

Cause No. 2018-69816

JANE DOE

v.

FACEBOOK, INC.; MICHAEL LACEY;
JAMES LARKIN; JOHN BRUNST;
AMERICA'S INNS, INC. d/b/a AMERICA'S
INN 8201 SOUTHWEST FWY, HOUSTON,
TX 77074; and TEXAS PEARL, INC.

In the District Court of

334th Judicial District

Harris County, Texas

PLAINTIFF'S THIRD AMENDED PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

Comes Now, JANE DOE Plaintiff in the above-styled and numbered cause, complaining of FACEBOOK, INC.; MICHAEL LACEY; JAMES LARKIN; JOHN BRUNST; AMERICA'S INNS, INC. d/b/a AMERICA'S INN 8201 SOUTHWEST FWY, HOUSTON, TX 77074; and TEXAS PEARL, INC as Defendants, and respectfully shows the Court as follows:

SUMMARY OF CASE

1. Social media companies, websites, and the hotel industry should never place their quest for profits above the public good. Human trafficking has hit epidemic proportions in our communities, and it has had a devastating effect on the victims and a crushing financial effect on our world. Driven by profit, social media giants like Facebook and sex brokers like Backpage have treated children as a commodity.

2. The participants in this venture of abuse share a value—profit. And the bottom line comes before all else—including the safety of children in our community. Facebook's profit metric is "connections." Backpage charged fees to broker sex. And hotels, like the one in this lawsuit, look the other way while children, like Jane Doe, are abused, exploited, and made available for sex acts to multiple perpetrators.

3. While pimps and sex buyers are sometimes criminally prosecuted, the social media companies, hotel industry, and Backpage have been able to escape taking responsibility for the harms and losses they cause these victims and our community. For years, businesses have been providing predators unrestricted means to prey on victims. Not anymore.

DISCOVERY CONTROL PLAN

4. Jane Doe intends to conduct discovery pursuant to Texas Rule of Civil Procedure 190.4 (Level 3).

PARTIES

A. PLAINTIFF

5. Jane Doe is and was at all relevant times a resident of Harris County, Texas.

6. Jane Doe is a trafficked person as defined by Texas Civil Practice & Remedies Code § 98.

7. Jane Doe is a minor sex trafficking victim as defined under Texas Civil Practice & Remedies Code § 16.0045 and therefore is entitled to a 15 year statute of limitations on all claims.

B. FACEBOOK

8. Facebook is a foreign corporation, incorporated in Delaware and with its headquarters and principal place of business in California.

9. Facebook has conducted business in Texas.

10. Facebook maintains offices in Texas.

11. Facebook targets Texas as a marketplace for its business.

12. Facebook has made an appearance in this lawsuit.

C. THE BACKPAGE DEFENDANTS

13. Defendant Michael Lacey is a natural person.

14. At all relevant times, Lacey transacted business in Texas, including in Harris County, Texas.

15. Lacey may be served at **3300 E. Stella Lane, Paradise Valley, Arizona 85253**, or wherever he may be found.

16. Defendant James Larkin is a natural person.

17. At all relevant times, Larkin transacted business in Texas.

18. Larkin may be served at **5555 N. Casa Blanca Drive, Paradise Valley, Arizona 85253**, or wherever he may be found.

19. Defendant John Brunst is a natural person.

20. At all relevant times, Brunst transacted business in Texas, including in Harris County, Texas.

21. Brunst may be served at **5830 East Calle Del Medio Phoenix Arizona 85018**, or wherever he may be found.

22. Lacey, Larkin, and Brunst, are referred to jointly as “The Backpage Defendants.”

C.1. Alter Ego

23. To the extent any of the Backpage Defendants assert that they are not liable for the claims of Jane Doe because of their status as a business entity, or because they were acting on behalf of another person or business entity, any such protections must be disregarded because the Backpage Defendants have intentionally tried to use those protections to avoid liability for their knowingly illegal conduct, including profiting from conduct that they knew was illegal. The only way to prevent an unjustified loss to Jane Doe is to hold each of the Backpage Defendants liable and to disregard any protections that might otherwise be available because of the effort by the Backpage Defendants to abuse those protections. This is particularly true where the Backpage Defendants have taken significant profits from conduct that they know is illegal, yet they would attempt to use those protections in order to avoid any liability or accountability for their knowingly illegal conduct, and for knowingly accepting illegal profits. It is black letter law that individuals and entities, including corporate officers and owners, may be held liable if they participate in wrongful conduct or have

knowledge of wrongful conduct and approve of the wrongful conduct. Each of the Backpage Defendants knew all of the facts that are alleged in this complaint, including the fact they were accepting significant profits from the illegal advertisements for sex on the Backpage website, including the advertisements for sex of Jane Doe, a minor.

24. To the extent any of the Backpage Defendants assert that they are not liable for the claims of the Backpage Defendants because of their status as a business entity, or because they were acting on behalf of another person or business entity, any such protections must be disregarded because the Backpage Defendants are the alter ego of one another. The Backpage Defendants tried to use a wide range of entities to deflect the fact that a few individuals and entities owned and controlled the Backpage website and took the profits from its illegal operations. There has been such unity of ownership and interest that the separateness of the corporation has ceased to exist.

D. THE HOTEL DEFENDANTS

25. Defendant America's Inns, Inc. d/b/a America's Inn 8201 Southwest Fwy, Houston, TX 77074 ("America's Inn") is a Delaware corporation.

26. America's Inn is authorized to do business in Texas and systematically conducts business in Texas and in Harris County, Texas.

27. America's Inn has been served and has made an appearance in this case.

28. Defendant Texas Pearl, Inc. ("Texas Pearl") is a Texas corporation, with its headquarters and principal place of business in Texas.

29. At all relevant times, Texas Pearl owned, operated, and controlled the America's Inn hotel at 8201 Southwest Fwy, Houston, Texas 77074.

30. Texas Pearl has been served and has made an appearance in this case.

31. America's Inns and Texas Pearl are referred to jointly as "The Hotel Defendants."

E. RATIFICATION/VICARIOUS LIABILITY

32. The use of Facebook and the Backpage website for the advertising, grooming and recruitment of minors for sex was so pervasive and known to Facebook and the Backpage Defendants that it cannot be said such conduct was so unforeseen as to prevent Facebook and the Backpage Defendants from being liable for such conduct. Rather, Facebook and the Backpage Defendants knowingly aided, facilitated and assisted sex traffickers, including the sex trafficker who recruited Jane Doe from Facebook and posted the advertisements of Jane Doe on the Backpage website. Facebook and the Backpage Defendants knowingly benefited from this illegal and immoral activity.

33. Facebook and the Backpage Defendants are therefore liable for the conduct of the sex traffickers on Facebook and the Backpage website, including the sex trafficker who posted advertisements of Jane Doe because they ratified this conduct and knowingly reaped the benefits. Facebook and the Backpage Defendants knew that the sex traffickers were sexually abusing and exploiting children, yet did nothing because of their financial motive. Given these circumstances, Facebook and the Backpage Defendants should be held vicariously liable for the actions of the sex traffickers, including the sex trafficker of Jane Doe.

VENUE & JURISDICTION

34. Venue is proper in Harris County, Texas pursuant to section 15.002(a)(1) of the Texas Civil Practice & Remedies Code, because a substantial part of the acts and omissions that gave rise to the sexual exploitation, human trafficking, and sexual assault of Jane Doe, a minor, occurred in Harris County, Texas.

35. Plaintiff further adopts and incorporates all other factual allegations contained elsewhere in this petition in support of its venue allegations.

36. Venue is proper as to all Defendants under Texas Civil Practice & Remedies Code § 15.005.

37. Jane Doe alleges damages in excess of \$10,000, and jurisdiction is proper in this Court.

Jurisdictional Facts Regarding Facebook, Inc.

38. Facebook, Inc. (hereinafter referred to as "Facebook") provides social networking services to more Americans than any other social networking service;

39. Minors have been sexually exploited through Facebook on multiple occasions in Texas.

40. Facebook has reported instances of child abuse occurring in Texas to the National Center for Missing and Exploited Children (NCMEC).

41. Facebook has reported instances of sexual assault of a child occurring in Texas to the National Center for Missing and Exploited Children (NCMEC).

42. Facebook has reported instances of child human trafficking occurring in Texas to the National Center for Missing and Exploited Children (NCMEC).

43. Facebook has responded to Texas law enforcement subpoenas regarding the trafficking of minors in Texas.

44. Facebook has provided information to Texas law enforcement agencies regarding the trafficking of minors in Texas.

45. Facebook has monitored content on Facebook regarding the sexual exploitation of minors in Texas.

46. Facebook has monitored the content on Facebook regarding the human trafficking of minors in Texas.

47. Facebook has accessed user information of Texas residents.

48. Facebook has accessed user information of Texas residents and provided that information to third party marketing companies.

49. Facebook has responded to civil subpoenas from law firms in Texas regarding Facebook users in Texas.

50. Facebook has reviewed messages on Facebook of Texas based users.

51. Facebook has blocked Texas based users on Facebook for explicit content, including that involving the sexual exploitation of minors.

52. Child pornography has been exchanged via Facebook users in Texas.

53. Facebook has pulled down child pornography from Facebook users in Texas.

54. Facebook has investigated the sexual exploitation of minors in Texas on Facebook.

55. Facebook has investigated the human trafficking of minors in Texas on Facebook.

56. Facebook has sought protection from Texas Courts regarding responses to subpoenas issued in civil lawsuits involving Texas residents.

57. Facebook has sought protection from Texas Courts regarding responses to subpoenas issued in criminal proceedings in Texas.

58. Facebook has millions of users in Texas on the Facebook platform.

59. Facebook sells information collected by Texas residents to third party vendors.

60. Facebook targets customers in Texas.

61. Facebook targets businesses in Texas.

62. Facebook targets potential employees in Texas. These include, but are not limited to, managers, moderators, accountants, design specialist, IT support, lawyers, clerks, receptionists, financial advisors, insurance companies, sanitation engineers, purchasing agents, leasing agents, human resources specialists, and other employees who are integral to Facebook's operations throughout Texas and the United States.

63. Facebook hires employees from Texas who reside in Texas.

64. Facebook fires employees from Texas who reside in Texas.

65. Facebook targets investors in Texas.
66. Facebook has investors who live in Texas.
67. Facebook has retained attorneys who reside in Texas.
68. Facebook currently has employees who are from and reside in Texas.
69. Facebook signs contracts with Texas businesses.
70. Facebook sends advertisements to Texas customers and advertise its services to Texas Customers.
71. Facebook pays taxes in Texas.
72. Facebook derives substantial revenue from Texas.
73. Facebook has trademarks that it enforces in Texas.
74. Facebook has hired independent contractors in Texas.
75. Facebook has ultimate control over this website.
76. This website is accessible in Texas.
77. Facebook has assisted and facilitated the trafficking of Jane Doe and other minors on [Facebook](#).
78. Facebook has received payment for goods and services from banks in Texas.
79. Facebook makes payments to banks in Texas.
80. Facebook does business in Texas;
81. Facebook generates revenue from its business in Texas;
82. Facebook is registered to do business in Texas;¹

¹ Even if Facebook was not subject to specific personal jurisdiction in Texas (it is), Facebook consented to general jurisdiction when it registered to do business here. Facebook registered to do business in Texas. By registering to do business in Texas, Facebook purposefully availed itself of the rights and privileges of the State of Texas. Therefore, based on more-than-a-century-old precedent from the United States Supreme Court, Facebook has consented to and is thus subject to general jurisdiction in Texas. *Pennsylvania Fire Ins. Co. of Philadelphia v. Gold Issue Min. & Mill. Co.*, 243 U.S. 93, 96, 37 S. Ct. 344, 345, 61 L. Ed. 610 (1917) (“[W]hen a power actually is conferred by a document, the party executing it takes the risk of the interpretation that may be put upon it by the courts. The execution was the defendant's voluntary act.”).

83. Facebook has a registered agent for service in Texas;
84. Facebook's business in Texas is social networking;
85. Facebook has millions of users in Texas.

