

# Facebook stock jumps after CEO pledges not to sell

Zuckerberg holds about 504 million shares and options and had been eligible to start selling them in November. The company currently has about 692 million shares eligible for sale. The concern had been that if Zuckerberg flooded the market with additional shares, prices would sink further.

The stock is still trading at less than half of the \$38 that it went for in the social networking giant's initial public offering on May 18. Since the [IPO](#), Facebook's stock has been down on 46 trading days, up on 28 and unchanged on two.

- **STORY: Stocks end mixed Tuesday; Facebook at new low**

Facebook revealed Zuckerberg's commitment in a regulatory filing late Tuesday. It also said that two of its board members, [Marc Andreessen](#) and Donald Graham, have no "present intention" to sell stock beyond what they need to cover taxes.

Even without Zuckerberg's share, up to 1.2 billion more

shares could enter the market over the next several months, including those from employees eligible to sell on Oct. 29.

Investors have been concerned about Facebook's ability to keep increasing revenue and make money from its growing mobile audience.

On Tuesday, [Morgan Stanley](#) analyst Scott Devitt cut his target price on the stock to \$32 from \$38, saying that its mobile advertising revenue is just starting to grow. Morgan Stanley led Facebook's IPO. Devitt still has an "Overweight," or "Buy," rating on Facebook stock.

Doug Anmuth, an analyst at JPMorgan, which was another large underwriter of the offering, also cut his target price on Tuesday, to \$30 from \$45. He kept an "Overweight" rating as well.

The company, along with the investment banks that led the IPO, is the subject of dozens of shareholder lawsuits. They allege that analysts at the large underwriting investment banks cut their financial forecasts for Facebook just before the IPO and told only a handful of clients. Facebook and the banks overseeing the IPO insist that nothing about its IPO process was illegal or even out of the ordinary.

In an effort to get past the impact of sales by those who bought or were given shares at the time of the IPO, a regulatory filing by the [Menlo Park](#), Calif.-based company made public Tuesday revealed that Facebook is moving up by two weeks the expiration date of a post-IPO ban on stock sales by employees.

Many of Facebook's rank-and-file employees can start selling stock they own on Oct. 29 instead of the earlier date of Nov. 14. Facebook says it's withholding about 101 million shares from its employee stock units to cover taxes they will incur at a rate of about 45%. It will then pay the tax obligations, currently estimated at around \$1.9 billion, cash and credit.

Filings made public Tuesday, covering sales since last Thursday, showed that Facebook co-founder [Dustin Moskovitz](#) had shed another 450,000 of the social networking company's shares, for a take of about \$8.3 million.

Moskovitz has been selling 150,000 shares a day and disclosing the sales every three days. Including the most recent sales, he still holds about 132 million shares. He sold shares at prices ranging from \$17.56 to \$19.42.

Here's the schedule of the number of shares to be released

for sale, as reported by Facebook in regulatory filings:

- Oct. 29: 234 million shares and stock options held by employees as of Oct. 15, excluding Zuckerberg.
- Nov. 14: 777 million shares and stock options. Zuckerberg had been eligible to sell his shares at this date, but he has pledged not to sell.
- Dec. 14: 156 million shares held by early investors and others who participated in IPO, except Zuckerberg.
- May 18, 2013: 47 million shares held by the Russian Internet company Mail.ru Group and DST Global, both of which made early investments in Facebook.