

Nasdaq glitch confuses investors of Facebook IPO

May 19 2012, By PALLAVI GOGOI , AP Business Writer

(AP) -- Some investors who thought they had bought Facebook shares at the opening of trading were left without knowing for hours whether they had received the shares.

The [Securities and Exchange Commission](#) is looking into the glitches in the trading of Facebook's [initial public offering](#) around the time of its scheduled debut Friday on the Nasdaq Stock Market.

The glitches caused traders problems changing and canceling their orders. Nasdaq said around noon that it was "investigating an issue in delivering trade execution messages" for [Facebook](#) stock.

The SEC will review the incident with Nasdaq "to determine its cause and steps that will be taken to address it," agency spokesman John Nester said.

Technical glitches at the Nasdaq Stock Market had already delayed the trading of Facebook's stock by half an hour. The stock, which was expected to start trading at 11 am, opened at 11:32 a.m. at \$42.05 and ended the day at \$38.23.

Joseph Saluzzi, co-founder of broker Themis Trading, said it's understandable that a delay at the opening might occur with a large [IPO](#) like Facebook's. "The problem is when people don't know if they had bought or sold a certain number of shares and that affects how people manage risk," Saluzzi said.

Brokers who might have wanted to sell after the IPO was priced weren't sure if they had received a piece of the highly-anticipated offering from the [online social networking](#) phenomenon.

Nasdaq didn't respond to requests for comment, but the exchange posted a message on one of its websites telling investors who had problems buying or selling Facebook stock between 11:11 and 11:30 a.m. to call Nasdaq before 5 p.m. with their order information.

"Our [intention](#) is to reach resolution of those trades today through an offline matching process," Nasdaq said in a comment posted on its website. "If at the end of that process, a firm continues to have questions or concerns, the firm needs to submit a formal accommodation request to us through the normal channels."

In March, there was a far worse technical foul-up at the intended IPO of BATS Global Markets Inc., a Kansas-based company that competes with [Nasdaq Stock Market](#) and the New York Stock Exchange in offering stock trading services.

BATS tried to list its stock on its own trading systems, but a series of snafus prevented the [stock](#) from ever opening for trading. The company wound up canceling its IPO and its CEO, Joe Ratterman, issued a public apology.

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