERRITORY OF THE VIRGIN ISLANDS  
JUDICIAL DIVISION OF ST. CROIX

The foregoing instrument was acknowledged before me this 15th day of August, 2014 by

  
\_\_\_\_\_  
Notary Public

EILEEN DES JARDINS  
Notary Public #NP-114-11  
My Commission Expires: 12/14/15  
St. Croix, U.S. Virgin Islands

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2014 AUG 19 AM 9 02  
CORPORATIONS - STT



# Exhibit B

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Home Campaign

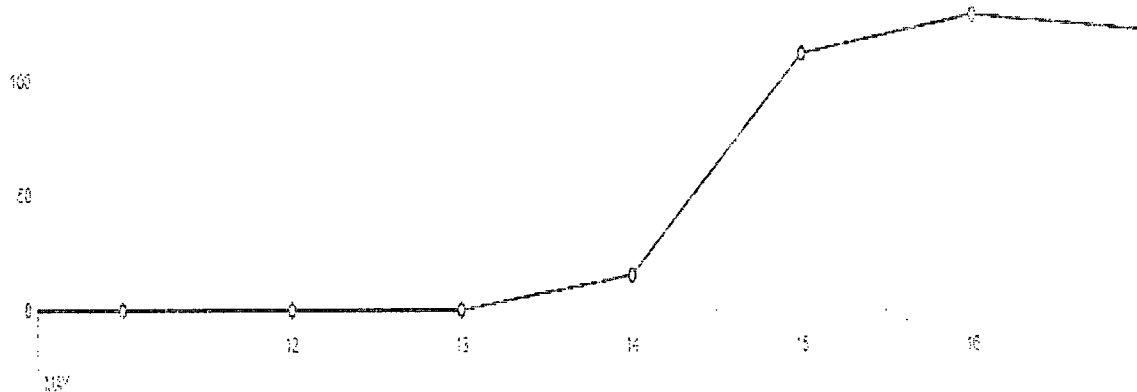
All Campaigns ▾ [05/14/2015] Promoting http://www.creditcard2cash.com/

Create Ad Campaign

STATUS	DELIVERY	OBJECTIVE	SCHEDULE	SPENT TODAY	LIFETIME SPENT
	o Active All Daily Budgets Spent	Website Clicks	May 14, 2015 - May 21, 2015 7:26pm 12:00am	\$80.00 of \$50.00	\$255.14 of \$495.14

WEBSITE CLICKS	REACH	FREQUENCY	TOTAL SPENT	AVG COST PER WEBSITE CLICK	May 14, 2015 - May 20, 2015 ▾
378	84,388	1.37	\$255.14	\$0.67	

Clicks to Website



Ads All Except Deleted ▾ Ad Sets ▾ View Report View History 1 Result

Status	Ad Set	Delivery	Results	Cost	Reach	Budget	Spent Today	Total Spent	Start Date
<input type="checkbox"/>	[05/14/2015] Promoting http://www.creditcard2cash.com/	o Active All Daily Budgets Spent	378 Website Clicks	\$0.67 Per Website Click	84,388	\$80.00 Daily	\$80.00 of \$50.00	\$255.14 of \$495.14	05/14/2015 7:26pm

Report a Problem

# Exhibit C

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10/28/2015 11:15:06 /

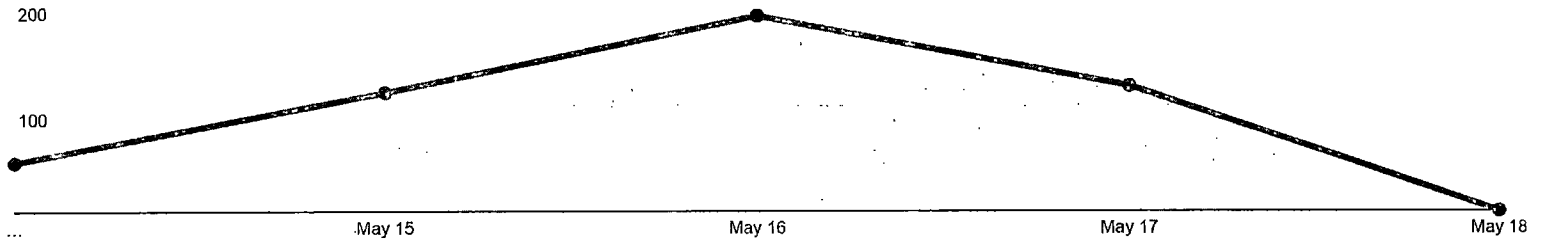
May 14, 2015 - May 18, 2015

## Audience Overview

All Sessions  
100.00%

### Overview

#### Pageviews



#### Sessions

342

#### Users

320

#### Pageviews

460

#### Pages / Session

1.35

#### Avg. Session Duration

00:00:48

#### Bounce Rate

83.92%

#### % New Sessions

92.69%

■ New Visitor ■ Returning Visitor



Language	Sessions	% Sessions
1. en-us	228	66.67%
2. (not set)	105	30.70%
3. en	2	0.58%
4. en-gb	2	0.58%
5. es-419	1	0.29%
6. es-es	1	0.29%
7. es-us	1	0.29%
8. fr	1	0.29%
9. tr	1	0.29%

