SF278 (Rev. 03/2000) 5 C.F.R Part 2634

Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT

Form Approved: OMB No. 3209-0001

U.S. Office of Government Ethics				Q1-25 110. 9209-9001
Baie of Appointment Candidacy History of Normalica (Hondin Boy Jean) 13.	Reporting status (Calegida Year (Covered to Report of Covered to Repor	New Entrast, Nemisee	Termination Pate (H. Am); Termination - cable (Mords, Lvn. 12 at) Etlen:	Any individual who is required to file this report and digs so more man 2 30 days after the date the terror is
Reporting Individual ^{is} Name	LYNN III	First Name and Middle WILLIAM J		required to be bled in the extensions is granted more than 30, days after the last day of the filing extension periods.
Position for Which Lines	Deputy Secretary of Defense Address (Number, Since), City, State, and ZIP (Code.)	Department of De	fense	shall be subject to a Violetic Repear time Periods Inclinations The reporting period is
Excation Of Present Office (or forwarding address) Position (self-eld with the Foreral	The Pentagon, Washington, DC, Room 3E944		703-692-7150	disc proceeding Entendar, year except Part II of Schedule 15 and Part I of Schedule D, where you musicals o
overment Preme the Prevente 2.0 marks II vig Same at Abore	None			voe Die Partit of Acheditie Das net Applicable
Production Number Subjection craft Confirmations	Name of Congressional Committee Considering Normalions - SASC	DN You Intended Crea	Experimet Diversified Teach	Termination Effects. He relocting beautiful beautiful end of the period. Covered by roughterous filing and ends at the date of termination. Facility of Schedule Liss not applicable.
ACTILICATION TO DESTREY that the statements Flavor made on this Demonstration of Matachier of schedules in the pointed and correct to the best of myknos is desired.	Signature of Reporting and pulgals		01-13-09	Nominees, New Entrants and Candidates for President and Vice President and Vice President Schedule AThe who this beholder morne (TOCK Original President)
(Pilet Review All desired by secucial	David J. Dell'Ott		1/13/09 Date Month Day Year Y	monife (15) OCK, Or is the incoording of calcular variant in the income alendar, or force alendar, or force that is calculated in the calc
On the lies is of smormation, contained a in this report, to smeltide that the files is in topin lance with applicable laws and a regulations (subject to any Comments 2) in the box below.			Cold to acquire the second	Schedule C Fart I Clabilities - ** His repurhorperiod is the preciting talendar year and the current calendar year and the current calendar year up to a strong calendar.
Office of Coverment Ethics Use Coliv Comments of Reviewing Officials (I) takking	Signature A Signa	1	Date (Month: Day, Year.)	Wildin Urlays of the date of films Schedule C. Pare II (Agreements of Armeren 1818). Show any agreements
		filing extension granted o	& indicate number of days)	of grangements as of the date of filing. Schedule D—The reporting berood as the proceeding two relendances and of
				tho critical calculative ratio to the tast of the state of thing Section 1997.
		(Check box if comn	nents are continued on the reverse side)	JAN 13 2009

