

Groupon stock closes at lowest level since IPO

April 4 2012

(AP) -- Groupon's stock has closed at its lowest level ever amid growing scrutiny over its business just five months after it went public.

Shares of Groupon Inc. closed at \$15.02 on Tuesday. That's the lowest since the company went public in November, when its [initial public offering](#) of stock priced at \$20 a share.

The Chicago-based company is facing a shareholder lawsuit and a possible review by federal regulators. It revised its fourth-quarter earnings on Friday, lowering its reported revenue by 3 percent and widening its losses. Groupon said it hadn't set enough money aside for refunds.

The [Wall Street Journal](#) reported earlier that the [Securities and Exchange Commission](#) is examining Groupon's revision. That's a common practice for any company that issues a restatement, but it may have raised a red flag for Groupon investors who were already looking at the company closely because of previous blunders.

"In general, any company that issues a restatement is likely to get a close look," said Brian Lane, a former director of the SEC's corporation finance division, who is an attorney at Gibson, Dunn & Crutcher in Washington. Lane didn't comment on Groupon's situation.

That Groupon revised its results and disclosed weakness in its internal financial controls are "two things that are not good," said Walter Van

Dorn, a former special counsel in the SEC's corporation finance division who now heads law firm SNR Denton's corporate practice in New York.

The company has had "lots of bumps in the road," said Van Dorn. "It wouldn't surprise me if they're under a magnifying glass at the SEC."

Groupon had no comment on the reported SEC review or on the shareholder lawsuit.

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Citation: Groupon stock closes at lowest level since IPO (2012, April 4) retrieved 3 May 2024 from <https://phys.org/news/2012-04-groupon-stock-lowest-ipo.html>

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