Facebook's Business Model Targets Texas, Including Minors in Texas

86. Facebook's social media website allows users to create personalized webpages that contain information about themselves, including identifying information, photographs, videos, interests, recent activities, and links to content from other websites;

87. Once a user joins Facebook, they can engage with other Facebook users in a number of ways, including by adding those users as "friends" and providing feedback to content provided by other users by "sharing," "liking" (i.e. applying a tag that is shared with other users), or commenting on that content;

88. Facebook users are able to view their contacts' activities on the website, including both information posted by those contacts as well as their contacts' interactions with other users and content;

89. Facebook users are also able to create "groups" with other users, which allows multiple users to join a shared website which has its own profile and information;

90. Members of a Facebook group can view, interact with, and share content posted in these group forums;

91. Facebook collects data as to its users' activities through the website, including but not limited to information regarding contacts and group associations, content that users post and interact with, and use of third party websites;

92. Using proprietary algorithms, Facebook generates targeted recommendations for each user, promoting content, websites, advertisements, users, groups, and events that may appeal to a user based on their usage history;

93. Each Facebook user has a personalized experience on Facebook;
94. No two Facebook users have the exact same experience on Facebook;
95. Facebook features (such as suggestions) allow users an option to opt-out if they don't want to use them;
96. If Facebook users do not opt-out, then they are automatically enrolled in Facebook's default programs;
97. Facebook has the ability to change its opt-out option to an opt-in option;
98. An opt-in option would require affirmative action on the part of a user before Facebook could enroll users in Facebook's programs;
99. Facebook made a conscious decision to use opt-out as opposed to opt-in for its programs and features;
100. Data gathered from Facebook's proprietary software allows Facebook to recommend content;
101. Data gathered from Facebook's proprietary software allows Facebook to recommend friends;
102. Data gathered from Facebook's proprietary software allows Facebook to recommend groups;
103. Data gathered from Facebook's proprietary software allows Facebook to recommend 3rd party apps;
104. Facebook allows advertisers to use data gathered from Facebook's proprietary software to target specific customers and demographics;
105. Facebook is aware that minors use its platform and advertise to minors using its platform;

106. One of the largest target segments for advertisers on facebook is children between 13 and 17.

107. Facebook profits off advertisements directed towards minors in Texas on its platform;

108. Facebook recognizes that minors face more foreseeable risk from misuse of Facebook than adult users;

109. Facebook has taken precautions specific to child users between the age of 13-17;

110. Facebook has taken precautions specific to child users between the age of 13-17 in the State of Texas;

111. Jane Doe has alleged she was a Facebook user between the age of 13-17 in Texas;

112. Facebook connects users with other individuals and groups based on projected common interests, activities, contacts, and patterns of usage;

113. Facebook connects minor users between the age of 13-17 with other users;

114. Facebook connects minor users between the age of 13-17 with users who over the age of 18;

115. Facebook connects minor users in Texas between the age of 13-17 with other users;

116. Facebook connects minor users in Texas between the age of 13-17 with users who over the age of 18;

117. Facebook presents users with content posted by other users, groups, and third parties (e.g., advertisers) that is likely to be of interest to them, again based on prior usage history;

118. Facebook measures use of its platforms based on the number of Daily Average Users (DAUs) of each of its platforms, including but not limited to Facebook;

119. Facebook measures use of its platforms based on the number of Monthly Average Users (MAUs) of each of its platforms, including but not limited to Facebook;

120. Facebook generates reports of its users' demographics;
121. Facebook generates reports of its DAUs that break down DAUs by demographics;
122. Facebook generates reports of its MAUs that break down MAUs by demographics;
123. Location of users by country is a demographic tracked and used by Facebook;
124. Location of United States Facebook users by region (e.g., Northwest, Northeast, Southwest, etc.) is a demographic tracked and used by Facebook;
125. Location of United States Facebook users by State is a demographic tracked and used by Facebook;
126. Location of United States Facebook users by city is a demographic tracked and used by Facebook;
127. Location of United States Facebook users by zip code is a demographic tracked and used by Facebook;
128. Location of United States Facebook users by telephonic area codes is a demographic tracked and used by Facebook;
129. Facebook has the ability to identify a user's physical location through a user's IP address;
130. Facebook does not require a user to provide a physical address to open a Facebook account;
131. Facebook does not require a user to provide a home state location to open a Facebook account;
132. Facebook could require a user to provide a physical address to open a Facebook account;

133. Facebook could require a user to provide the state in which the user resides to open a Facebook account;

134. Facebook is available to people over the age of 13;

135. Facebook is aware that it has minor users;

136. Facebook is aware that it has minor users in Texas;

137. Facebook made a conscious decision to allow minor users, including in Texas;

138. Facebook targets customers/users in Texas;

139. Facebook targets minor users in Texas;

140. Facebook targets businesses in Texas;

141. Facebook generates revenue from its social networking business in Texas;

142. Facebook pays taxes to the State of Texas on the revenue generated by Facebook's social networking business in Texas;

143. Facebook has trademarks related to its social networking business that it enforces in Texas;

144. Facebook has hired independent contractors to work on its social networking business in Texas;

145. Facebook has provided information to Texas law enforcement agencies regarding the trafficking of minors in Texas.;

146. Facebook has monitored content on its platforms regarding the sexual exploitation of minors in Texas;

147. Facebook has monitored the content on its platforms regarding the human trafficking of minors in Texas;

148. Facebook has accessed user information, including but not limited to users who are below the age of majority, of Texas residents;

149. Facebook has accessed user information of Texas residents and provided that information to third party marketing companies;

150. Jane Doe has alleged that Facebook has assisted and facilitated the trafficking of Jane Doe and other minors in Texas;

151. Jane Doe has alleged that Facebook has permitted sex traffickers unfiltered access to the most vulnerable members of our society;

152. Jane Doe has alleged that Facebook has continually been used to facilitate human trafficking by allowing sex traffickers an unrestricted platform to stalk, exploit, recruit, groom, recruit, and extort children into the sex trade;

153. Jane Doe has alleged that Facebook is now the first point of contact between sex traffickers and child victims;

154. An article titled "Sex Traffickers Are Using Social Media to Target Children" contains the following quotes from Inspector Jim Klein, commander of the NYPD's Vice Enforcement Unit:

"These predators are watching, and they're listening. They're friending. They're seeing, 'Oh, she's not happy with school,' 'Oh, he's upset against his parents,' 'Oh, he has issues with his sexuality,' or, 'She's having problems with her friends.'"

"Next thing you know, these predators pick up on this, and they start becoming friendly to the point they're now separating these victims from everybody that's important to them."

"We've had cases where our pimps are . . . friends with [their victims'] relatives, and they're posting about pimping out girls and making money[.]".

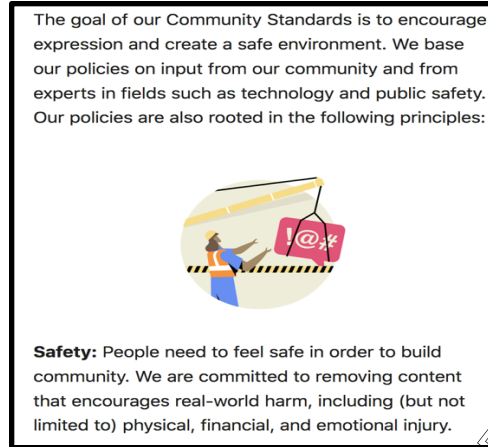
155. Mark Zuckerberg is the CEO of Facebook;

156. Mr. Zuckerberg provided testimony to Congress in his capacity as CEO; and

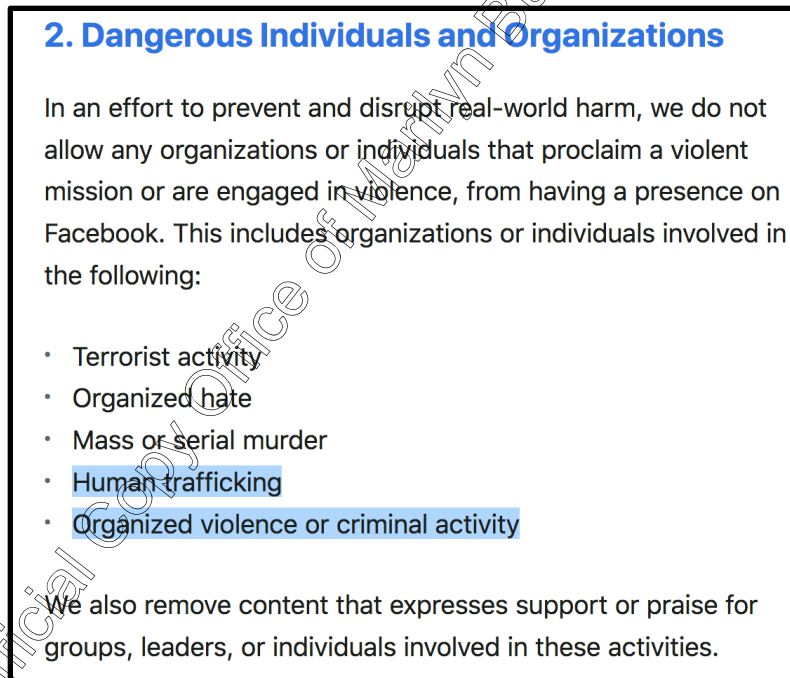
157. All of Mr. Zuckerberg's Congressional testimony was truthful.

158. Facebook publishes "Community Standards" for its platform.

159. Facebook’s “Community Standards” are specifically designed to promote safety:



160. Facebook’s “Community Standards” specifically identify potential sources of harm as human trafficking and organized criminal activity:



161. Facebook’s “Community Standards” specifically identify and recognize the sexual exploitation of minors.

7. Child Nudity and Sexual Exploitation of Children

We do not allow content that sexually exploits or endangers children. When we become aware of apparent child exploitation, we report it to the National Center for Missing and Exploited Children (NCMEC), in compliance with applicable law. We know that sometimes people share nude images of their own children with good intentions; however, we generally remove these images because of the potential for abuse by others and to help avoid the possibility of other people reusing or misappropriating the images.

We also work with external experts, including the [Facebook Safety Advisory Board](#), to discuss and improve our policies and enforcement around online safety issues, especially with regard to children.

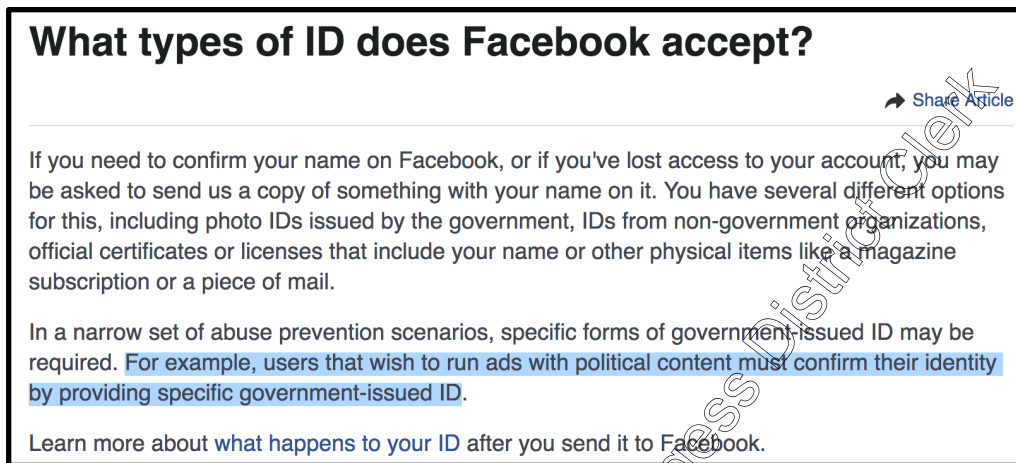
162. Facebook recognizes that sexual solicitation occurs on its platform and draws the line at content that “facilitates, encourages or coordinates sexual encounters between adults”:

15. Sexual Solicitation

As noted in Section 8 of our Community Standards ([Sexual Exploitation of Adults](#)), people use Facebook to discuss and draw attention to sexual violence and exploitation. We recognize the importance of and want to allow for this discussion. **We draw the line, however, when content facilitates, encourages or coordinates sexual encounters between adults.** We also restrict sexually explicit language that may lead to solicitation because some audiences within our global community may be sensitive to this type of content and it may impede the ability for people to connect with their friends and the broader community.

163. Facebook recognizes the risk to minor users and sexual exploitation, but Facebook does not “draw any lines” on content that “facilitates, encourages or coordinates sexual encounters” between adults and minor users.

164. Facebook can, and does, require photo identification for certain users, such as political advertisers:



165. Facebook does not require photo identification for minor users.

166. Facebook does not require photo identification for adult users who friend minor users.

167. Based upon the facts above, as well as those in the facts section of this petition, this Court has specific personal jurisdiction over Facebook. Specific personal jurisdiction is proper over Facebook because Facebook marketed its platform in Texas and actively sought out Texas as a marketplace for its platform (i.e. product).² Moreover, the sexual exploitation and harm that came from the misuse of Facebook's platform that forms the basis of this suit occurred in Texas.³

² "The stream-of-commerce cases relate to exercises of specific jurisdiction in products liability actions, in which a nonresident defendant, acting outside the forum, places in the stream of commerce a product that ultimately causes harm inside the forum. Many state long-arm statutes authorize courts to exercise specific jurisdiction over manufacturers when the events in suit, or some of them, occurred within the forum State. ... Flow of a manufacturer's products into the forum may bolster an affiliation germane to **specific** jurisdiction." *Goodyear Dunlop Tires Operations, S.A. v. Brown*, 131 S. Ct. 2846, 2849 (2011) (citing *see, e.g., World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 297, 100 S.Ct. 559, 62 L.Ed.2d 490).

³ In order for a court to exercise specific jurisdiction over a claim, there must be **an** "affiliation between the forum and the underlying controversy, principally, **[an]** activity or an occurrence that takes place in the forum State." *Bristol-Myers Squibb Co. v. Superior Court of California*, 137 S. Ct. 1773, 1778, 198 L. Ed. 2d 395 (2017).

FACTUAL BACKGROUND

A. ALLEGATIONS REGARDING FACEBOOK

168. With each passing day, the gateway to our community's children is increasingly social media—and Facebook through its Facebook Platform in particular.

169. Facebook targets minors for its services. This includes allowing any child above the age of 13 full and complete access to Facebook while forbidding adult supervision.

170. People, including children, connecting with their friends, family, and communities are not the only ones passing through Facebook's gateway.

171. For years now, Facebook has permitted sex traffickers unfiltered access to the most vulnerable members of our society while actively blocking parental access to Facebook accounts.

172. It has continually been used to facilitate human trafficking by allowing sex traffickers an unrestricted platform to stalk, exploit, recruit, groom, and extort children into the sex trade.

173. Facebook is now the first point of contact between sex traffickers and these children.

174. Jim Klien, the commander of New York Police Department's Vice Enforcement Unit, explained how sex traffickers work on Facebook's platform:

“These predators are watching and they're listening. They're friending. They're seeing ‘oh she is upset at her parents’ ... next thing you know, these predators become friendly and separate the victims from everyone who is important to them.”

175. Facebook not only provides an unrestricted platform for these sex traffickers to target children, but it also cloaks the traffickers with credibility.

176. Cathie Bledsoe, with the Indiana State Police Internet Crimes Against Children Task Force, detailed how traffickers “friend” a victim's real acquaintances, like people from the same middle and high schools, thereby providing credibility when approaching the victim through “shared” friends.

177. The FBI has joined New York and Indiana in shining a light on the dangers of social media by warning Americans that “online friendships on social networking can mean online peril” and in calling for safeguards for social media users.

