

AMENDED Exhibit 709

PLAINTIFFS' OMNIBUS OPPOSITION TO DEFENDANTS' MOTIONS FOR SUMMARY JUDGMENT

Case No.: 4:22-md-03047-YGR

MDL No. 3047

In Re: Social Media Adolescent Addiction/Personal Injury Products Liability Litigation

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

FORM 10-K

(Mark One)



ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2019

OR



TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number: **001-37580**

Alphabet Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

61-1767919

(I.R.S. Employer Identification No.)

1600 Amphitheatre Parkway

Mountain View, CA 94043

(Address of principal executive offices, including zip code)

(650) 253-0000

(Registrant's telephone number, including)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A Common Stock, \$0.001 par value	GOOGL	Nasdaq Stock Market LLC (Nasdaq Global Select Market)
Class C Capital Stock, \$0.001 par value	GOOG	Nasdaq Stock Market LLC (Nasdaq Global Select Market)

Securities registered pursuant to Section 12(g) of the Act:

Title of each class

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 28, 2019, the aggregate market value of shares held by non-affiliates of the registrant (based upon the closing sale prices of such shares on the Nasdaq Global Select Market on June 28, 2019) was approximately \$663.0 billion. For purposes of calculating the aggregate market value of shares held by non-affiliates, we have assumed that all outstanding shares are held by non-affiliates, except for shares held by each of our executive officers, directors and 5% or greater stockholders. In the case of 5% or greater stockholders, we have not deemed such stockholders to be affiliates unless there are facts and circumstances which would indicate that such stockholders exercise any control over our company, or unless they hold 10% or more of our outstanding common stock. These assumptions should not be deemed to constitute an admission that all executive officers, directors and 5% or greater stockholders are, in fact, affiliates of our company, or that there are not other persons who may be deemed to be affiliates of our company. Further information concerning shareholdings of our officers, directors and principal stockholders is included or incorporated by reference in Part III, Item 12 of this Annual Report on Form 10-K.

As of January 27, 2020, there were 299,895,185 shares of the registrant's Class A common stock outstanding, 46,411,073 shares of the registrant's Class B common stock outstanding, and 340,979,832 shares of the registrant's Class C capital stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for the 2020 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein. Such proxy statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended December 31, 2019.

Recently adopted accounting pronouncements

In February 2016, the FASB issued Accounting Standards Update No. 2016-02 (Topic 842) "Leases." Topic 842 supersedes the lease requirements in Accounting Standards Codification Topic 840, "Leases." Under Topic 842, lessees are required to recognize assets and liabilities on the balance sheet for most leases and provide enhanced disclosures. Leases continue to be classified as either finance or operating. We adopted Topic 842 effective January 1, 2019. The most significant effects of Topic 842 were the recognition of \$8.0 billion of operating lease assets and \$8.4 billion of operating lease liabilities and the de-recognition of \$1.5 billion of build-to-suit assets and liabilities upon adoption. We applied Topic 842 to all leases as of January 1, 2019 with comparative periods continuing to be reported under Topic 840. In the adoption of Topic 842, we carried forward the assessment from Topic 840 of whether our contracts contain or are leases, the classification of our leases, and remaining lease terms. Our accounting for finance leases remains substantially unchanged. The standard did not have a significant effect on our consolidated results of operations or cash flows. See Note 4 for further details.

Prior Period Reclassifications

Certain amounts in prior periods have been reclassified to conform with current period presentation. Hedging gains (losses), which were previously included in Google revenues, are now reported separately as a component of total revenues for all periods presented. See Note 2 for further details.

Additionally, performance fees have been reclassified for all periods from general and administrative expenses to other income (expense), net to align with the presentation of the investment gains and losses on which the performance fees are based. See Note 7 for further details.

Note 2. Revenues**Revenue Recognition**

Revenues are recognized when control of the promised goods or services is transferred to our customers, in an amount that we expect in exchange for those goods or services. Sales and other similar taxes are excluded from revenues.

The following table presents our revenues disaggregated by type (in millions). Certain amounts in prior periods have been reclassified to conform with current period presentation.

	Year Ended December 31,		
	2017	2018	2019
Google Search & other	\$ 69,811	\$ 85,296	\$ 98,115
YouTube ads ⁽¹⁾	8,150	11,155	15,149
Google properties	77,961	96,451	113,264
Google Network Members' properties	17,616	20,010	21,547
Google advertising	95,577	116,461	134,811
Google Cloud	4,056	5,838	8,918
Google other ⁽¹⁾	10,914	14,063	17,014
Google revenues	110,547	136,362	160,743
Other Bets revenues	477	595	659
Hedging gains (losses)	(169)	(138)	455
Total revenues	\$ 110,855	\$ 136,819	\$ 161,857

⁽¹⁾ YouTube non-advertising revenues are included in Google other revenues.

