

Nasdaq readies payouts for Facebook IPO glitch: WSJ

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A sign announcing the Facebook IPO is flashed on a screen outside the NASDAQ stock exchange after the opening bell in Times Square in New York, in May 2012. Nasdaq is taking steps toward compensating investor losses due to computer glitches that fouled trading on the first day of Facebook's \$16 billion IPO, the Wall Street Journal said Tuesday.

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Nasdaq OMX Group, which operates the Nasdaq exchange, has told brokers that it expects to submit plans on the issue to the [Securities and Exchange Commission](#) on how it might make up [losses](#) tied to its systems problems, the Journal reported.

Trading orders on the first day that [Facebook](#) shares hit the market on May 18 overwhelmed Nasdaq's systems, forcing a length delay in trades and leaving investors and brokers in the dark over the results of orders involving millions of shares.

Claims of losses related to Nasdaq's problems are estimated above \$100 million, according to the Journal.

On May 24 New York broker Knight Capital asked Nasdaq to compensate it for up to \$35 million on the [IPO](#).

"As has been well-publicized, there were numerous issues and problems at Nasdaq relating to the trading of Facebook. Some market participants, including the Company, suffered sizable losses," Knight said in the filing.

The claims are well over what the exchange group has available -- \$13 million, according to the report -- to compensate traders who suffer losses due to problems with Nasdaq's system.

In addition at least one class-action lawsuit has been filed in New York against the exchange over claimed losses on Facebook shares due to the systems problems.

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