

EBAY INC
Form 8-K
July 11, 2002

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **July 8, 2002**

eBay Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation File
Number) Identification No.)

000-24821

(Commission

77-0430924

(I.R.S. Employer

**2145 Hamilton Avenue
San Jose, CA 95125**

(Address of principal executive offices)

(408) 376-7400

(Registrant's telephone number, including area code)

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ITEM 5. OTHER EVENTS

On July 8, 2002, a purported class action complaint was filed in the Court of Chancery in the State of Delaware in and for New Castle County (No. 19733) by Kathleen Rooney, an alleged stockholder of PayPal, Inc. (PayPal). A second purported class action complaint was filed on July 9, 2002, in the Court of Chancery in the State of Delaware in and for New Castle County (No. 19735) by Louis Crespo, an alleged stockholder of PayPal. Both complaints name as defendants PayPal and each member of its board of directors as well as eBay Inc. (eBay). Both complaints are purported class actions that allege, among other things, that (i) eBay controls PayPal, (ii) the defendants have breached fiduciary duties they assertedly owed to PayPal s stockholders in connection with PayPal entering into the Agreement and Plan of Merger, dated as of July 7, 2002, with eBay and Vaquita Acquisition Corp. and (iii) the merger consideration is unfair and inadequate. The plaintiffs in each lawsuit seek, among other things, an injunction against the consummation of the merger and an award of unspecified compensatory damages. eBay believes that the lawsuits are without merit and intends to defend itself vigorously.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 10, 2002

eBay Inc.

By: /s/ MICHAEL R.
JACOBSON

Michael R.
Jacobson Senior Vice
President, Legal
Affairs, General
Counsel and Secretary