178. The largest of the social media goliaths responsible for this danger is Facebook. Every day, over 1.4 billion people use Facebook—more than four times the population of the United States. Through this large sphere of influence, Facebook has accumulated a net worth of approximately \$500 billion dollars.

179. Facebook has long viewed its company mission to connect people in order to create profit.

180. In his June 18, 2016, memo, Andrew Bosworth, a Facebook VP, laid out Facebook’s “ugly truth:”

So we connect ... people.

That can be bad if they make it negative. Maybe it costs a life by exposing someone to bullies. Maybe someone dies in a terrorist attack coordinated on our tools.

And still we connect people....

That isn’t something we are doing for ourselves. Or for our stock price (ha!). It is literally just what we do. We connect people. Period.

That’s why all the work we do in growth is justified. All the questionable contact importing practices. All the subtle language that helps people stay searchable by friends. All of the work we do to bring more communication in.... All of it.

181. “Make no mistake,” Bosworth added, “growth tactics are how we got here.”

182. As Mark Zuckerberg testified before Congress, Facebook’s single-minded focus on growth was a grave mistake: “The broadest mistake made was not taking a broad enough view of Facebook’s responsibility to the community and content.”

183. Zuckerberg continued, “it is not enough to just give people a voice. We [Facebook] need to make sure that people aren’t using it to harm other people or to spread misinformation. Across the board we have a responsibility to not just build tools, but to make sure they’re used for good.”⁴

184. Facebook knows it has a duty to warn its most vulnerable users about human trafficking. In a power point from its January 29, 2019 “Content Standards Forum,” Facebook noted that “[m]any experts believe that we have a responsibility to educate the public about the nature of human trafficking.”⁵

185. But recognizing its duty and failures has come too late. Facebook has long ignored and continues to ignore its obligation to its online community of the dangers of human trafficking on its website.

186. Facebook has the tools and resources to warn its most vulnerable users about the human trafficking. It obtains detailed information about its users through users’ use of its platforms and from detailed dossiers obtained from commercial data brokers about users’ offline lives.

ProPublica explained:

Every time a Facebook member likes a post, tags a photo, updates their favorite movies in their profile, posts a comment about a politician, or changes their relationship status, Facebook logs it. When they browse the Web, Facebook collects information about pages they visit that contain Facebook sharing buttons. When they use Facebook or WhatsApp on their phone, which are both owned by Facebook, they contribute more data to Facebook’s dossier.

And in case that wasn’t enough, Facebook also buys data about its users’ mortgages, car ownership and shopping habits from some of the biggest commercial data brokers.

187. Facebook reports that it can target users “based on a variety of factors including age, gender, location, interests, and behaviors.”⁶ To do so, Facebook classifies its users into over 1,300

⁴ Testimony of Mark Zuckerberg, Facebook Chairman and CEO, Hearing before the U.S. Senate Committees on the Judiciary and Commerce, Science and Transportation, April 10, 2018.

⁵ https://fbnewsroomus.files.wordpress.com/2018/11/csf-final-deck_01.29.19.pdf

⁶ <https://www.sec.gov/Archives/edgar/data/1326801/000132680119000009/fb-12312018x10k.htm>

categories. The categories are not just related to gender, age, or shopping habits but include categories such as “Away from Family.”⁷

188. Facebook uses algorithms to categorize its users into tens of thousands of micro-targetable groups. Facebook can use its categories to micro-target groups “such as 40-year-old female motorcyclists in Nashville, Tennessee, (Facebook audience estimate: 1,300 people).”⁸

189. Facebook uses this information to sell ads that “enable marketers to reach people based on a variety of factors including age, gender, location, interests, and behaviors. Marketers purchase ads that can appear in multiple places including on Facebook, Facebook, Messenger, and third-party applications and websites.”⁹

190. Facebook also uses the detailed information it collects and buys on its users to direct users to persons they likely want to meet. In doing so, Facebook facilitates human trafficking by identifying potential targets, like Jane Doe, and connecting traffickers with those individuals.

191. Although it knows its system facilitates human traffickers in identifying and cultivating victims, and it knows it has the capacity to target ads to specific groups, Facebook does not target warnings to its most vulnerable users.

192. Facebook did not exercise reasonable care when it made general statements about illegal or dangerous third-party content on its platform.

193. Facebook’s system enabled Jane Doe’s traffickers to target her. Facebook had extensive information about Jane Doe and knew she was a likely target for trafficking. Yet Facebook did not target warnings to Jane Doe about how its system helps traffickers find targets like her or

⁷ <https://www.propublica.org/article/breaking-the-black-box-what-facebook-knows-about-you>

⁸ <https://www.propublica.org/article/help-us-monitor-political-ads-online>

⁹ <https://www.sec.gov/Archives/edgar/data/1326801/000132680119000009/fb-12312018x10k.htm> at p. 5.

about how traffickers lure victims through its platforms. As a result, Facebook increased the risk of harm to Jane Doe.

194. Facebook’s acts and omissions—and its morally bankrupt corporate culture—already facilitated the sexual exploitation of Jane Doe and countless others.

195. Facebook has an obligation to safeguard and to warn its users, both through its online platform and otherwise—of the dangers of human traffickers using Facebook as a tool to entrap and enslave children into sex trafficking.

196. Facebook knows it is used to identify, cultivate, and then exploit human trafficking victims.

197. As noted by the University of Toledo Human Trafficking and Social Justice Institute, Social Media is increasingly being exploited to contact, recruit, and sell children for sex.

198. This study, conducted at the request of the Ohio Attorney General reveals how quickly traffickers target and connect with vulnerable children, such as Jane Doe through the internet.

199. The in-depth 2018 report notes that this epidemic is so pervasive that in 42% of the cases studied, the human trafficking victim was trafficked without having to meet their trafficker in person.

200. This is a result of trafficking techniques used by predators on these platforms who are provided unrestricted access to minors. Typically, these predators will reach out to underage girls all day, looking for minors to prey on.

201. These traffickers, once they identified their target minors, then engage in the “grooming process”. This process includes strategic responses to the minor in an attempt to gain their trust, including but not limited to:

- I understand you
- I love you

- I think you're beautiful, I'll encourage you to show your body. Use your body
- I'll make your life better.
- I'll encourage you to take risks, you're an adult.
- I'll protect you.
- I'll make you successful.

202. Each of these phrases in messages raise red flags of inappropriate and abusive conduct towards minor children on Facebook. Even outside of a trafficking context, common sense dictates that red flags are raised when an adult male in his thirties tells a minor below the age of consent, "I love you," or "I think you are beautiful".

203. But to date, Facebook has failed to take any reasonable steps to mitigate the use of Facebook by human traffickers who recruit and exploit children on its platform. This includes but is not limited to: (a) requiring verification of the identity of Facebook users, (b) requiring minors to link their account to a parent or guardian's account, (c) implement filters that prevent adults over the age of 18 from communicating with minors under the age of 18; and (d) flagging buzzwords from those over 18 to minors under 18 that indicate human trafficking and blocking all further communications to that user.

204. This technology is not new to Facebook. For example, Facebook requires photographs of Government Identifications to verify government employees running campaigns.

205. Facebook furthermore started as a website requiring a verification process for users. Initially, Facebook was only accessible to members of Harvard. In 2004, this expanded to users from Yale, Stanford, and Columbia. It was not until Facebook saw the profit motive behind numerous users that Facebook dropped all verification requirements for users, which has been continued on its Facebook platform.

206. Moreover, Facebook has the technology to flag buzzwords in private messages and had this technology in 2015, which would have been available on Facebook.¹⁰

207. For example, in response to evidence that Facebook advertisers were using Facebook to illegally discriminate, Facebook began “test[ing] new technology that leverages machine learning to help [it] identify ads that offer housing, employment or credit opportunities.” And it claimed to implement the following policy:

When an advertiser attempts to show an ad that we identify as offering a housing, employment or credit opportunity and uses any other audience segment on Facebook, we will show the advertiser information about our updated anti-discrimination policy. We will then require the advertiser to certify that it is complying with that policy and with applicable anti-discrimination laws.¹¹

208. To date, Facebook has failed to take reasonable steps to appropriately warn minors of the risk of sex trafficking posed by its platform.

209. In fact, Facebook has taken the opposite approach on Facebook and prevented adults from (a) gaining access to their minor child’s Facebook or (b) requiring a minor child to have parental authorization for having an Facebook.

¹⁰ For example: Techniques that are designed to help infer a social media user’s personality are discussed within U.S. Patent No. 9740752, titled *Determining User Personality Characteristics From Social Networking System Communications and Characteristics*. Issued to Facebook last August, it discloses a computer-implemented method of extracting linguistic data from communication between users of a communication network; retrieving a characteristic of the user from the user’s profile on the communication network; applying a statistical model to the linguistic data and retrieved characteristic, the statistical model being determined by personality characteristics of a training set of users based on responses to surveys from those users; selecting personality characteristics for the user based on the characteristic being associated with a threshold value from the statistical model; storing the personality characteristic in the user’s profile; and presenting content to the user based on the selected personality characteristic. As the patent’s description notes, this system could be used to identify personality characteristics such as extroversion, agreeableness, conscientiousness, emotional stability and openness. However, it’s not difficult to see how such a system could be utilized to determine the political views of an individual Facebook users.

¹¹ <https://newsroom.fb.com/news/2017/02/improving-enforcement-and-promoting-diversity-updates-to-ads-policies-and-tools/>

210. Facebook has not taken these steps to warn of human trafficking or mitigate its occurrence on Facebook's website based upon profit motivations. Facebook obtains its profits through users. If additional restrictions were placed on user accounts and what was required to become a user, numbers would drop.

211. This drop in user numbers would lead to decreased profits.

212. Facebook also has a strong financial incentive not to warn its most vulnerable users about human trafficking. In its January 2019 Annual 10-K report, Facebook stated that its companies "generate substantially all of our revenue from selling advertising placements to marketers. It acknowledged that the "size of our user base and our users' level of engagement are critical to our success." Significant risk factors to Facebook's business included:

- decreases in the quality and frequency of content shared on our products and services
- decreases in user sentiment due to questions about the quality or usefulness of our products or our user data practices, or concerns related to privacy and sharing, safety, security, well-being, or other factors

This is because marketers pay for Facebook's ad products "based on the number of impressions delivered or the number of actions, such as clicks, taken by users." "Impressions are considered delivered when an ad is displayed to a user." It receives revenue from action-based ads when "user takes the action the marketer contracted for." Facebook, therefore, reported: "If we are unable to maintain or increase our user base and user engagement, our revenue and financial results may be adversely affected."¹²

213. Because its profits derive from users of its products, Facebook has no incentive to warn users to be cautious about engaging with some of its users.

¹² <https://www.sec.gov/Archives/edgar/data/1326801/000132680119000009/fb-12312018x10k.htm>.

214. Facebooks also faces negligible risk in not warning its most vulnerable users about human trafficking. Facebook knows the Communications Decency Act protects it from liability for most private law claims.¹³

215. As early as 2003, in *Doe v. GTE Corp.*, Judge David Easterbrook asked: “Why should a law designed to eliminate [internet service providers’] liability to the creators of offensive material end up defeating claims by the victims of tortious or criminal conduct?” 347 F.3d 655, 660 (7th Cir. 2003). As a result, those claiming to be “internet service providers”, like Facebook, face virtually no civil liability despite making an enormous profit of the use of their products; the internet “lacks any kind of sensible allocation of risk.”¹⁴

216. Due to the financial benefit and limited risk of not acting, Facebook is unlikely to actually change its conduct as it relates to its products. Even when Facebook has been exposed to risk for its conduct, it has not changed its behavior. On April 24, 2019, Facebook announced that it expected to be fined between three and five billion dollars for violating a privacy consent decree related to allowing third parties to harvest user data without users’ consent.¹⁵

217. Facebook and other supposed “internet service providers” argue that they need to be protected from civil liability. History suggests otherwise. “When courts began recognizing claims under Title VII for sexually hostile work environments, employers argued that the cost of liability would force them to shutter, and if not, would ruin the camaraderie of workspaces.”¹⁶ Most would agree that did not happen.

¹³ See <https://www.sec.gov/Archives/edgar/data/1326801/000132680119000009/fb-12312018x10k.htm>

¹⁴ Danielle Keats Citron & Benjamin Wittes, *The Internet Will Not Break: Denying Bad Samaritans* § 230 Immunity, 86 Fordham L. Rev. 401, 421 (2017) (quoting Benjamin Wittes and Gabriella Blum, *The Future of Violence: Robots and Germans, Hackers and Drones* at p. 216 (2015)).

¹⁵ <https://www.sec.gov/Archives/edgar/data/1326801/000132680119000037/fb-03312019x10q.htm> at p. 21; <https://www.nytimes.com/2019/04/24/technology/facebook-ftc-fine-privacy.html>

¹⁶ Danielle Keats Citron & Benjamin Wittes, *The Internet Will Not Break: Denying Bad Samaritans* § 230 Immunity, 86 Fordham L. Rev. 401, 421 (2017)

THE INTERNET HAS CHANGED SINCE 1996

218. The Communication Decency Act was enacted in 1996. At that time, commercial service providers had roughly twelve million subscribers.¹⁷ Seventy-seven percent of online users sent or received an email “at least once every few weeks.”¹⁸ The first commercial spam message was sent only two years prior by two lawyers with the subject “Green Card Lottery - Final One?”

219. By 1999, only forty-one percent of Americans were using the internet and the most popular online news was the weather.

220. The cybermarket place we know today was unimaginable in 1996. Amazon launched the year before the CDA was enacted. But by 2000, still only forty-eight percent of internet users had purchased a product online.

221. Online social networking sites did not exist in 1996. MySpace and LinkedIn were launched in 2003. Facebook was created in 2004.

