

Meta says \$725M deal ends all Cambridge Analytica claims; one state disagrees

Enlarge / Facebook co-founder, Chairman, and CEO Mark Zuckerberg.

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Tomorrow is the day that Meta expected would finally end its Cambridge Analytica woes. That's when a US district court in California is scheduled to preliminarily approve a \$725 million settlement agreement that Meta believed would release the company of all related claims.

However, just days before Meta could reach that seeming finish line, the state of New Mexico has moved to intervene. In a court filing yesterday, New Mexico argued that Meta might be interpreting its settlement agreement wrong and claimed that, for New Mexico citizens, the Cambridge Analytica scandal is far from resolved.

To clarify whether Meta's agreement releases New Mexico's and others' claims and to ensure that the California court doesn't "inadvertently or otherwise release claims" raised in New Mexico's still-pending parallel action against Meta, New Mexico's attorneys have asked to be heard "briefly" at tomorrow's hearing.

The state's confusion springs from how the settlement agreement currently defines "released claims" as applying to settlement class members, which covers all Facebook users during the class action's specified period. Because New Mexico is arguing on behalf of hundreds of thousands of New Mexico Facebook users, the state says the agreement could be read—as Meta is reading it—as dismissing the state's claims. However, the action was brought by the state itself, which is not a Facebook user, so lawyers said the agreement, as written, might be too limited to release Meta from New Mexico's claims.

Ars could not immediately reach Meta or the state of New Mexico for comment. [**Update:** A Meta spokesperson told Ars, "The attorneys representing New Mexico misstated our position, which we will explain to the Court."]

New Mexico fights to keep Meta on the hook

In the motion to intervene, New Mexico's lawyers wrote that Meta never notified the state when the settlement agreement was reached last December and instead ignored weeks of inquiries sent by the state to clarify whether Meta interpreted the agreement as releasing New Mexico's claims. The state only learned of Meta's position this week, rushing yesterday to respond before the court begins approving the settlement agreement tomorrow.

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"The State of New Mexico has no interest in upending the carefully negotiated proposed settlement," state lawyers wrote in the motion. "However, earlier today, Facebook for the first time explicitly took the position that certain claims asserted in the State's action pending in a New Mexico court" will be released by the class action settlement agreement.

According to the state lawyers, Meta's interpretation of the

settlement agreement is too broad and would require “extraordinary circumstances” to get the result Meta wants: releasing claims in all other courts and preventing future litigation.

“There are no extraordinary circumstances that would warrant extinguishing the State’s claims pending in other courts via the release in the Settlement Agreement in this case,” state lawyers wrote. “Facebook’s position is also contrary to the law in this District, where courts have frequently rejected attempts to read settlement agreement language that broadly.”

New Mexico’s lawsuit against Meta was filed in January 2021, alleging that Meta’s business practices revealed through the Cambridge Analytica scandal violated the New Mexico Unfair Practices Act. This claim was never raised in the current class-action lawsuit. The state has asked the California court to hear its arguments tomorrow against releasing claims in this lawsuit—before Meta can release terms of the settlement agreement to millions of Facebook users, including New Mexico Facebook users.

That notice could potentially confuse New Mexico citizens about their rights in still-pending litigation pursued by the state, which is not a class member and is, therefore, a non-party in the class-action settlement.

“Because the State is a non-party, it clearly must be permitted to intervene in order to be heard as to why the terms of the Settlement Agreement should not be interpreted as one of the parties, Defendant Facebook, would read it, i.e. to extinguish certain claims or forms of relief brought by the State in another jurisdiction without its consent,” the state wrote.

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