

Facebook to pay \$20 mln settlement in ads lawsuit

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US District Judge Richard Seeborg on Monday reasoned that the sum, a small fraction of the billions being sought in the case, was fair given the challenges of proving Facebook members were financially harmed or that signaling "likes" for products didn't imply some form of consent.

Facebook's Sponsored Stories program used members' names or likenesses to endorse ads without getting their permission, according to the legal filing.

Seeborg estimated the size of the class represented in the suit as 150 million people, but noted that so few had filed claims that there was ample money in the settlement fund.

"The settlement as a whole provides fair, reasonable, and adequate relief to the class, in light of all the circumstances, including the low [probability](#) that a substantially better result would be obtained through continued litigation," the [judge](#) wrote in a ruling endorsing the deal.

The settlement calls for Facebook to modify its rules to give members greater control when it comes to how their information is used regarding Sponsored Stories.

"Sponsored Stories, in Facebook's view, does nothing more than take information users have already voluntarily disclosed to their "friends," and sometimes redisplay it to the same persons, in a column that also contains more traditional paid advertising," the judge wrote while detailing his decision.

"Plaintiffs faced a substantial burden in showing they were injured by

the Sponsored Stories."

So few Facebook members have filed claims that those negotiating the settlement proposed paying out \$15 to each person and having enough cash left over for attorneys fees and routing funds to Internet [privacy groups](#), according to the ruling.

An original [settlement](#) rejected by the judge recommended the same pool of money, but allocated none of it to Facebook members.

The lawsuit was filed in early 2011 after Facebook launched its Sponsored Stories advertising program.

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