222. The cyberworld continued to expand. In 2005, YouTube was founded, Twitter was created in 2006, and Apple released the first iPhone in 2007.¹⁹

223. In 2008, when only ten percent of American’s had social media profiles,²⁰ the Ninth Circuit declared:

The Internet is no longer a fragile new means of communication that could easily be smothered in the cradle by overzealous enforcement of laws and regulations applicable to brick-and-mortar businesses. Rather, it has become a dominant—perhaps the preeminent—means through which commerce is conducted. And its vast reach into the lives of millions is exactly why we must be careful not to exceed the scope of the immunity provided by Congress and thus give online businesses an unfair advantage over their real-world counterparts, which must comply with laws of general applicability.²¹

¹⁷ *Id.* at 411.

¹⁸ <https://www.pewinternet.org/2014/03/11/world-wide-web-timeline/>

¹⁹ *Id.*

²⁰ <https://www.statista.com/statistics/273476/percentage-of-us-population-with-a-social-network-profile/>

²¹ *Fair Hous. Council of San Fernando Valley v. Roommates.Com, LLC*, 521 F.3d 1157, 1164 n. 15 (9th Cir. 2008).

By 2016, two thirds of Americans had smart phones and one in five Americans reported being on line *almost constantly*.²² Today, seventy-nine percent of American's have a social media profile and utilize these products in their daily life.²³

Jane Doe's entrapment on Facebook.

224. Jane Doe was a Facebook user in 2012 while she was 15 years old.

225. Jane Doe was friended by another Facebook user with whom she had several common friends. This Facebook Friend messaged Jane Doe through Facebook's messaging systems.

226. This Facebook friend was well over the age of 18.

227. The Facebook Friend told Jane Doe she was "pretty enough to be a model." The Facebook Friend made false promises regarding financial security and a better life through modeling.

228. Each of these phrases are red flags as identified by several well-known human trafficking studies, including the Ohio Attorney General. Facebook was aware that these sorts of messages were precisely the ones it should be warning against.

229. After Jane Doe had an argument with her mother, Jane Doe confided in the Facebook Friend. The Facebook Friend then offered Jane Doe a job as a model.

230. This series of messages fits the grooming behaviors that Facebook should have implemented safeguards and warnings to prevent.

231. This series of messages raises another major red flag in which Facebook was aware and should have contacted the authorities.

232. The Facebook Friend said Jane Doe could make enough money to pay the rent on her own apartment. The Facebook friend offered to pick her up and console her about her disagreement with her mother.

²² <https://www.propublica.org/article/breaking-the-black-box-what-facebook-knows-about-you>

²³ <https://www.statista.com/statistics/273476/percentage-of-us-population-with-a-social-network-profile/>

233. This series of messages raised another red flag that Jane Doe’s safety and wellbeing were at risk. Facebook was aware that Jane Doe was in danger and failed to take any action to contact the proper authorities.

234. Furthermore, the content of these messages is precisely the pattern commonly engaged in by sex traffickers; Facebook knew of the dangers and did nothing to warn Jane Doe—or children like her—about how to recognize them.

235. Within hours of meeting the Facebook Friend, photos were taken of Jane Doe and were posted on Backpage, and then she was raped, beaten, and forced into further sex trafficking.

236. Jane Doe had never been made aware of the dangers of sex traffickers on Facebook.

237. Jane Doe had never been made aware of the warning signs of sex traffickers on Facebook.

238. If Jane Doe had known of the dangers of sex trafficking perpetrated through Facebook, she would not have been put in a position to be raped, abused, and trafficked by a user.

239. If Jane Doe had known how to recognize the warning signs of sex traffickers on Facebook, she would not have been put in a position to be raped, abused, and trafficked by a user.

240. Jane Doe would have followed the warnings provided by Facebook, had Facebook provided proper warnings.

241. In this case, an adult user (“King”) used a name other than his given name (Trevon)²⁴ and was able to friend a minor user despite being an adult. Moreover, King’s Facebook account is plastered with photos of scantily-clad young women in sexual positions with money stuffed in their mouth (a clear sign of trafficking), piles of cash, and other deeply troubling content. To Facebook, these are warning signs of human trafficking. But Jane Doe could not recognize the hallmarks of

²⁴ King similarly used a fake name for his last name, but out of privacy concerns for Jane Doe, it is not being disclosed at this time.

trafficking because Facebook never warned her. Thus, despite all these warning signs that “King” was a human trafficker, King was able to friend Jane Doe. From there, the horror story began for Jane Doe and hasn’t ended.

242. While Facebook talks a good game, it utterly failed to implement the most basic of safety features that it advertises and promotes as a feature of its social media platform. To date, Facebook has taken no reasonable steps to mitigate the use of Facebook by sex traffickers or exploiters using its platform.

243. Millions of minors like Jane Doe remain at risk every day when they simply log onto Facebook. This is evident from numerous other similar incidents regarding minors being trafficked through Facebook.

B. ALLEGATIONS REGARDING THE BACKPAGE DEFENDANTS

B.1. Sex trafficking of minors has exploded due to the marketplace of sexual exploitation created by the Backpage website.

244. According to the United States Department of Homeland Security, in 2016, human trafficking and the sexual exploitation of minors generates billions of dollars each year in illegal proceeds, making it more profitable than any transnational crime except drug trafficking.

245. While precise data concerning the black-market trade is scarce, estimates are there were as many as 27 million victims of human trafficking and the sexual exploitation of minors worldwide in 2013—including 4.5 million people trapped in sexual exploitation. Too often, the victims of sex trafficking, including Jane Doe, are minors caused by any means into prostitution.

246. The United States Department of Justice has reported that more than half of the sex-trafficking victims are 17 years old or younger. In 2014, the National Center for Missing and Exploited Children reported an 846% increase from 2010 to 2015 in reports of suspected child sex trafficking—an increase the organization found to be “directly correlated to the increased use of the internet to sell children for sex.” With the help of online advertising, traffickers can maximize profits,

evade law enforcement detection, and maintain control of victims by transporting them quickly between locations.

247. Both Texas and Houston have not escaped this horrific trend. Recent media reports indicate that Texas has the second highest number of calls to the National Human Trafficking Resources Center in the Nation. Moreover, as recent as 2015, Houston was found to have the highest number of trafficking victims in the nation.

248. Online advertising has transformed the commercial sex trade, and in the process has contributed to the explosion of domestic sex trafficking. Sex trafficking previously took place (and continues to through the aid of online advertising) on the streets, casinos, truck stops, and in other physical locations. Now, most child sex trafficking, including the trafficking of Jane Doe, occurred online.

249. The Backpage website is the leading online marketplace for human trafficking and the sexual exploitation of minors and commercial sex, including human trafficking and the sexual exploitation of minors. According to the United States Senate Permanent Subcommittee on Homeland Security and Government Affairs, Backpage is involved in 73% of all child trafficking reports that the National Center for Missing and Exploited Children receives from the general public (excluding reports by Backpage itself). The National Association of Attorneys General has aptly described the Backpage website as a “hub” of “human trafficking, especially the trafficking of minors.”

250. The Backpage Defendants do not deny their site is used for criminal activity, including the sale of children for sex. As found by the United States Subcommittee Report, internal company documents show that Backpage has long maintained a practice of altering ads before publication by deleting words, phrases, and images indicative of child sex trafficking, and other sex trafficking, as well as “educating” users how to make illegal ads for prostitution appear as legal ads for escorts.

251. For example, on July 28, 2011, Backpage co-founder Larkin cautioned Backpage CEO Ferrer against publicizing the Backpage Defendants' moderation practices, explaining that "we need to stay away from the very idea of editing the posts, as you know."

252. Backpage had good reason to conceal its editing practices: Those practices served to sanitize the content of innumerable advertisements for illegal transactions, including those prostituting out and trafficking Jane Doe—even as the Backpage Defendants represented to the public and the courts that it merely hosted content others had created.

B.2. The Backpage Defendants' ad sanitization process proves they knew of their involvement in sex trafficking.

253. This practice by the Backpage Defendants of systematically editing its adult ads to conceal child human trafficking and the sexual exploitation of minors has been in effect for almost a decade. As early as 2008, the Backpage Defendants and their executives began instructing staff responsible for screening ads (known as moderators) to edit the text of adult ads to conceal the true nature of the underlying transaction.

254. By October 2010, the Backpage Defendants and their executives formalized a process of both manual and automated deletion of incriminating words and phrases, primarily through a feature called the "Strip Term from Ad Filter."

255. At the direction of CEO Ferrer, the company programmed this electronic filter to "strip"—that is, to delete—hundreds of words indicative of sex trafficking the sex trafficking of minors and prostitution from ads before their publication.

256. The terms that the Backpage Defendants have automatically deleted from ads before publication include "Lolita," "teenager," "rape," "young," "amber alert," "little girl," "teen," "fresh," "innocent," and "school girl."

257. When the user (such as Jane Doe's trafficker) submitted an adult ad containing one of these "stripped" words, the Backpage Defendants' Strip Term from Ad Filter would automatically delete the discrete word and the remainder of the ad would be published.

258. While the Strip Term from Ad Filter changed nothing about the true nature of the advertised transaction or the real age of the person being sold for sex (such as Jane Doe, who was 15 years old) the filter would scrub the ads so they looked (but were not) "cleaner than ever."

259. Manual editing entailed the deletion of language similar to the words and phrases that the Strip Term from Ad Filter automatically deleted—including terms indicative of the sexual exploitation and proposed sexual assault of minors, including Jane Doe. By The Backpage Defendants' themselves estimated that by late 2010, they were editing "70 to 80% of ads" in the adult section, whether manually or automatically.

260. Along with its automatic Strip Term Filter and Manual Editing, The Backpage Defendants also reprogrammed their electronic filters to coach human traffickers looking to exploit minors using Backpage on how to post "clean" ads selling minors and other victims, including Jane Doe, to be sexually assaulted.

261. Initially, when a user attempted to post an ad with a forbidden word, the user would receive an error message identifying the problematic word choice to "help" the user, as Backpage CEO Ferrer puts it. For example, a user advertising sex with a "teen" would get the error message "sorry, teen is a banned term." By simply redrafting the ad, the user would be permitted to post a sanitized version.

262. Backpage employed a similarly helpful error message in its "age verification" process of adult ads. In October 2011, Ferrer directed his technology consultant to create an error message when a user supplied an age under 18 years. The message would appear informing the trafficker that "Oops! Sorry, the ad poster must be over 18 years of age." With a quick adjustment to the poster's

age, the ad would post despite the fact that the advertisement was still that for the sexual exploitation and sexual assault of a minor.

263. In November 2010, Ferrer, along with the Backpage Defendants, concluded that the error message method of sanitizing minor and other sex trafficking advertisements on Backpage was inefficient when the customer themselves was responsible for redrafting the ad after the error message. Therefore, instead of having the human trafficker or exploiter posting an advertisement edit the ad after submission, Ferrer ordered Backpage to implement a system to “strip out a term after the customer submits the ad and before the ad appears in the moderation queue.” This meant that upon the submission of an advertisement containing one of the banned words related to human trafficking or the sexual exploitation of minors, the banned word would be **automatically deleted** from the advertisement instantaneously **before** any moderator screening. After the term was automatically deleted due to the Strip Term from Ad Filter, the moderator would then be sent the advertisement and given the ability to continue to fix any other signs indicative of the sexual of minors. The Strip Term from Ad Filter concealed the illegal nature of countless ads, including those used to victimize and traffic Jane Doe, and systematically deleted words indicative of child sex trafficking and the sexual exploitation of minors before the ads even reached moderators.

264. This sanitization process described above was purposeful on the part of the Backpage Defendants or was undertaken with the knowledge that its sanitization process was encouraging and assisting human traffickers and exploiters to exploit minors and other victims, including Jane Doe.

265. The Senate Subcommittee Report found the Backpage Defendants and Backpage employees knew the adult section ads were for prostitution and that the moderators’ job was to sanitize them. The Backpage Defendants also knew that advertisers used its site extensively for child sex trafficking. Despite this knowledge, the Backpage Defendants refused to act in a reasonable and

responsible manner to these complaints—but instead used the sanitization process to avoid potential criminal investigations and enhance sex traffickers’ ability to exploit minors while going undetected.

266. Moreover, the Backpage Defendants did not implement the sanitation process on an ad hoc basis, but in a systematic manner that demonstrated a clear company policy to help human traffickers avoid law enforcement detection and continue the victimization and sexual assault of minors, including Jane Doe, and other young women against their will.

267. In December 2009, The Backpage Defendants and their executives prepared a training session for their team of moderators on the sanitization process. The PowerPoint presentation prepared for the session instructed moderators to fully implement the Adult Moderation pre-posting review queue by January 1, 2010.

268. Most importantly, the presentation explained that “Terms and code words indicating illegal activities require removal of ad or **words**. Backpage executives kept their word and formalized and fully implemented the company-wide sanitation process in early 2010. In April 2010, Ferrer emailed a note to himself with the subject line “Adult clean up tasks,” Ferrer confirmed that as of April 2010, staff were “moderating ads on a 24/7 basis.” In a section of the note, Ferrer noted that “Ads with bad images or bad test [sic—text] will have the image removed or the offending text removed.” In a section titled “Additional Steps,” Ferrer said “text” could be cleaned up more as users become more creative.

269. Ferrer and the Backpage Defendants did not just discuss ways to make the sanitization process of human trafficking and sexual exploitation of minor advertisements more effective, but actively engaged in updating the word bank of terms to make the adult section appear “cleaner than ever.” For example, in a December 1, 2010, email addressed to Backpage moderators and Ferrer, Padilla stated:

Between everyone’s manual moderations, both in the queue and on the site, and the Strip Term from Ad Filters, things are cleaner than ever

in the Adult section.

...

In an effort to strengthen the filters even more and avoid the repetitive task of manually removing the same phrases every day, every moderator starts making a list of phrases you manually remove on a regular basis?

...

Included in your lists should be popular misspellings of previously banned terms that are still slipping by.

...

To avoid unnecessary duplicates, I'm attaching a spreadsheet with the most current list of coded terms set to be stripped out.

