

US judge: Man's Facebook claim should be dismissed (Update)

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A New York man's multibillion-dollar lawsuit claiming half-ownership of Facebook Inc. should be dismissed, a federal judge recommended Tuesday.

Siding with the social media company and its founder, Mark Zuckerberg, Magistrate Judge Leslie Foschio said the contract on which Paul Ceglia based his case was faked.

Facebook recently said it has 1 billion users, and it has been valued at \$50 billion,

Ceglia, 39, sued in 2010 claiming that he and Zuckerberg, then a Harvard University student, signed a software development contract in 2003 that included a provision entitling Ceglia to half ownership of Facebook in exchange for \$1,000 in startup money for the young company.

The judge found that while the two did sign a contract, any references to Facebook had been added later. He pointed to a copy of the original April 28, 2003, contract discovered on a hard drive as the lawsuit was being argued. Ceglia had emailed it to an attorney in March 2004, years before his lawsuit against Facebook and Zuckerberg.

The magistrate's recommendations now go to a district judge, who will consider any objections before either adopting or modifying the decision.

"Today's federal court decision confirms what we have said from day one: this lawsuit is an inexcusable fraud based on forged documents," said Colin Stretch, deputy general counsel for Facebook. "We are pleased the court agrees."

A call to Ceglia's attorney, Dean Boland, was not immediately returned.

A federal indictment out of New York City in November charged Ceglia with mail and wire fraud after an investigation by the U.S. Postal Inspection Service alleged Ceglia doctored, fabricated and destroyed evidence to support the claims in his 2010 lawsuit.

He has pleaded not guilty.

At the time of the indictment, Manhattan U.S. Attorney Preet Bharara said Ceglia was seeking a "quick payday based on a blatant forgery."

If convicted, Ceglia could face up to 40 years in prison.

Zuckerberg is worth an estimated \$13.3 billion.

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