

"SEC Should Pound Facebook's Ass": Facebook Insiders Dumped \$4.1 Billion In Stock Since Scandal

Profile picture for Tyler Durden

by Tyler Durden

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For all the mockery he is subjected to on a regular basis, both here and elsewhere, **Dennis Gartman issued a very prescient and timely warning ahead of Facebook's earnings**. As we noted yesterday in our note why [Gartman thinks that this is a "This Is A Dangerous Time"](#), the (formerly) regular CNBC guest pointed out the following troubling fact:

... note the chart this page, courtesy of RBMP Capital, of the huge and increasing sales of Facebook by its founder, Mr. Mark Zuckerberg, over the course of the past several years

*and most notably over the course of the past several months. **When owners sell this aggressively... no matter what the excuse they might give...only the foolhardy do not pay heed.***

Today, Gartman understandably takes a victory lap, and writes the following:

*Facebook closed at 4:00 p.m. at a new all-time closing higher of \$217/share, but when the news came out it fell swiftly to \$173/share... a loss of just over 20%! **This is fascinating in light of the massive "insider selling" of Facebook shares by non-other than Mr. Zuckerberg himself in recent weeks and noted here yesterday.***

Bloomberg has also picked up on this insider selling deluge, and writes that "**nine Facebook insiders combined to sell about \$4.13 billion worth of stock since the Cambridge Analytica data-mining scandal first surfaced on March 17.**"

Chief Executive Officer Mark Zuckerberg accounted for 85 percent of the total, according to data from InsiderInsights.com, which analyzes such transactions. The social media giant's stock fell as much as 24 percent in late trading Wednesday

after second-quarter sales and user growth disappointed investors.

The acceleration in selling is notable because as Gartman, and we, showed yesterday, **that compares with \$4.31 billion in all of 2017.** And while the traditional excuse is that "the sales were part of pre-determined trading plans" the sharp acceleration in 2018 selling, and especially in recent months, should raise some eyebrows, perhaps those of the regulators, because as Gartman - who will have the last words - writes:

*"The selling was of such massive size and such recent hurried nature that one had to take note of Zuckerberg's liquidation as a clear indication of future potential problems. **Those problems were made clear last evening. The SEC may want to take a look!**"*

Then again, with everyone's pension invested in facebook in some capacity, the last thing the SEC will dare to do is cause a market "event" by taking a close look at the one company in which as of last quarter seemingly everyone was invested...

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