270. The spreadsheet attached to Padilla's email indicates that the following words (among others) were automatically deleted from adult ads by the Strip Term from Ad Filter before ads were published:

- Lolita (and its misspelled variant, lollita)
- Teenage
- Rape
- Young

271. Moreover, multiple documents and communications from the Backpage Defendants demonstrate the inclusion of these and other terms in the Strip Term from Ad Filter. Over the course of the next several months, Backpage added additional words to the Strip Term from Ad Filter, including:

- Amber alert
- Little girl
- Teen
- Fresh
- Innocent
- School Girl

272. When a user submitted an adult ad containing one of the above forbidden words, the Backpage Defendants' Strip Term from Ad Filter would immediately delete the discrete word and

the remainder of the ad would be published after moderator review. Of course, the Strip Term from Ad Filter changed nothing about the real age of the person being sold for sex or the real nature of the advertised transaction. Nor was Backpage Defendants' goal to fix these things.

273. By July 2010, The Backpage Defendants were praising moderation staff for their editing efforts. Ferrer circulated an agenda for a July 2010 meeting of The Backpage Defendants' Phoenix staff and applauded moderators for their work on "adult content" and encouraging Backpage staff to keep up the good work. Ferrer elaborated in an August 2010 email that Backpage currently had a staff of 20 moderators working 24/7 to remove any sex act pictures and other code words for sex for money.

B.3. The Backpage Defendants sanitized, instead of deleting, ads that sexually exploited minors.

274. For a brief period in 2010, the Backpage Defendants appeared to have second thoughts about facilitating and encouraging human trafficking and the sexual exploitation of minors through the sanitation of Adult Page advertisements. In September of 2010, in response to pressure from Village Voice executives to "get the site as clean as possible," Backpage "empower[ed]" Phoenix-based moderators "to start deleting ads when the violations are extreme and repeated offenses." On September 4, 2010, when Craigslist, the company's chief competitor, shut down its entire adult section, the Backpage Defendants recognized it was "an opportunity" and "[a]lso a time when we need to make sure our content is not illegal due to expected public scrutiny" (note: not moral obligation to sexually exploited minors such as Jane Doe). The Backpage Defendants initially responded by expanding the list of forbidden terms that could trigger the complete deletion of an entire ad—whether by operation of an automated filter or by moderators. Despite finally taking a step in the right direction, the Backpage Defendants soon began to recognize that the deletion of ads with illegal content was bad for business. Ferrer explained his rationale that ads should be sanitized instead of deleted to the company's outside technology consultant, DesertNet:

We are in the process of removing ads and pissing off a lot of users who will migrate elsewhere. I would like to go back to having our moderators remove bad content in a post and then locking the post from being edited.

275. This more “consumer friendly” approach chosen by Ferrer and the Backpage Defendants was done in order to ensure that posts were sanitized in a way that avoided law enforcement detection and was used to “teach” the human trafficker or exploiter what they did wrong. This methodical and calculated decision made by the Backpage Defendants to focus all of its efforts on sanitizing instead of removing advertisements of human trafficking and sexual exploitation of minors was done solely for the Backpage Defendants’ own financial gain and with complete disregard for the safety of victims, including Jane Doe.

276. Backpage also programmed the Strip Term from Ad Filter to strip scores of words indicative of prostitution and the sexual exploitation of minors from ads before publication. For ads submitted to the section advertising escorts for hire, the filter deleted words describing every imaginable sex act as well as common terms of the trade such as “full service,” “Pay 2 Play,” and “no limits.” In addition, the Backpage Defendants programmed the filter to edit obvious prostitution price lists by deleting any time increments less than an hour (e.g. \$50 for 15 minutes) and to strip references to a website called “The Erotic Review” or “TER”—a prominent online review site for prostitution.

277. **The Backpage Defendants designed the Strip Term from Ad Filter to delete, without a trace, hundreds of words and phrases indicative of prostitution from ads before their publication—cloaking those advertisements with the appearance of legality while concealing their true intent.**

278. By February 2011, Ferrer was boasting that the strip out sanitization system “affects almost every adult ad” on Backpage. Ferrer continued to boast that it was “pretty cool” to see how aggressively Backpage was using the strip out function to conceal the advertisements true purpose—human trafficking and the sexual exploitation of minors. The Backpage Defendants and their

executives continually praised the results of this extensive content-editing effort: “[T]he consensus is that we took a big step in the right direction” (by editing instead of deleting illegal advertisements), Ferrer told Backpage executive Padilla, and that the “content looks great” and The Backpage Defendants should keep their goal to “tame the content down even further while keeping good content and users.”

279. The Backpage Defendants’ internal company communications demonstrate the Backpage Defendants and their executives’ actual knowledge that the purpose of Backpage’s systematic editing was to sanitize prostitution and sexual exploitation of minors advertisements to avoid State and Law Enforcement repercussions against Backpage for encouraging and promoting human trafficking as well as the sexual assault and sexual exploitation of minors. As explained in an October 10, 2010 Backpage internal email from Padilla to Backpage moderators regarding Backpage’s sanitation of adult ads: “it’s the language in the ads that is really killing us with the Attorneys General.” Similarly, Ferrer explained the need for a special “Clean Up” of Backpage’s adult section in advance of a day on which he expected the “Attorney General investigators to be browsing for escorts.”

B.4. The Backpage Defendants approved Backpage’s facilitation of the sex trafficking of minors, including Jane Doe.

280. Ferrer personally directed and approved the addition of new words to the Strip Term from Ad Filter related to the trafficking and prostitution of underage victims. For example, Ferrer told Padilla in a November 17, 2011 email that the word “lolita” is code for under aged girl [sic]. A similar understanding led Ferrer to add the words “daddy” and “little girl” to the Strip Term from Ad Filter. In February 2011, CNN ran a story about a 13-year-old girl named Selena who was sold for sex on Backpage. The report noted that “suspect ads with taglines such as ‘Daddy’s Little Girl’ are common” on the Backpage website. Ferrer’s remedy instead of removing this content from Backpage was to email the CNN story to Padilla and instruct him to add “daddy” and “little girl” to the strip out filter.

281. Similarly, in a June 7, 2011 email, Ferrer told a Texas law enforcement official that a word found in one Backpage ad amber alert is “either a horrible marketing ploy or **some kind of bizarre new code word for an under aged person.**” Ferrer told the Texas official that he would forbid the phrase (not remove the advertisements)—without explaining that, inside the Backpage Defendants’ operations, this meant the word would be automatically deleted from advertisements to conceal their true nature. Ferrer forwarded this email chain to Padilla and instructed Backpage employees to add “amber alert” to the automatic strip out filter. A June 11, 2012, version of the filter word list indicates that “amber alert” was indeed automatically deleted by the Strip Term from Ad Filter before the advertisement reached moderators. In short, Backpage and Ferrer added such terms to the Strip Term from Ad Filter with full awareness of their implications for child sexual exploitation.

282. These actions by Ferrer included personally ensuring that known sex traffickers’ accounts were not blocked on Backpage and that sex traffickers could post on Backpage with impunity and without recourse from Backpage. For example, Backpage locked the account of “Urban Pimp” for posting numerous ads for sex. When his ads were temporarily blocked, Urban Pimp complained to the Backpage Defendants that his advertisements for sex were blocked and that he was trying to post advertisements for sex in 50 cities all across the United States. Rather than report Urban Pimp to law enforcement or ban Urban Pimp from Backpage, Ferrer advised Urban Pimp that he had unlocked his account and that if his account did not work “email me back direct.”

283. As a matter of policy, the Backpage Defendants moreover chose to err against reporting potential child sexual exploitation in favor of retaining its customer base and avoiding law enforcement review of the Backpage Defendants’ actions. For example, in June 2012, the Backpage Defendants instructed its outsourced third-party moderators only to delete suspected child-sex advertisements “**IF YOU REALLY VERY SURE THE PERSON IS UNDERAGE.**” In a similar email, a Backpage supervisor instructed internal moderation staff: “**Young ads do not get**

deleted unless they are clearly a child.” Backpage supervisors not only encouraged non-deletion of ads involving the sexual exploitation of minors, but actively instructed moderators not to report advertisements exploiting children to the National Center for Missing and Exploited Children. For example, in an email exchange dated July 11, 2013, Vaught, a Backpage supervisor, instructed a moderator that she “probably would not have reported” the advertisement despite the fact that the woman in the ad looked drugged, underage, and had bruises. In chastising the moderator for her decision, Vaught noted that “these are the kind of reports the cops question us about” and that while she finds ads “like this” (with clear signs of abuse and trafficking) she does not typically send them to the National Center for Missing and Exploited Children.

B.5. The Backpage Defendants ordered employees not to delete ads that clearly exploited minor victims of human trafficking.

284. After an advertisement had already been through the Strip Term from Ad Filter and passed to moderators, the Backpage Defendants implicitly and explicitly prevented moderators to reject entire ads due to indications of prostitution, child prostitution, and human trafficking. Documents from the Backpage Defendants indicate that the company permitted moderators to delete only a *de minimis* share of adult ads in their entirety. In January 2011, Ferrer estimated that about five adult sex for money postings are removed out of every 1,000—which equates to only five percent of advertisements that promote prostitution as well as human trafficking and the sexual exploitation of minors being removed from Backpage by The Backpage Defendants. This low removal rate of advertisements promoting human trafficking and the sexual exploitation of minors was by design. For example, on October 24, 2010, Padilla emailed the supervisor of Backpage’s contract moderators to inform her of the edit over delete policy. The email subject line read “your crew can edit” and went:

[Your team] should stop Failing ads and begin editing ... as long as your crew is editing and not removing the ad entirely, we shouldn't upset too many users. Your crew has permission to edit out text violations and images and then approve the ad.

285. In editing advertisements that clearly advertised the sexual exploitation of minors and human trafficking, moderators were instructed by the Backpage Defendants to systematically remove words indicative of criminality before publishing an ad (assuming that the ad still appeared criminal after making it through the Strip Word Filter). As stated by Backpage Employee A in the Senate Subcommittee Report who worked as a Backpage moderator from 2009 through 2015, the moderator's goal was to remove key phrases that made the ad sound like a prostitute ad rather than an escort ad, dancing around the legality of the ad. **Backpage Employee A explained the Backpage Defendants wanted everyone to use the term "escort," even though the individuals placing the ads were clearly prostitutes.** Therefore, the Backpage Defendants were systematically through both explicit and covert means helping its users turn an intended illegal advertisement for human trafficking or the sexual exploitation of a minor into a seemingly legal escort advertisement—all while concealing the users' true intent.

286. Testimony under oath by former Backpage moderator Adam Padilla, brother of Backpage executive Andrew Padilla, tracks Backpage Employee A's account. In an August 2, 2016 deposition, Adam Padilla testified that deleting ads for illegal conduct, rather than editing out the indicia of illegality to provide a façade of legality, would have cut into company profits:

A: [M]y responsibility was to make the ads okay to run live on the site, because having to get rid of the ad altogether was bad for business. And so you would want to, you know, make it — take out any of the bad stuff in the ad so that it could still run...

Q: When you say that you viewed your job responsibility to be to take out the bad stuff in ads, you're referring to what we discussed earlier with regard to images that suggested that the ad was advertising money for sex or content that suggested the ad was for an advertisement for money for sex, correct?

A: That is exactly correct.²⁰³

287. Padilla further testified that moderators even edited live ads that were reported for “Inappropriate Content” by users. According to Padilla, if moderators saw an ad that had inappropriate content that suggested sex for money or images that suggested sex for money, they would remove the offending language and repost the ad. This was ordered by the Backpage Defendants despite it being “common knowledge” that removing sex for money language before posting does not change the illegal nature of the advertised transaction.

A: [I]t would be pretty much common knowledge that it's still going to run. So a person is still going to ... do what they wanted to do, regardless.

Q: And do you agree with me if you removed language from an ad that blatantly sells—or says that “I’m willing to have sex with you for money,” and then you post the remainder, you know as the person who edited the ad, that the ad is someone who is trying to sell sex for money, correct?

A: Yes.²⁰⁵

288. Not only did the Backpage Defendants prevent moderators from deleting advertisements, but the Backpage Defendants moderators themselves used Backpage for prostitution services. For example, Backpage Employee C explained that at least one of her coworkers contacted and visited prostitutes using Backpage ads and told his colleagues about the encounters. Similarly, Backpage Employee A related that some Backpage moderators visited massage parlors that advertised on Backpage. Given the clear company policy and corporate culture of Backpage, those employees who felt that the corporate policy to encourage and assist users to disguise their human trafficking and sexual exploitation of minor ads were wrong did not voice their concerns out of fear for retaliation.

289. Although the Backpage Defendants’ role in facilitating human trafficking as well as the sexual exploitation of minors was apparent to its employees, company management reprimanded employees who memorialized this in writing. On October 8, 2010, Padilla and a Backpage moderator

made that point clear by ordering moderators not to leave notes in user accounts, even those who are long time term-of-use violators. Specifically, Padilla states in the October 8, 2010 email:

Backpage and you in particular, cannot determine if any user on the site in [sic] involved with prostitution. Leaving notes on our site that imply that we're aware of prostitution, or in any position to define it, is enough to lose your job over. There was not one mention of prostitution in the power point presentation. That was a presentation designed to create a standard for what images are allowed and not allowed on the site. If you need a definition of "prostitution" get a dictionary. Backpage and you are in no position to re-define it.

This isn't open for discussion. If you don't agree with what I'm saying completely, you need to find another job.

290. In January 2013, a moderator copied similar notes into an email to a supervisor: "Could not delete ad. An escort ad suggested that they don't want a non GFE so I am assuming they are promote [sic] prostitution".

