

# Facebook pays \$10 million to settle ad suit

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A May 2012 photo shows a smartphone displaying Facebook's screen. Facebook will pay \$10 million to settle a lawsuit from users who claimed their names, images and other information were improperly used in advertising described as "sponsored stories," court documents showed.

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According to documents dated earlier this month and available online, Facebook and a series of plaintiffs submitted an agreement to a [federal judge](#) in San Jose, California.

The lawsuit was filed in 2011 by a group led by a Washington state [Internet user](#) named Angel Fraley. The suit alleged that Facebook users, including minors, had their names and likenesses used in ads without their permission.

The suit contended Facebook improperly used advertising when a member indicated he or she "liked" a particular company.

The "like" was passed on to the friends of those members as an implied endorsement of a company or product. In some cases, the profile or picture was used in the "sponsored stories" that the suit said was a form of advertising.

A [mediator](#) assigned to the case said the agreement included the "substantial sum" of \$10 million "to be distributed to groups whose charters set out actions and programs relevant to advocacy related to the purposes for which the case was brought."

A settlement in the case was unveiled earlier this month but terms were not disclosed.

The company, which launched a massive public offering last month, is under growing scrutiny for its [privacy policies](#). It is also under pressure from investors to find ways to monetize its social network with more than 900 million members.

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