

US clients excluded from Facebook offering: report

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The logo of social networking website Facebook is displayed on a computer in London 2007. Citing "intense media attention," Goldman Sachs has decided to exclude US clients from the private offering of as much as \$1.5 billion in shares of Facebook, The Wall Street Journal reported Monday.

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"The level of media attention might not be consistent with the proper completion of a US private placement under US law," the New York securities firm said in a statement to the newspaper.

Goldman did not respond to an inquiry from AFP on Monday, a holiday in the United States for Martin Luther King Jr. day.

The Journal, citing "people familiar with the situation," said Goldman began notifying clients of its decision on Sunday in Asia, and clients in Europe and the United States were being told on Monday.

The newspaper said Goldman's decision "suggests that executives grew concerned that huge interest in the offering could expose the securities firm to regulatory vulnerability."

It noted that private placements like the [Facebook](#) deal are subject to strict US [Securities and Exchange Commission](#) (SEC) guidelines. The SEC has already reportedly opened an inquiry into the offering.

Goldman, in its statement, said the decision to limit the Facebook offering to non-US "offshore" investors was not "required or requested by any other party," including the SEC.

The Journal said a total of about \$7 billion in orders for Facebook shares has poured in, and that Chinese demand is especially strong.

Facebook has been in the spotlight since US media revealed that [Goldman Sachs](#) had invested \$450 million in the company, alongside a \$50 million investment by Russian firm Digital Sky Technologies.

The deal values the California-based Facebook at \$50 billion dollars, more than companies with much larger revenue, like Time Warner.

The fast-growing social network, co-founded and headed by [Mark Zuckerberg](#), has nearly 600 million members worldwide.

The New York Times described the withdrawal of the offer to US investors as a "major embarrassment" for Goldman.

The newspaper said it may "also deal a blow to Goldman's relationship to

Facebook and the firm's prospects of leading the social network's long-awaited initial public offering, expected in 2012."

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