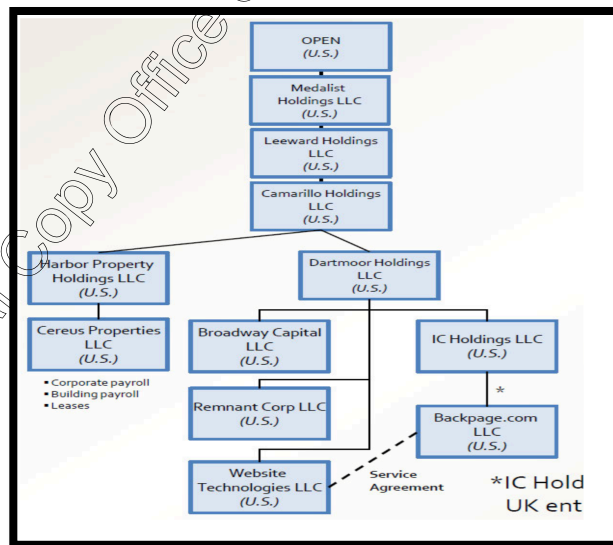
291. After an apparent telephone conversation, the moderator wrote the supervisor to "apologize" saying that she had to remove the offending picture and "didn't want to lose the notes." The supervisor suggested that the moderator communicate in Gchat while another supervisor stressed via email that the moderator follow the protocol and not go into detailed explanation. These practices have continued as recently as August 2016, when Backpage moderation supervisor Vaught requested that contract moderators not use the phrase promoting sex, but should instead say "adult ad."

292. Despite these admonitions to moderators by the Backpage Defendants, as well as their executives and supervisors, the language of adult ads (both edited and unedited) leave little doubt that the underlying transactions involve human trafficking as well as the sexual assault and sexual exploitation of minors. For example, in a March 2016 internal email, Backpage moderator supervisors were reminded that the following terms were being wrongfully removed from ads, including: PSE (Porn Star Experience), Porn Star, Full Pleasure, Full Satisfaction, Full Hour, Quickie (even with a price accompanying the term) and GFE—which stands for girlfriend experience—a code word for prostitution.

B.6. The Backpage Defendants’ ownership structure is designed to hide the Backpage website’s true ownership through the use of shell companies.

293. By 2012, Village Voice Media Holdings changed to Medalist Holdings, LLC, a privately held Delaware entity owned by Lacey, Larkin, Scott Spear, Brunst, and two of Larkin’s children. A February 2015 Agreement and Plan of Recapitalization for Medalist stated that Larkin served as CEO of the company, and Larkin and Lacey retained 42.76% and 45.12% of Medalist shares, respectively. Brunst, who served as CFO, owned 5.67% of the company and Spears owned 4.09%.

294. At the time, Medalist was Backpage’s ultimate corporate parent—five shell companies removed. Medalist owned Leeward Holdings, which owned Dartmoor Holdings, LLC, which owned IC Holdings, LLC, which owned Backpage. According to Backpage’s tax accountant, Medalist and all its subsidiaries filed a single corporate tax return. In addition, Backpage had a service agreement with another of Medalist’s ultimate subsidiaries, Website Technologies, LLC, under which Website Technologies performed most of Backpage’s outward-facing operations. Prior to its sale in 2014, below is a chart of Backpage’s corporate structure.



295. On December 29, 2014, Medalist entered into a Letter of Intent for the sale of Backpage for \$600 million to a Dutch corporation. The Backpage Defendants have long sought to obscure the identity of the purchaser. According to a contemporaneous report in the *Dallas Business*

Journal, the “purchasing company’s name was not disclosed, pending regulatory filings in the European Union.” When questioned about the sale in a June 19, 2015 interview, The Backpage Defendants’ General Counsel, Elizabeth McDougall, claimed she had no information about the transaction except that Backpage had been sold to a Dutch entity. McDougall added that she did not even know the name of the new holding company.

296. In fact, the purchaser was McDougall’s boss, CEO Ferrer. The December 2014 Letter of Intent listed the buyer as UGC Tech Group, a Dutch partnership headed by Ferrer. The seller was defendant Camarillo Holdings. The transaction was styled as a sale of the membership interest in Defendant Dartmoor Holdings, another shell limited liability corporation that owned Backpage, along with Website Technologies, LLC. The signatories on the Letter of Intent were Brunst, named as “CFO” of Camarillo Holdings, and Ferrer, acting as “Director” of UGC Tech Group. The sale was to be financed with a five-year loan at 7% interest from Camarillo Holdings to UGC Tech Group for the full amount of the \$600 million purchase price. A consulting firm engaged by Medalist concluded, however, that the sale was not an arms-length transaction and instead was infected by self-dealing. Rather than an arms-length sale, Lacey and Larkin loaned Ferrer, as Backpage CEO, hundreds of millions of dollars in an entirely seller-financed employee buyout. Under the Letter of Intent, moreover, Lacey and Larkin retained significant financial and operational control over Backpage. The pair, for example, are entitled to amortized loan repayments, earn-outs on future profits, and a 30% participation in any future sale of the company in excess of the purchase price. Moreover, Larkin and Lacey retained a security interest over all Backpage assets, all membership and stock interest in Backpage, and all Backpage bank accounts.

297. Furthermore, the Letter of Intent subjects Ferrer to significant restrictions on his management of the company until the loan is repaid. Ferrer cannot sell Backpage, assign the loan to another borrower, or even change accountants or outside counsel without approval from Lacey and

Larkin. The sale was conditional on Ferrer providing a “five-year business plan satisfactory to the Seller in its sole and absolute discretion.” Ferrer, moreover, also committed to submit to Lacey and Larkin for approval an annual budget, monthly and quarterly balance sheets, and annual audited financial statements. Ferrer also made covenants to give Lacey and Larkin electronic access to The Backpage Defendant’s bank accounts and full access to The Backpage Defendant’s books and records. In addition, Ferrer could not, without approval, change the company’s organizational structure, salaries, banking relationships, or place of domicile. Moreover, according to a loan agreement later executed in connection with the sale, Ferrer could not engage in any line of business other than the business engaged in on the date of the sale.

298. Recent reports confirm the significant level of operations control—as well as financial interest—Lacey and Larkin retain over Backpage. The declaration supporting the September 2016 California arrest warrants for Lacey, Larking, and Ferrer, for example, state that “while Ferrer currently runs the day to day operations for Backpage, he and other high-level personnel in Backpage’s structure report regularly to Larkin and Lacey. According to the declaration, moreover, Lacey and Larking also “regularly receive bonuses from Backpage bank accounts. For instance, in September of 2014, Lacey and Larkin each received a \$10 million bonus.” Therefore, it is undeniable that Lacey and Larkin from 2014-2015 played a significant role in The Backpage Defendants actions and continue to have a significant stake in Backpage’s operations.

B.7. Backpage is an alter ego of Ferrer, Lacey, and Larkin.

299. The sale contemplated in the December 29, 2014 Letter of Intent was executed in a series of transactions on April 22, 2015 for a total purchase price of \$603 million. With the help of a consultant called the Corpag Group, a fiduciary and trust company based in Curacao, Ferrer actually created two entities to serve as the direct buyers of Backpage domestic and foreign operations, respectively. Atlantische Bedrijven (a partnership that purchased Backpage’s U.S. Operations) and UGC Tech Group (a partnership that purchased Backpage’s foreign operations). Both of these

companies are owned, operated, controlled, and managed by Ferrer, through five Delaware-based limited liability companies—Defendants Amstel River Holdings, Lupine Holdings, Kickapoo River Investments, CF Holdings GP, and CF Acquisitions.

300. Atlantisch Bedrijven bought Backpage’s domestic operations for \$526 million by purchasing the assets of Dartmoor Holdings (one of Backpage’s shell limited liability corporation parents) from Defendant Vermillion Holdings, LLC, which also loaned money to Atlantische Bedrijven for the purchase. As a consequence, Atlantische Bedrijven as of today owns Backpage and Website Technologies, among other entities. For the sale of Backpage’s foreign operations, the parties executed a similar series of transactions, involving slightly different corporate entities on the buyer’s side, for a purchase price of approximately \$77 million. For the purposes of these transactions, the buyer and borrower was UGC Tech Group, whose sole general partner was CF Holdings, GP a Delaware-based limited liability corporation owned and operated by Ferrer, the managing member.

301. According to a tax partner at a consulting firm engaged on Backpage-related matters, this unusual structure—involving multiple layers of holding companies, both domestic and foreign—provide no tax benefit to The Backpage Defendants. In fact, all profits within the corporate structure flow up to the U.S. based Amstel River holdings (of which Ferrer is the only member) for tax purposes and all Dutch entities are ignored. Brunst confirmed in an email to the consulting firm, obtained by the United States Subcommittee investigating The Backpage Defendants’ long history of human trafficking, that Atlantisch Bedrijven is subject to United State tax on its earnings and serves as nothing more than a “pass through” entity owned by Ferrer, a United States citizen.

C. ALLEGATIONS REGARDING THE HOTEL DEFENDANTS

C.1. Human trafficking and the sexual exploitation of minors is a rampant, well-known problem in the hotel industry.

302. According to the Polaris Project, one of the most commonly reported venues for sex trafficking to the National Human Trafficking Hotline is hotels and motels. It has long been

recognized that exploiters and traffickers use hotel and motel rooms when setting up “dates” between victims of sex trafficking and those individuals purchasing sex. Traffickers have long capitalized on the hotel industry’s refusal to adopt companywide anti-trafficking policies, train staff on what to look for and how to respond, establish a safe and secure reporting mechanism, as well as the seclusion and privacy of hotel rooms. As aptly stated in a publication by Cornell University on the issue, “the hospitality industry is undoubtedly involved in the sex trafficking industry...and therefore have an inherent responsibility to deter the crime and can be liable for failing to do so.” According to a 2012 BEST study, 63% of trafficking incidents happen in hotels, ranging from luxury to economy, with the majority of victims being children. The ease of access and anonymity of hotels coupled with the internet websites like Backpage has led to an explosion in child sexual exploitation nationwide and particularly in Houston.

303. In response to this horrific trend in the hotel industry, several industry leaders and municipalities, including the City of Baltimore and State of Connecticut, now require mandatory training on how to recognize and respond to the signs of human trafficking and the sexual exploitation of minors. In spotting signs of human trafficking and the sexual exploitation of minors, such as paying for a room with cash or a pre-paid credit card, another guest lingering outside the room for long periods of time, several guests coming and going from the hotel without checking into a room, and minor children paying for rooms, a responsible hotel is able to train staff that can mitigate and prevent human trafficking and the sexual exploitation of minors from occurring on their premise.

304. This sentiment is re-affirmed by the United States Department of Homeland Security’s Blue Campaign to end human trafficking. In a recent Blue Campaign bulletin, the Department of Homeland Security outlines that traffickers have long used the hotel industry as a hotbed for human trafficking and has recommended policies and procedures that the industry can take to help prevent human trafficking and the sexual exploitation of minors.

C.2. Jane Doe was repeatedly exploited at the Hotel Defendants' properties.

305. During 2014, Jane Doe was repeatedly exploited at the Hotel Defendants' properties by her trafficker.

306. Jane Doe would be instructed by her trafficker to meet child molesters at their hotel located at 8201 Southwest Freeway in Houston, Texas.

307. Each of the Hotel Defendants refused to take any steps to alert the authorities, properly intervene in the situation, or take reasonable security steps to improve awareness of sex trafficking and/or prevent the sexual exploitation of minors at their properties.

308. This failure led to Jane Doe's continued sexual exploitation and sexual assault while the Hotel Defendants turned a blind eye to the plague of human trafficking and the sexual exploitation of minors at their location.

309. Upon information and belief, this was done to maximize profits by:

Reducing the cost of training employees and managers of how to spot the signs of human trafficking and the sexual exploitation of minors and what steps to take;

Not refusing room rentals in order to fill vacant rooms, even if those rentals were to minors who were being exploited by human traffickers, including Jane Doe;

Lowering security costs by not having proper security measures, including a CLEET certified security guard to help prevent human trafficking at the hotel location; and

Cutting down on the cost of employing lawyers to properly respond to law enforcement subpoenas requesting security footage and other information to assist in the prosecution of human traffickers.

CAUSES OF ACTION AGAINST FACEBOOK

A. FIRST CAUSE OF ACTION—NEGLIGENCE

310. Jane Doe incorporates each foregoing allegation.

311. As a user on its website, Facebook owed a duty to Jane Doe to warn her of the known dangers of grooming and recruitment on Facebook by sex traffickers.

312. The danger sex traffickers posed to users such as Jane Doe was known to Facebook.

313. Facebook failed to exercise this duty and was negligent in one or more of the following, non-exclusive particulars:

- a. Failure to warn of the dangers of grooming;
- b. Failure to warn of the dangers of recruitment;
- c. Failure to implement awareness campaigns or safeguards to ensure that users, including minors, were aware of sex traffickers using its website;
- d. Failure to implement any other meaningful procedure to ensure its users were adequately warned of the dangers posed by sex traffickers;
- e. Failure to verify the identity and/or age of users’;
- f. Failure to implement any safeguards to prevent adults from contacting minors on Facebook;
- g. Failure to report suspicious messages between a minor and an adult user;
- h. Failure to require accounts for minors to be linked to those of adults;
- i. Failing to deprive known criminals from having accounts on Facebook;
- j. Failure to exercise ordinary care as a reasonably prudent person would have done under the same or similar circumstances.

314. Facebook’s failure to publish self-produced warnings about the occurrence of sex trafficking by its users directly harms people it has a duty to protect.

315. Facebook’s failure to publish self-produced warnings about the signs, indicia, flags, or key phrases used in its users’ sex trafficking trade directly harms children it has a duty to protect.

316. Facebook’s duty could have been satisfied through warnings posted on users’ feeds, e-mails to accounts run by users under the age of 18, and/or through informing authorities of what it knew about red-flag activities and messages between users.

317. Each of Facebook’s negligent acts and omissions, singularly or collectively, constituted negligence and proximately caused legal injuries to Jane Doe.

B. SECOND CAUSE OF ACTION—GROSS NEGLIGENCE

318. Jane Doe incorporates each foregoing allegation.

319. Facebook's acts and omissions constitute gross negligence

320. Viewed objectively from the standpoint of Facebook at the time of the incident, Facebook's acts and omissions involved an extreme degree of risk, considering the probability and magnitude of the potential harm to Jane Doe.

321. As a result of Facebook's gross neglect, Jane Doe was exposed to and did sustain serious injury.

322. Facebook's gross negligence directly and proximately caused Jane Doe's injuries.

323. Exemplary damages are warranted for Facebook's gross negligence.

C. THIRD CAUSE OF ACTION—CPRC § 98.002

324. Jane Doe incorporates each foregoing allegation.

325. Each of Facebook's negligent acts and omissions, singularly or collectively, constituted negligence and proximately violate Texas Civil Practice and Remedies Code § 98.002.

326. Facebook had a duty not to knowingly benefit from trafficking of persons, including Jane Doe.

327. Facebook breached this duty by knowingly facilitating the sex trafficking of Jane Doe, including by:

- a. Increasing profits by not using advertising space for public service announcements regarding the dangers of entrapment, grooming, and recruiting methods used by sex traffickers on Facebook;
- b. Increasing profit margins due to lower operations cost of not implementing mandatory public service announcements for those who sign up for Facebook regarding the dangers of entrapment and grooming used by sex traffickers on Facebook;
- c. Increasing profit margins due to lower operations cost by not having to hire human trafficking experts to coordinate Facebook's awareness campaign regarding the dangers of entrapment and grooming used by sex traffickers on Facebook;

- d. Raising advertising fees by extending its “user base” to include sex traffickers by not engaging in a public service awareness campaign regarding the dangers of entrapment and grooming used by sex traffickers on Facebook;
- e. Increasing profit margins due to lower operation cost by not implementing safeguards requiring verification of the identity of all users on Facebook;
- f. Increasing profit margins as a result of continued customer loyalty and therefore increased “user” numbers used to extract higher advertiser fees by creating a breeding ground for sex traffickers to stalk and entrap victims.
- g. The “per user” profit gained from King Kid, which is estimated yearly by Facebook as the financial value of each Facebook user.

328. Facebook has received financial benefits as a result of these acts and omissions by continuing to facilitate human trafficking and the sexual exploitation of minors. Each of Facebook’s negligent acts and omissions, singularly or collectively, constituted violations of Texas Civil Practice and Remedies Code § 98.002.

D. FOURTH CAUSE OF ACTION—NEGLIGENT UNDERTAKING

329. Jane Doe incorporates each foregoing allegation.

330. Facebook undertook to warn users about and to screen for illegal conduct on its platforms because it knew or should have known such actions were necessary to protect Jane Doe and other vulnerable users.

331. Among other acts, Facebook failed to exercise reasonable care in warning Jane Doe about sex trafficking recruitment on its platforms, in screening and identifying sex traffickers on its Platforms, and in identifying and reporting Jane Doe’s Facebook friend.

332. Jane Doe relied on Facebook to warn her about sex trafficking and to identify and report sex traffickers.

333. Facebook’s negligent performance in warning Jane Doe and identifying sex traffickers increased Jane Doe’s risk of harm.

334. Facebook’s negligent undertaking proximately caused Jane Does harm.

E. FIFTH CAUSE OF ACTION—STRICT PRODUCTS LIABILITY WARNING/MARKETING DEFECTS

335. Jane Doe incorporates each foregoing allegation.

336. Facebook identifies Facebook as a product in its 10-K filings.

337. Facebook founder and CEO Mark Zuckerberg refers to Facebook as a product in congressional testimony.

338. As the design, formulator, constructor, rebuilder, and producer of Facebook, Facebook is a manufacturer of the Facebook product as defined in Texas Civil Practice and Remedies Code 82.003(4). As a manufacturer, Facebook is responsible for the defective and unreasonably characteristics in its Facebook product.

339. Facebook was marketed in a manner that renders Facebook unreasonably dangerous. Specifically, Facebook was marketed to children under the age of 18, without providing adequate warnings and/or instructions regarding the dangers of “grooming” and human trafficking on Facebook. These dangerous warning and marketing defects were both the direct and producing cause of Jane Doe’s trafficking, her sexual exploitation, and Jane Doe’s injuries and damages.

340. These defects existed at the time Jane Doe used Facebook’s Facebook product and were not the result of any alteration by Jane Doe.

341. Facebook originally designed, manufactured, and placed into the stream of commerce its Facebook product. At the time Jane Doe used the Facebook product, Facebook was in the business of designing, manufacturing, and placing into the stream of commerce social media products, such as Facebook.

342. Government standards are inadequate given that Facebook misrepresented its products performance and/or safety to government officials and/or agencies.

CAUSES OF ACTION AGAINST THE BACKPAGE DEFENDANTS

A. FIRST CAUSE OF ACTION—TCPRC 98

343. Jane Doe incorporates each foregoing allegation.

344. The Backpage Defendants' acts, omissions, and commissions, taken separately and/or together outlined above constitute a violation of Texas Civil Practice and Remedies Code § 98.002. Specifically, The Backpage Defendants had a duty not to knowingly benefit from trafficking of persons, including Jane Doe.

345. At all relevant times, The Backpage Defendants breached this duty by knowingly participating in the facilitation of trafficking minors, including Jane Doe, by acts and omissions including, but not limited to:

- a. Accepting advertising fees from the Backpage website from human traffickers, including Jane Doe's trafficker, despite actual and/or constructive knowledge that those advertisements were for illegal human trafficking, prostitution, and/or sexual exploitation of minors;
- b. Designing and implementing the Strip Term from Ad Filter to automatically sanitize advertisements intended to promote human trafficking, prostitution, and/or the sexual exploitation of minors in an effort to maximize advertising revenue, customer satisfaction, and avoid law enforcement detection of illegal acts;
- c. Designing and implementing, in order to maximize revenue, a manual moderation system intended to sanitize posted content advertising human trafficking, prostitution, and/or the sexual exploitation of minors to give those ads the appearance of promoting legal escort services as opposed to illegal services;
- d. Implementing a corporate policy to maximize revenue of sanitizing advertisements promoting human trafficking, prostitution, and/or sexual exploitation of minors instead of removing those advertisements from the Backpage website or reporting those advertisements to the proper law enforcement officers;
- e. Knowingly implementing a corporate policy in order to maximize profit from the adult section of the Backpage website that discouraged moderators and employees of Backpage from contacting the authorities and/or advocacy groups when advertisements on the Backpage website clearly promoted human trafficking, prostitution, and/or sexual exploitation of minors;

- f. Knowingly refusing to pull down advertisements (after Backpage had internally sanitized the ad either manually or with the use of the Strip Term from Ad Filter) that clearly demonstrated minors were being exploited and trafficked for sex; and
- g. Knowingly refusing to pull down advertisements after reports and/or complaints that the advertisement was being used to exploit a minor.

346. As described throughout this petition and above, the Backpage Defendants received substantial financial benefits as a result of these acts and/or omissions. Moreover, the Backpage Defendants received a direct financial benefit of the advertising fee paid by Jane Doe's trafficker on the Backpage website, sexually exploiting Jane Doe while she was a minor. These acts, omissions, and/or commissions were the producing, but for, and proximate cause of Jane Doe's injuries and damages. Therefore, the Backpage Defendants are in violation of Texas Civil Practice and Remedies Code § 98.002.

B. SECOND CAUSE OF ACTION—NEGLIGENCE

347. Jane Doe incorporates each foregoing allegation.

348. The Backpage Defendants had a duty of care to operate the Backpage website in a manner that did not sexually exploit minor children, including Jane Doe. Moreover, the Backpage Defendants had a duty of care to take reasonable steps to protect the foreseeable victims of the danger created by their acts and omissions, including the danger created by their online marketplace for sex trafficking and their actions in perpetuating that marketplace by helping sex traffickers sanitize ads to avoid law enforcement detection and post their ads.

349. The Backpage Defendants breached the foregoing duties because they knew, or should have known, that adults working as sex traffickers were using their website to post advertisements of minor children for sex, including such advertisements of Jane Doe. Despite this knowledge, the Backpage Defendants took no steps to protect those children, including Jane Doe.

350. As a direct and proximate result of the Backpage Defendants' wrongful acts and omissions, Jane Doe suffered, and continues to suffer, severe injuries and damages including, but not limited to:

- a. Past and future conscious physical pain and mental anguish;
- b. Past and future medical expenses, including the expenses that in reasonable probability will be incurred in the future; and
- c. Past and future pain and suffering.

C. THIRD CAUSE OF ACTION—GROSS NEGLIGENCE

351. Jane Doe incorporates each foregoing allegation.

352. Jane Doe will show that the acts and/or omissions of the Backpage Defendants constitute gross negligence. The Backpage Defendants acted with willful, wanton disregard, both before and at the time of the incidents in question, given the extreme degree of risk of potential harm to Jane Doe and others, of which the Backpage Defendants were aware. Despite this knowledge, the Backpage Defendants proceeded with the acts and omissions described above with conscious indifference to the rights, safety, or welfare of others, including Jane Doe. Accordingly, Jane Doe seeks an award of exemplary damages against the Backpage Defendants.

D. FOURTH CAUSE OF ACTION—AIDING AND ABETTING

353. Jane Doe incorporates each foregoing allegation.

354. By the course of conduct, acts, and omissions alleged herein, the Backpage Defendants intentionally aided and abetted, by assisting and participating with, and by assisting or encouraging each other, as well as the other Defendants, to commit the tortious result—including, but not limited to, violation of Texas Civil Practice & Remedies Code § 98.002, negligence, outrage, and gross negligence.

355. By the course of conduct, acts, and omissions alleged herein, the Backpage Defendants also intentionally aided and abetted, by assisting and participating with and by assisting or

encouraging each other, as well as Jane Doe's trafficker, in the commitment of the tortious acts between themselves and along with each other Defendant.

356. With respect to assisting or encouraging, the Backpage Defendants' tortious acts, when viewed individually and separate apart from each other and the other Defendants and Jane Doe's trafficker, were a breach of duty to Jane Doe and a substantial factor in causing the tortious activity alleged herein.

357. Moreover, each of the Backpage Defendants (a) had knowledge that each member of the Backpage Defendants and Jane Doe's trafficker's conduct constituted a tort; (b) had the intent to assist the other Backpage Defendants and Jane Doe's trafficker in committing a tort; (c) gave the other Backpage Defendants and Jane Doe's trafficker assistance or encouragement; and (d) assistance by the Backpage Defendants and Jane Doe trafficker's torts were substantial factors in causing the tort.

358. With respect to assisting and participating, Jane Doe's trafficker's tortious result (a) the Backpage Defendants provided substantial assistance to Jane Doe's trafficker and the other Defendants in accomplishing the tortious result; (b) the Backpage Defendants' own conduct, separate from Jane Doe's trafficker and the other Defendants' conduct, was a breach of duty to Jane Doe; and (c) the Backpage Defendants' participation was a substantial factor in causing the tortious result.

359. Jane Doe, therefore, seeks damages and remedies against each of the Backpage Defendants individually for the aiding and abetting alleged herein. As aiders-and-abettors, all of the Backpage Defendants are jointly and severally responsible with one another for the injuries and damages suffered by Jane Doe.

E. FIFTH CAUSE OF ACTION—CIVIL CONSPIRACY

360. Jane Doe incorporates each foregoing allegation.

361. Each of the Backpage Defendants entered into a civil conspiracy with the other Defendants herein. The acts of this conspiracy clearly demonstrate that the result was to accomplish

an unlawful purpose by unlawful means, including, but not limited to, promoting and assisting human traffickers in promoting sexual exploitation of minors, including Jane Doe. The Backpage Defendants had a meeting of the minds on the object of the conspiracy and its course of action, and at least one or more of the Backpage Defendants, as alleged herein, committed at least one or more unlawful, overt acts to further the object or course of action of the conspiracy.

362. Jane Doe suffered injury and damages as a direct and proximate result of the wrongful act. The civil conspiracy alleged herein, and the individual predicate misconduct, wrongful acts, and omissions alleged, were a direct, producing, and proximate cause of the injuries and damages to Jane Doe. The civil conspiracy alleged herein, and the individual predicate misconduct, wrongful acts, and omissions alleged, were moreover a substantial factor in bringing about the injury and damages to Jane Doe. Without such civil conspiracy alleged herein, and the individual predicate misconduct, wrongful acts, and omissions alleged, the injury and damages would not have occurred. Moreover, a person of ordinary intelligence in the Backpage Defendants' position would have foreseen that the damages alleged herein might result from the civil conspiracy alleged herein, and the individual predicate misconduct, wrongful acts, and omissions alleged.

363. The damages and remedies sought by Jane Doe for the civil conspiracy alleged herein, and the individual predicate misconduct, wrongful acts, and omissions alleged, include the following:

- a. actual damages;
- b. direct damages;
- c. consequential damages;
- d. exemplary damages;
- e. that a constructive trust be placed upon proceeds, funds, property, or anything else of value obtained by, or as a result of, the civil conspiracy;
- f. equitable remedy of disgorgement—that all profits of the Defendants from the misconduct be disgorged in favor of the Plaintiff;

- g. that the Court grant a receivership and appoint a receiver to inventory all proceeds, funds, property, or anything else of value obtained by or as a result of the conspiracy, trace any funds, and administer a trust (constructive or otherwise) for the benefit of the Plaintiff;
- h. reasonable and equitable attorneys' fees;
- i. prejudgment and post-judgment interest;
- j. court costs; and
- k. that the Plaintiff be awarded and granted all other and further relief to which she may be justly entitled.

364. As co-conspirators, the Backpage Defendants are jointly and severally with one another responsible for the injuries and damages suffered by Jane Doe.