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Exhibit D

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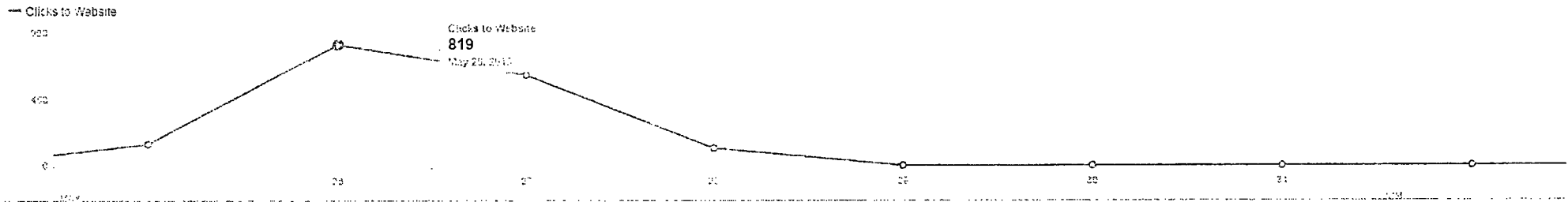
10/28/2015 11:15:06 AM

Home Campaign Ad Set  
All Campaigns [www.creditcard2cash.com - Website Clicks](#) [US - 22-30](#)

STATUS DELIVERY **Recently Completed** SPENT TODAY **\$0.00** LIFETIME SPENT **\$235.30** of \$235.30 END DATE **Jun 1**

WEBSITE CLICKS **1,699** REACH **142,138** FREQUENCY **1.57** TOTAL SPENT **\$235.30** AVG. COST PER WEBSITE CLICK **\$0.14**

May 25, 2015 - June 1, 2015



All Except Deleted [View Report](#) [View History](#)

1 Result

Status ?	Ad ?	Delivery ?	Results ?	Cost ?	Reach ?	Frequency ?	Clicks ?	Click-Through Rate ?	Relevance Score ?	Spent Today	Total Spent ?	Max. Bid ?	Avg. Price
	www.creditcard2cash.com - Website Clicks	Not Delivering Ad Set Completed	1,699 Website Clicks	\$0.14 Per Views to Click	142,138	1.57	1,770	0.791%	5.13	\$0.00	\$235.30	Auto Optimized CPM	\$1.1 -0.0

# Exhibit E

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May 26, 2015 - May 26, 2015

## Audience Overview

Home | Export | Add to Dashboard | Shortcut



All Sessions  
100.00%

+ Add Segment

### Overview

Sessions VS. Select a metric

Hourly | Day | Week

### Sessions

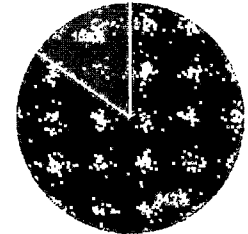
600

400

Tuesday, May 26, 2015

Sessions	Users	Pageviews	Pages / Session	Avg. Session Duration	Bounce Rate
345	567	784	1.22	00:00:41	86.67%

■ New Visitor ■ Returning Visitor



% New Sessions  
34.65%

### Demographics

Demographic	Language	Sessions	% Sessions
Language	1. en-us	600	93.02%
	2. (not set)	20	3.10%
	3. es-419	20	3.10%
Country		3	0.47%
		1	0.16%

### System

#report/a61744093w26582814p100750431

Would you like to store your password for google.com? Why am I seeing this?

Yes

Not for this site



# All those Likes don't add up to real fans, Facebook exec warns brands

How can a brand reach genuine fans on Facebook and persuade them to go to a show, buy a product or otherwise support the brand? By paying, says Facebook's Niall Fagan.

Click "Like" to win! Click "Like" to find out more! It seems like we're forever being begged to Like pages on Facebook, whether they belong to a company, a band or a brand jostling for our attention. But a Facebook marketing boss has warned that blindly amassing fans is "the biggest mistake so many people are making" -- because "no one gives a s\*\*t about your page!"

Speaking on a panel at music industry conference Sound City 2015 in Liverpool on Thursday, Niall Fagan, leader of Facebook's entertainment marketing vertical for Europe, the Middle East and Africa, said, "I'd like to be completely honest, fans are not a metric that anybody should measure on Facebook. Don't go acquiring fans just for vanity reasons."

First introduced on Facebook posts in 2009, the cheery little blue thumbs-up of the Like button can now be found everywhere across the Web. As a social plug-in on websites, adverts and articles like this one, it connects your activity around the Web to a brand's page on Facebook. Companies, startups, celebrities and other brands launched a frenzy of urging customers to press the Like button on their page or products.