The following table presents our revenues disaggregated by geography, based on the addresses of our customers (in millions):

	Year Ended December 31,					
	2017		2018		2019	
United States	\$	52,449	47%	\$	63,269	46%
EMEA ⁽¹⁾		36,236	33		44,739	33
APAC ⁽¹⁾		16,192	15		21,341	15
Other Americas ⁽¹⁾		6,147	5		7,608	6
Hedging gains (losses)		(169)	0		(138)	0
Total revenues	\$	110,855	100%	\$	136,819	100%
					\$	161,857
						100%

⁽¹⁾ Regions represent Europe, the Middle East, and Africa (EMEA); Asia-Pacific (APAC); and Canada and Latin America (Other Americas).

Advertising Revenues

We generate advertising revenues primarily by delivering advertising on Google properties, including Google.com, the Google Search app, YouTube, Google Play, Gmail and Google Maps; and Google Network Members' properties.

Our customers generally purchase advertising inventory through Google Ads, Google Ad Manager as part of the Authorized Buyers marketplace, and Google Marketing Platform, among others.

We offer advertising on a click, impression or view basis. We recognize revenue each time a user clicks on the ad, when the ad is displayed or a user views the ad.

For ads placed on Google Network Members' properties, we evaluate whether we are the principal (i.e., report revenues on a gross basis) or agent (i.e., report revenues on a net basis). Generally, we report advertising revenues for ads placed on Google Network Members' properties on a gross basis, that is, the amounts billed to our customers are recorded as revenues, and amounts paid to Google Network Members are recorded as cost of revenues. Where we are the principal, we control the advertising inventory before it is transferred to our customers. Our control is evidenced by our sole ability to monetize the advertising inventory before it is transferred to our customers, and is further supported by us being primarily responsible to our customers and having a level of discretion in establishing pricing.

Google Cloud Revenues

Google Cloud revenues consist primarily of revenues from Google Cloud Platform (which includes infrastructure and data and analytics platform products, and other services), G Suite productivity tools and other enterprise cloud services. Our cloud revenues are provided on either a consumption or subscription basis. Revenue related to cloud services provided on a consumption basis is recognized when the customer utilizes the services, based on the quantity of services consumed. Revenue related to cloud services provided on a subscription basis is recognized ratably over the contract term as the customer receives and consumes the benefits of the cloud services.

Other Revenues

Google other revenues and Other Bets revenues consist primarily of revenues from:

- Google Play, which includes revenues from sale of apps and in-app purchases (which we recognize net of payout to developers) and digital content sold in the Google Play store;
- hardware, including Google Nest home products, Pixelbooks, Pixel phones and other devices;
- YouTube non-advertising including, YouTube premium and YouTube TV subscriptions and other services; and
- other products and services.

As it relates to Google other revenues, the most significant judgment is determining whether we are the principal or agent for app sales and in-app purchases through the Google Play store. We report revenues from these transactions on a net basis because our performance obligation is to facilitate a transaction between app developers and end users, for which we earn a commission. Consequently, the portion of the gross amount billed to end users that is remitted to app developers is not reflected as revenues.

Arrangements with Multiple Performance Obligations

Our contracts with customers may include multiple performance obligations. For such arrangements, we allocate revenues to each performance obligation based on its relative standalone selling price. We generally determine standalone selling prices based on the prices charged to customers or using expected cost plus margin.

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Sundar Pichai, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K of Alphabet Inc. for the fiscal year ended December 31, 2019, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Alphabet Inc.

Date: February 3, 2020

By:	<u>/s/ SUNDAR PICHAI</u>
Name:	Sundar Pichai
Title:	Chief Executive Officer (Principal Executive Officer)

I, Ruth Porat, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K of Alphabet Inc. for the fiscal year ended December 31, 2019, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Alphabet Inc.

Date: February 3, 2020

By:	<u>/s/ RUTH PORAT</u>
Name:	Ruth Porat
Title:	Senior Vice President and Chief Financial Officer (Principal Financial Officer)

The foregoing certifications are not deemed filed with the Securities and Exchange Commission for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (Exchange Act), and are not to be incorporated by reference into any filing of Alphabet Inc. under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing.