

Morgan Stanley may refund some Facebook investors

May 24 2012, By BARBARA ORTUTAY , AP Technology Writer

(AP) -- Morgan Stanley, the lead investment bank in Facebook's troubled initial public offering, will compensate retail investors who overpaid when they bought Facebook's stock in Friday's IPO, according to a source familiar with the matter.

The person said the firm is reviewing orders its retail clients placed for Facebook stock, and will make price adjustments if the clients paid too much. The person spoke on condition of anonymity because they were not authorized to discuss the matter publicly.

The person did not say what amount constituted overpaying for Facebook's stock.

The social network's IPO was highly anticipated. But technical problems on the [Nasdaq Stock Market](#) delayed the stock's open on Friday. The stock closed nearly flat on its first trading day at \$38.23.

Morgan Stanley and Facebook face at least two lawsuits over the IPO. Both suits allege that analysts at the large underwriting investment banks cut their second-quarter and full-year forecasts for Facebook just before the IPO and told only a handful of clients. Morgan Stanley has declined to comment on the lawsuits. [Facebook](#) has called the lawsuits "without merit."

On Thursday, Facebook's stock closed up \$1.03, or 3.2 percent, at \$33.03. This gives the company a market value of \$90.4 billion, down

from \$105 billion at the end of trading on Friday.

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