Fagan now admits, "It's Facebook's fault originally for making it a thing to do," but says, "It's the biggest mistake so many people are making."

That's because amassing a big pool of fans on Facebook, the world's largest social network, doesn't mean that in the future the brand will even be able to communicate with them. Facebook's algorithm tailors what shows up in our News Feeds, and a brand's post has a slim chance of making the cut. Unless they pay for it, but we'll get to that in a second. Last year, Facebook began reducing the number of "promotional" messages showing up in users' News Feeds, meaning companies that previously sent ads from their free Facebook pages now face a harder time reaching fans.

Fagan says there are simple ways to genuinely reach fans on Facebook. "If you are a musician or you manage a band, get that band to do a 20- or 30-second video clip of a well-known cover song, or just something a little bit quirky, a little bit different. If you run that video against an audience of people you are confident will love that video, you can build an audience off the people who watched it to the full length."

Shorter videos work better on Facebook, especially when it directs you to a full-length video on YouTube, a track on Spotify, or any other place where a fan watching and listening will actually earn you some money. While Facebook doesn't directly pay out when someone watches a video or interacts with a brand, it does give the opportunity to reach potential new fans are who are likely to spend money. That's through a feature called Lookalike Audiences, which allows brands to find people with similar interests or background to current fans.

"So if you ran that video against 100,000 people," explains Fagan, "and 10,000 people watched it right through to the end, Facebook will say, 'here's those 10,000 people'. And you can say, 'I don't want to target those 10,000 because they've already watched it', but you can use Lookalike Audiences to show you people similar to these 10,000: that live in London, that are over 18, that are male, whatever you want. It's targeted."

"And that's how you get awareness on Facebook -- not through 'Like my page'. No one gives a s\*\*t about your page!"

When that little truth bomb sent a ripple of laughter around the room, Fagan qualified his statement by pointing out that a Like clicked does not a genuine fan make.

"The truth is, looking at all football clubs in the UK or anywhere, if a football club has 50 million fans, 25 million of those fans are fans of their biggest rival," says Fagan. "So if you're [Spanish soccer club] Real Madrid and you're posting about a player you've just signed, you have no control where the message is going to go. It may very well go to fans of Barcelona [a rival Spanish soccer club]. The only real way to reach fans of Real Madrid is, yeah, post on your page, but target people that are also fans of Ronaldo or things that make it obvious that they've been to [Real's stadium] the Bernabau, they're fans of [Real striker] Ronaldo, they're fans of a player that other teams wouldn't consider a hero. That's how you get to the real fans."

At the time of writing, Real Madrid's Facebook page has 82 million Likes.

"Most fan pages acquire fans in the wrong way, through competitions and stuff," Fagan said.

But while that gets people clicking Like, it doesn't go the extra mile to actually reaching genuine fans and persuading them to go to a show, buy a product or otherwise support the brand. How can a brand achieve that? By paying, obviously.

When I asked Fagan to qualify his statements, he said, "Having a page is important. Hosting a page and hoping everybody sees it is the problem. That's the myth...With the decline in organic traffic [people clicking on unpaid posts] you're just getting no reach. That number [of fans] might look pretty, but eventually none of them will see it, unless you pay for it."

Fagan reckons brands have to put their money where their mouth is to boost their posts into News Feeds, even if they're reluctant to pony up cash to a network that's supposed to be free.

"All the clients I work with, every single one of them, is very wary of spending money with Facebook," he said. "They

## Exhibit G

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### **Bloomberg Business Article. Authenticated at:**

<http://www.bloomberg.com/news/articles/2015-06-24/facebook-to-offer-south-african-cell-c-users-free-web-access?cmpid=yhoo>

### **Facebook to Offer South African Cell C Users Free Web Access**

Christopher Spillane

June 24, 2015 — 3:30 AM PDT

Facebook Inc. will offer customers of Cell C Pty Ltd. access to its free application Internet.org in South Africa as the social-networking service seeks to add users in the continent's most developed economy.

The service will allow Cell C users to see Facebook and about 30 websites offering information about healthcare and jobs without being charged for data, Markku Makelainen, Facebook's director of global operator partnerships, said in an interview on Wednesday. It will be available from July.

"It's a method for users who want to try out free basic services on the Internet, they can do it without any cost and then they can basically move up the ladder to paid services," Makelainen said at Cell C's Johannesburg headquarters. "We want to take away the fear of use. Less than half of the population is connected."

Facebook Chief Executive Officer Mark Zuckerberg is pushing Internet.org to bring online access to people who can't afford it around the globe. More than 1.1 billion people worldwide don't have access to the Internet, according to estimates by McKinsey & Co.

Customers of Cell C, the third-largest South African wireless carrier, will have free data access to the full version of Facebook's application for two months before downgrading access to a more basic version of the service.

"After the promotion basically we'll take away the baby pictures and cat videos," Makelainen said. "If users want to see the full experience then getting a data plan from Cell C obviously enables the full Facebook."