



LOEB & LOEB adds Knowledge.

Capital Markets

ALERT

APRIL 2013

SEC OKs Social Media for Company Announcements; Investors Must be Alerted

The Securities and Exchange Commission has issued a report concluding that social media, such as Facebook and Twitter, may constitute legitimate means for a reporting company to make public announcements in compliance with Regulation FD.

With certain exceptions, Regulation FD requires a reporting company or person acting on its behalf to make public disclosure of material nonpublic information at the same time that the information is being disclosed to a broker-dealer, investment adviser, investment company, or holder of the company's securities, under circumstances in which it is reasonably likely that such security holder will buy or sell company securities on the basis of the information.

Under 2008 SEC guidance, a company makes public disclosure when it distributes information "through a recognized channel of distribution." A company's website might constitute such a channel if postings on the website are "reasonably designed to provide broad non-exclusionary distribution of the information to the public," and the company has sufficiently made the public aware of the company's intention to distribute important company information via its website. Such information should be prominently disclosed at the website, in a location known and routinely used for such disclosures, in a readily accessible format.

In its recent report, the SEC advised that its analysis whether a website can be considered a suitable means of disseminating company information applies equally to other social media and reiterated that the SEC encourages companies to take advantage of technological developments to distribute information. Information might

be distributed in compliance with Regulation FD on a company Facebook page, for example, if, in its periodic reports and press releases, the company informs the public that the company posts important information on its website, and the website discloses which social media channels the company intends to use. Dissemination of information on a corporate officer's personal social media site is unlikely to meet Regulation FD requirements, even if the site has a large number of followers, unless investors have been notified in advance of the intended use of the site for this purpose.

Loeb & Loeb LLP's Capital Markets Department

Loeb & Loeb is a recognized leader in representing issuers, underwriters, public companies and emerging growth private companies in transactions that span the globe and redefine the landscape of business in the United States, Asia, Europe and Latin America. Our initial public offerings (IPOs), innovated public acquisition company (IPAC) offerings, special purpose acquisition company (SPAC) offerings and acquisitions, and private investment in public equity (PIPE) transactions have ranged from \$2 million to nearly \$500 million. Our teams have pioneered alternative public offering structures and helped numerous companies grow through these types of investment vehicles.

Advanced Media and Technology Department ... *Where Advertising, Digital Media, Technology and Privacy Meet*

Our Advanced Media and Technology Department delivers a comprehensive approach to anticipating, analyzing and addressing the many legal issues facing domestic and foreign companies as they employ and adapt traditional and emerging technology to meet their strategic goals.

This publication may constitute "Attorney Advertising" under the New York Rules of Professional Conduct and under the law of other jurisdictions.

Encompassing four of the firm's highly regarded practice areas - Advertising and Promotions, Digital Media, Privacy, and Technology and Outsourcing - the group is uniquely positioned to address a broad range of cross-functional issues that companies face as they compete in today's global markets.

This client alert is a publication of Loeb & Loeb LLP and is intended to provide information on recent legal developments. This client alert does not create or continue an attorney client relationship nor should it be construed as legal advice or an opinion on specific situations.

Capital Markets Department

VIVIEN (YUN) BAI	VBAI@LOEB.COM	+86 10 5954 3557
NORWOOD P. BEVERIDGE, JR.	NBEVERIDGE@LOEB.COM	212.407.4970
GREGORY J. BLASI	GBLASI@LOEB.COM	212.407.4236
GIOVANNI CARUSO	GCARUSO@LOEB.COM	212.407.4866
DEBORAH CHENG	DCHENG@LOEB.COM	+852 3923 1116
GERALD M. CHIZEVER	GCHIZEVER@LOEB.COM	310.282.2121
ROBERT CHUNG	RCHUNG@LOEB.COM	310.282.2216
JOSEPH F. DANIELS	JDANIELS@LOEB.COM	212.407.4044
ANGELA M. SANTORO DOWD	ADOWD@LOEB.COM	212.407.4097
ALLAN B. DUBOFF	ADUBOFF@LOEB.COM	310.282.2141
ROSS D. EMMERMAN	REMMERMAN@LOEB.COM	312.464.3357
DAVID C. FISCHER	DFISCHER@LOEB.COM	212.407.4827
STEVEN E. HURDLE, JR.	SHURDLE@LOEB.COM	310.282.2187
CHRISTOPHER J. KELLY	CKELLY@LOEB.COM	310.282.2263
SUSIE L. KIM	SLKIM@LOEB.COM	212.407.4933
JEFFREY KUNG	JKUNG@LOEB.COM	+852 3923 1178
WALLACE LAU	WLAU@LOEB.COM	+852 3923 1128
FRANK LEE	FLEE@LOEB.COM	212.407.4825
STEPHEN LEUNG	SLEUNG@LOEB.COM	+852 3923 1134
DAVID J. LEVINE	DLEVINE@LOEB.COM	212.407.4923

Circular 230 Disclosure: To assure compliance with Treasury Department rules governing tax practice, we inform you that any advice (including in any attachment) (1) was not written and is not intended to be used, and cannot be used, for the purpose of avoiding any federal tax penalty that may be imposed on the taxpayer, and (2) may not be used in connection with promoting, marketing or recommending to another person any transaction or matter addressed herein.

© 2013 Loeb & Loeb LLP. All rights reserved.

GUOHUALI	GLI@LOEB.COM	212.407.4927
JASZICK MALDONADO	JMALDONADO@LOEB.COM	212.407.4897
COREY N. MARTIN	CMARTIN@LOEB.COM	212.407.4841
BARRY T. MEHLMAN	BMEHLMAN@LOEB.COM	212.407.4812
C. CHRISTOPHER MURILLO	CMURILLO@LOEB.COM	212.407.4168
MITCHELL S. NUSSBAUM	MNUSSBAUM@LOEB.COM	212.407.4159
BENNY PANG	BPANG@LOEB.COM	+852 3923 1198
SIMONA S. PAPAIZIAN	SPAPAIZIAN@LOEB.COM	212.407.4941
ROGER C. PENG	RPENG@LOEB.COM	+86 10 5954 3552
RONELLE C. PORTER	RPORTER@LOEB.COM	212.407.4110
DAVID S. SCHAEFER	DSCHAEFER@LOEB.COM	212.407.4848
FRAN M. STOLLER	FSTOLLER@LOEB.COM	212.407.4935
ALLEN Z. SUSSMAN	ASUSSMAN@LOEB.COM	310.282.2375
LILI TAHERI	LTAHERI@LOEB.COM	212.407.4160
LAWRENCE VENICK	LVENICK@LOEB.COM	+86 10 5954 3688
XIKANG WANG	XWANG@LOEB.COM	+86 10 5954 3556
TIMOTHY WONG	TWONG@LOEB.COM	+852 3923 1136
TAHRA T. WRIGHT	TWRIGHT@LOEB.COM	212.407.4122
JESSICA S. YUAN	JYUAN@LOEB.COM	212.407.4928