SF278 (Rev. 03/2000)	
5 C.F.R Part 2634	
the second second	

U.S. Office of Government Ethics Reporting Individual's Name			. identi			_	-	<u>-</u>			-	e: -3/2	4.6945/94					P. 8	lation.	50.5		1000	(30. E			. `		Pag	e Num	DEL	_	-
William J. Lynn III): }:						S	CI	IEI)U	LE	A							5.24					, ag			2	
	1,1								7.4.	san ari				14.00				ř	3.7									-	. 31-1	·"#E	Str. of	X -
Assets and Income BLOCK A					. 2	tion at closs orting BLOC	se of per	•	ts					Ir ot	icon her e	ie: t	ype is n	and eed	amo d in	unt. Blo	ck C	Non for LOC	that	less	thai	n \$2	01)"	is c	hecke	ed, no		4 5
For you, your spouse, and dependent children	,			18											T	ре						An	nour	ıt			P. 1		JU-52			
report each asset held for investment or the production of income which had a fair marke value exceeding \$1,000 at the close of the rer ing period, or which generated more than \$20 in income during the reporting period, togeth with such income. For yourself, also report the source and actua amount of earned income exceeding \$200 (ot than from the U.S. Government). For your streport the source but not the amount of earned income of more than \$1,000 (except report the actual acount of any honoraria over \$200 of your spouse).	oort- 00 er I her bouse,	None (or less than S1,001)		\$150.001 - \$100.000	11111	\$250,001 - \$500,000		Over \$1,000,000 *	\$5,000,001—\$25,000,000	\$ 2277 E	Over \$50,000,000	- Excepted Investment Fund	Excepted Trust	Dividende	Rent and Royalties	Inferest	Gapital Gäins	None (or less than \$201)		51,001 - 32,500	\$5,001 - \$15,000	\$15,001 \$50,000	\$50,001 - \$100,000		Over \$1,000,000*	\$1,000,001 \$5,000,000	Over \$5,000,000		Inco (Spe Typ Act	e&		Date (Mo., Day, Yr.) Only if Honoraria
Central Airlines Common Examples Doe Jones & Smith, Hometown, Stat Kempstone Equity Fund IRA: Heartland, 500, Index Fund	e i			X X																x	×								Participality	Informe \$130	.000	
Fidelity Overseas Fund (S)	·		x			2						X						x											ananan ana	100000000000000000000000000000000000000		
Fidelity Puritan Fund (S)				X								X							X													
Fidelity Growth & Income Fund (S)				X								X							X													
Baron Growth Fund (S)			X									X						x														
Janus Small Cap Value Fund Investor	or		x									×								×							The second secon					
Barclays Global Investors (iShares) US Debt Index (S)			x									X						×														
* This category applies only if the asset/incochildren, mark the other higher categories of					e fil	er's sp	ouse	or de	pend	lent c	hildi	ren.	If the	asse	t/inco	me i	s eitl	her t	nat of	the	filer o	or jo	intly	held	by th	e file	er wi	ith th	ie spoi	ise or d	eper	ndent

U.S. Office of Government Ethics Reporting Individual's Name Page Number SCHEDULE A continued 3 William J. Lynn III (Use only if needed) Assets and Income Valuation of Assets Income: type and amount. If "None (or less than \$201)" is checked, no at close of other entry is needed in Block C for that item. reporting period BLOCK A BLOCK B BLOCK C Type Amount Date Other (Mo. Day. \$5,000,001=\$25,000,000 Income None (or less than \$201) (Specify Yr.) \$100,001 - \$1,000,000Type & \$250,001 - \$500,000 Rent and Royalties \$50,001 - \$100,000 Over \$1,000.000 * Over \$50,000,000 \$50,001 - \$100,000 Only if Actual Over \$1,000,000* Excepted Trust \$5,001 - \$15,000 Amount) Honoraria \$1,001 - \$2,500 Dividends Interest None Eagle Bank CD (redeemed) Pentagon Federal Credit Union (cash) х US Senate Federal Credit Union (cash) X Suntrust (S) (cash) International Business Machine х Formtek Inc. (software firm) privately held stock company in Washington, DC 7 Raytheon Company LTPP 2006-08 incentive stk vests 2/09 Х unvested restricted stock Fidelity Balanced Raytheon def comp plan Schwab Value Advantage This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children,

mark the other higher categories of value, as appropriate.

