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Facebook IPO Lockup Expiration

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Facebook IPO Lockup Expiration

When a firm undertakes an IPO, insiders (owners and venture capitalists, among others) agree to retain their shares (i.e., lockup) for a period of time, typically six months. When the lockup period expires, it is customary to see a large block of shares flood the market, having an adverse effect on the stock's price. Facebook just hit its lockup expiration. [See article here, NY Times.](#)

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