F. FIFTH CAUSE OF ACTION—FRAUD

365. Jane Doe incorporates each foregoing allegation.

366. The Backpage Defendants intentionally misrepresented to Texans, including Jane Doe, the general public, United States Senate, and law enforcement in Houston (1) its intent to work law enforcement in connection with the trafficking and sexual exploitation of minors, including Jane Doe, (2) the validity of the advertisements sanitized and then posted on the Backpage website as advertisements for escorts—when the advertisements were really those exploiting minors, (3) its intent and promise to the public, law enforcement, and organizations designed to combat the sexual exploitation and sexual assault of minors, including Jane Doe, to act as the “sheriff” of the internet and, (4) its intent to act only as a “poster” of content, instead of an active participant in manipulating ads through the Strip Term from Ad Filter and being a moderator to give advertisements exploiting minors the façade of lawfulness.

367. The Backpage Defendants were aware that the statements made to law enforcement in Houston, Texans, human trafficking organizations, and the United States Senate were false and/or intentionally omitted to disclose the fact that the Backpage Defendants were actively engaging in conduct to façade advertisements exploiting minors, including Jane Doe, as advertisements for escorts.

These representations include, but are not limited to, (a) the Backpage Defendants are merely “host” of third party content—not active participants in concealing the sexual exploitation of minors, including Jane Doe, (b) the Backpage Defendants intended to work with law enforcement, including the Houston police department and Harris County Sheriff’s Office, to stop the sexual exploitation of minors, and (c) the Backpage Defendants did not intend to use the Backpage website as a marketplace to profit from the sexual exploitation and sexual assault of minors, including Jane Doe. Further and in the alternative, the Backpage Defendants made the misrepresentations and omissions recklessly, without any knowledge of the truth.

368. Law Enforcement in Harris County and the City of Houston reasonably relied upon the Backpage Defendants’ representations to their detriment and therefore were prevented from identifying Jane Doe, and other minors, on the Backpage website as a minor being exploited for sex by her trafficker. Jane Doe has suffered severe damages and injuries as a result of the Backpage Defendants’ fraud upon the public and law enforcement.

369. The Backpage Defendants’ actions alleged herein, by and through the course of action, conduct, acts, and omissions alleged, were a direct, producing, and proximate cause of injury and damages to Jane Doe. Such breach was a substantial factor in bringing about injury and damages that would not have occurred. Moreover, a person of ordinary intelligence would have foreseen that the injury and damages alleged herein might result from the tortious interference alleged herein. Damages and remedies sought by Plaintiff for fraud committed by the trust include the following:

- a. actual damages;
- b. direct damages;
- c. incidental and consequential damages;
- d. unjust enrichment damages;
- e. that a constructive trust be imposed on the Backpage Defendants and that the Court sequester hold any benefits or money wrongfully received by the Defendant for the benefit of the Plaintiff. Moreover, Plaintiff prays that any

and all money the Backpage Defendants received in furtherance of this fraud be traced, and that all ill-gotten gains by the Backpage Defendants be placed in a constructive trust;

- f. mental anguish and emotional distress damages;
- g. reasonable and necessary attorneys' fees that are equitable and just;
- h. prejudgment and post-judgment interest;
- i. court costs; and
- j. that Plaintiff be awarded and granted all other and further relief to which she may be justly entitled.

CAUSES OF ACTION AGAINST THE HOTEL DEFENDANTS

A. FIRST CAUSE OF ACTION—TCPRC § 98.002

370. Jane Doe incorporates each foregoing allegation.

371. The Hotel Defendants' acts, omissions, and commissions, taken separately and/or together, outlined above constitute a violation of Texas Civil Practice and Remedies Code § 98.002. Specifically, the Hotel Defendants had a duty not to knowingly benefit from trafficking of persons, including Jane Doe. At all relevant times, the Hotel Defendants breached this duty by knowingly participating in the facilitation of trafficking minors, including Jane Doe, by acts and omissions, including, but not limited to:

- a. Profit from renting rooms to those looking to sexually exploit Jane Doe and other minors;
- b. Increased profit margins due to lower operation costs by refusing to implement proper training of the Hotel Defendants' employees and managers regarding the signs of human trafficking and the sexual exploitation of minors;
- c. Increased profit margins due to lower operation costs by refusing to install proper security devices in the Hotel Defendants' lobby, hallways, and parking lots that would help (a) deter human trafficking and the sexual exploitation of minors and (b) be used to identify potential human trafficking and the sexual exploitation of minors and alert the proper authorities and/or intervene in an appropriate way;
- d. Increased profit margins due to lower operation costs by refusing to install adequate lighting and security cameras to monitor ingress and egress of human

traffickers and suspicious males looking to sexually exploit minors on the Hotel Defendants' property;

- e. Increased profit margins due to lower operation costs by refusing to hire qualified security officers who would actively combat human trafficking and the sexual exploitation of minors;
- f. Increased profit margins due to lower operation costs by refusing to implement proper security measures to prevent the sexual exploitation of minors at the Hotel Defendants' properties;
- g. Increased profit margins as a result of continued customer loyalty by child molesters and johns who sought to sexually exploit minors, including Jane Doe, due to the Hotel Defendants' lack of measures against the sexual exploitation of minors and human trafficking. This customer loyalty lead to continued alcohol, food, and room sales;
- h. Benefit of avoiding law enforcement officials and spending the time to address and properly solve human trafficking and the sexual exploitation of minors on the Hotel Defendants' premises. This prevented the Hotel Defendants from having to spend time and money filling out all proper and necessary law enforcement reports and information, as well as responding to proper and necessary subpoena requests;
- i. Benefit by avoiding criminal liability by corporations and/or employees who failed to report child abuse—which is a violation of the Texas Penal Code;
- j. Increased profit margins as a result of presenting a more “marketable brand” to child molesters and johns looking to exploit minors by being known as hotels with “ underage girls”—which in turn leads to higher alcohol, food, and room sales when these child molesters and johns visit the Hotel Defendants' properties; and
- k. Increased profit margins by knowingly catering to the needs of a criminal sub-culture that is looking for locations that will not actively enforce laws against human trafficking and the sexual exploitation of minors or take active security measures to prevent human trafficking and the sexual exploitation of minors on their property.

372. The Hotel Defendants have received financial benefits as a result of these acts and/or omissions by continuing to turn a blind eye to human trafficking and the sexual exploitation of minors to keep security and operating costs low while maintaining the loyalty to the segment of their customer base that seek to exploit minors, including Jane Doe. Moreover, the Hotel Defendants directly benefited from the sexual exploitation and trafficking of Jane Doe on numerous occasions by

receiving payment for rooms Jane Doe was caused by any means to rent at the Hotel Defendants' properties. These acts, omissions, and/or commissions alleged in this pleading were the producing, but for, and proximate cause of Jane Doe's injuries and damages. Therefore, the Hotel Defendants are in violation of Texas Civil Practice and Remedies Code § 98.002.

B. SECOND CAUSE OF ACTION—NEGLIGENCE

373. Jane Doe incorporates each foregoing allegation.

374. The Hotel Defendants had a duty of care to operate each of their hotels in a manner that did not endanger minor children, including Jane Doe. Moreover, the Hotel Defendants had a duty of care to take reasonable steps to protect the foreseeable victims of the danger created by their acts and omissions, including the danger created by the Hotel Defendants of human trafficking and sexual exploitation of minors due to the Hotel Defendants fostering an environment that encouraged this behavior.

375. The Hotel Defendants breached the foregoing duties because they knew, or should have known, that adults working as sex traffickers were causing by any means minors, including Jane Doe, to be sexually exploited and trafficked at the Hotel Defendants' properties on a repeated basis. Despite this knowledge, the Hotel Defendants accepted the unspoken financial benefit mentioned above by allowing human trafficking and the sexual exploitation of minors to occur at their hotels and failed to take reasonable steps to protect children being trafficked or exploited, including Jane Doe.

376. As a direct and proximate result of the Hotel Defendants' wrongful acts and omissions, Jane Doe suffered, and continues to suffer, severe injuries and damages, including, but not limited to:

- a. Past and future conscious physical pain and mental anguish;
- b. Past and future medical expenses, including the expenses that in reasonable probability will be incurred in the future; and
- c. Past and future pain and suffering.

C. THIRD CAUSE OF ACTION—COMMON LAW AIDING AND ABETTING

377. Jane Doe incorporates each foregoing allegation.

378. By the course of conduct, acts, and omissions alleged herein, the Hotel Defendants intentionally aided and abetted, by assisting and participating with, and by assisting or encouraging each other, as well as the other Defendants, to commit the tortious result—including, but not limited to, violation of Texas Civil Practice & Remedies Code § 98.002, negligence, outrage, and gross negligence.

379. By the course of conduct, acts, and omissions alleged herein, the Hotel Defendants also intentionally aided and abetted by assisting and participating with and by assisting or encouraging each other, as well as Jane Doe's trafficker, in the commitment of the tortious acts between themselves and each other Defendant.

380. With respect to assisting or encouraging, the tortious acts of the Hotel Defendants, when viewed individually and separate apart from each other and the other Defendants, and Jane Doe's trafficker were a breach of duty to Jane Doe and a substantial factor in causing the tortious activity alleged herein.

381. Moreover, the Hotel Defendants(a) had knowledge that the actions of Jane Doe's trafficker and the johns who sexually assaulted Jane Doe at the Hotel Defendants' properties constituted a crime and a tort, (b) had the intent to assist the other Defendants and Jane Doe's trafficker in committing a tort by allowing such conduct to go unchecked at the Hotel Defendants' properties and intentionally creating an atmosphere conducive to sexual assault and sexual exploitation of Jane Doe and other minors, (c) gave the other Defendants and Jane Doe's trafficker assistance or encouragement, and (d) the assistance by the Hotel Defendants of Jane Doe trafficker's torts, as well as the other Defendants, was a substantial factor in causing the tort.

382. With respect to assisting and participating, Jane Doe's trafficker's, as well as the other Defendants', tortious result (a) the Hotel Defendants provided substantial assistance to Jane Doe's

trafficker and the other Defendants in accomplishing the tortious result, (b) the Hotel Defendants' own conduct, separate from Jane Doe's trafficker and the other Defendants' conduct, was a breach of duty to Jane Doe, and (c) the Hotel Defendants' participation was a substantial factor in causing the tortious result.

383. Jane Doe, therefore, seeks damages and remedies against each of the Hotel Defendants for the aiding and abetting alleged herein. As aiders-and-abettors, each of the Hotel Defendants are jointly and severally responsible with all other Defendants for the injuries and damages suffered by Jane Doe.

JOINT & SEVERAL LIABILITY

384. Each Defendant's conduct violated Texas Civil Practice & Remedies Code § 98.005. Therefore, each Defendant is jointly and severally liable for the entire amount of damages awarded by a jury in this case against any other Defendant under Texas Civil Practice & Remedies Code § 98.005.

STATEMENT OF DAMAGES

385. Jane Doe trusts the Court to evaluate the evidence and to properly assess the damages sustained.

386. Texas Rule of Civil Procedure 47(c) requires Jane Doe to set forth the level of damages sought. In compliance with this Rule, and only in compliance with this Rule, Jane Doe states she expects to seek monetary relief of \$1,000,000 or more for the damages asserted.

387. Jane Doe reserves the right to increase or decrease the amount she seeks based on additional discovery, evidence presented at trial, and/or the verdict of the Court.

JURY DEMAND

388. Jane Doe demands a trial by jury.

REQUEST FOR DISCLOSURE

Pursuant to Texas Rule of Civil Procedure 194, each Defendant is requested to disclose the information or material described in Rule 194.2 within 50 days after service.

PRAYER

Wherefore, Jane Doe respectfully requests judgment against Defendants for actual damages in excess of the minimum jurisdictional limits of this Court, pre- and post-judgment interest as allowed by law, costs of suit, attorney fees, and all other relief, at law or in equity, to which she may be justly entitled.

Respectfully submitted,

ANNIE MCADAMS, PC

/s/ Annie McAdams

By: _____

Annie McAdams

Texas Bar No. 24051014

Matthew S. Parmet

Texas Bar No. 24069719

1150 Bissonnet

Houston, Texas 77005

phone 713 785 6262

fax 866 713 6141

annie@mcadamspc.com

matt@mcadamspc.com

THE GALLAGHER LAW FIRM

Michael T. Gallagher

Texas Bar No. 07586000

Pamela McLemore

Texas Bar No. 24099711

Boyd Smith

Texas Bar No. 18638400

2905 Sackett Street

Houston, Texas 77098

Phone 713 222 8080

Fax 713 222 0066

pamm@gld-law.com

mike@gld-law.com

SICO HOELSCHER HARRIS LLP

David E. Harris

Texas Bar No. 24049273

Louie J. Cook

Texas Bar No. 24101191

Jeffrey H. Richter

Texas Bar No. 24061614

802 N. Carancahua, Ste. 900

Corpus Christi, Texas 98401

phone 361 653 3300

fax 361 653 3333

dharris@shhlaw.com

lcook@shhlaw.com

jrichter@shhlaw.com

Attorneys for Jane Doe

Unofficial Copy Office of Marilyn Burgess District Clerk

CERTIFICATE OF SERVICE

I certify that on the 26th of April, 2019, a true and correct copy of the foregoing instrument was served on opposing parties.

Veronica Lewis
Russell H. Falconer
Gibson Dunn & Cruther LLP
2100 McKinney Ave., Suite 1100
Dallas, Texas 75201
vlewis@gibsondunn.com
rfalconer@gibsondunn.com

William B. Dawson
Gibson Dunn & Cruther LLP
811 Main Street, Suite 3000
Houston, Texas 77002
wdawson@gibsondunn.com

Kristin Linsley
Gibson Dunn & Cruther LLP
555 Mission Street
San Francisco, CA 94105-0921
klinsley@gibsondunn.com

Willie Ben Daw
DAW & RAY, LLP
5718 Westheimer, Suite 1400
Houston, Texas 77057
713-266-3121 - Main
713-266-3188 - Fax
wbdaw@dawray.com

/s/ David E. Harris

David E. Harris

Unofficial Copy Office of Marilyn Burgess District Clerk