

# Lawsuits pile up over Facebook flotation

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Facebook co-founder Mark Zuckerberg pictured on a screen getting ready to ring the NASDAQ opening bell in New York's Times Square on May 18. Facebook and its underwriters came under broad legal attack Wednesday as lawyers and investors filed lawsuits over Facebook's flop controversy-marred initial public offering.

Facebook and its underwriters came under broad legal attack Wednesday as lawyers and investors filed lawsuits over Facebook's controversy-marred initial public offering.

At least three [law firms](#) said they were filing actions against Facebook and its underwriters after the \$16 billion [IPO](#) flopped amid accusations that the lead underwriters and the company itself hid material information from investors.

Facebook went public Friday in the country's second largest IPO ever.

But the shares plunged 18 percent over the first three trading sessions, driving allegation that that large [institutional investors](#) had received privileged analyses from underwriters that drove them to dump the shares, while small investors paid the price.

New York-based Robbins Geller Rudman & Dowd said they had filed an complaint against Facebook and company officials with violating securities laws in New York's district court.

"The complaint alleges that the Registration Statement and Prospectus issued in connection with the IPO were false and misleading in violation of the Securities Act," Robbins Geller said.

New York-San Francisco firm Lief Cabraser Heimann & Bernstein said they had lodged a class action suit against Facebook, company officials, and underwriters also for alleged violations in the registration statement and prospectus.

A third firm, Los Angeles-based Glancy, Binkow & Goldberg, said they had filed a similar complaint both against the company and underwriters.

All three said the suits were filed on behalf of [Facebook](#) investors generally, but all were also appealing for investors to join the suits.

Robbins Geller said that anyone wanting to serve as lead plaintiff in the case had 60 days to register.

Legal firms in the United States frequently file such class action [lawsuits](#) even as they seek plaintiffs

Often, too, competing suits are combined into one action.

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