U.S. Office of Government Ethics

Reporting Individual's Name William J. Lynn III	inga sang Pilipaga	: 기정() - 1 1(12 - 7 - 7 - 12 - 12 - 12 - 12 - 12 - 12		S		233			A cor		uec	1							33/1° 43			Page Number 4	
	17,713	Metar.	San Sall	de la constant			• ". •	162				•	5851				427		2.	: -7	9-4	ele je					
Assets and Income BLOCK A			110	at repor	clos	of As e of periods	ener ee					194 194 194	other e	ntry i	pe a	nd a	moun 1 in B	t. Ii lock	C fo	or th	or le at ite	m.	ilia-	\$201	() ⁽⁾ i	s checked, no	
Nonc Citibank Bank Deposit (cash)	None(ordessthanstitutt)	× \$1,001-\$15,000	\$30,001-\$100,000	\$100,001 \$260,000	\$250,001 - \$500,000	Syncium Shundau00 Over \$1.000.000 *	\$1,000,0001-\$55,000,000	\$5,000,001_\$25,000,000	\$25,000,001=550,000,000	Over \$50,000,000	Excepted frust	Organical Frant	Dividends Rent and Royalties			None (or less than \$201)	A I	\$2,501 -\$5,000	\$15,000		\$50,001 - \$100,000	0000	Over \$1,000,000*		Over \$5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
2 Western Asset Government Money Market (LMKXX)					×						×							×					100000000000000000000000000000000000000				
Raytheon Company stock (RTN) Raytheon 401k/excess savings plans			×		a it was									2		K TO THE PARTY OF	X				E STENSON MANUAL						
Fidelity Equity Income (FEQIX) in Raytheon 401k				X N						The state of the s	X			8					х								
Fidelity Institutional Money Market in Raytheon def comp/401k plan			X								X		d 1555				×										
International Equity Blend (Fidelity manage in Raytheon def comp/excess savings pln	e		X								×					×					Ī					, ,	
Small Cap Blend (Fidelity managed) in Raytheon def comp/excess savings pln			X				100000000000000000000000000000000000000				X					x			· Parking Park				NE COLUMN AND ADDRESS OF THE PARTY OF THE PA				
Fixed Income Fund (Fidelity managed) in Raytheon def comp/excess savings pln						X					X									X			Hereberg the party				
9 Federated Capital Reserves (J)		x									X					×											
	This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, ark the other higher categories of value, as appropriate.																										

5 C.F.R Part 2634 U.S. Office of Government Ethics

Reporting Individual's Name	SCHEDULE A continued 5													
William J Lynn III			Jse only if			5								
	e salar				20.00									
Assets and Income	V ₂	aluation of Assets		Income: type	and amount. If "None (or less than \$201)" is checked, no								
	and the second second	at close of reporting period		other entry is n	eeded in Block C for that item.									
BLOCK A		BLOCK B			BLOCK C	ा अस्तित स्वी स्थापना								
				Type	Amount									
			音			Other Date								
	None (or less than \$1,001) \$1,001 - \$15,000 \$15,001 \$50,000 \$50,001 - \$100,000	\$100,001 \$250,000 \$250,001 \$500,000 \$500,001 \$1,000,000 Over \$1,000,000 \$ \$1,000,001 \$5,000,000 \$5,000,001 \$50,000,000 \$25,000,001 \$50,000,000 Over \$50,000,000			000	Income (Mo.: Day. (Specify Yr.)								
	000	\$100,001 - \$250,000 \$250,001 - \$500,000 \$500,001 - \$1000,000 Over \$1,000,000 - \$5,000,000 \$5,000,001 - \$25,000,000 \$25,000,001 - \$50,000,000 Over \$50,000,000	Excepted linkestment Excepted Trust Qualified frast		None (or less than \$20 \$201 - \$1,000 \$1,001 - \$2,500 \$2,001 - \$15,000 \$15,001 - \$10,000 \$15,001 - \$100,000 \$100,001 - \$1,000,000 \$100,001 - \$1,000,000	Type & Only if								
	None (0.1cs Ham \$1,001 - \$15,000 \$15,001 \$50,000 \$50,001 - \$100,000	\$100,001 - \$250,000 \$250,001 - \$500,000 \$500,001 - \$100050 Over \$1,000,000 * \$1,000,001 - \$25,000 \$5,000,001 - \$25,000 \$25,000,001 - \$50,00 Over \$50,000,000	Excepted Invest Excepted Trust Qualified Irvst	Dividends Rent and Royalite Interest Capital Gains	None (or less than \$ \$201. \$1,000. \$1,001. \$2,500 \$2,500. \$2,5	Amount) Honoraria								
	- S1 - S - S	\$100,001 \$250,001 \$500,001 Over \$1,00 \$1,000,001 \$25,000,001 Over \$50,0	Excepted Investigations Excepted Trust Qualified Trust	Dividends Rent and Kova Interest Gapital Gains	None (or less \$201 - \$1,000 S1,001 - \$2,500 S1,001 - \$2,500 S2,500 S2,500 S2,500 S1,000 S2,001 - \$1,000 Over \$1,00	2,000								
	None(\$1,001 \$15,00	e 20 0 1 2 0 0 0 2 1 1 1 1 1 1 1 1 1 1 1	de les	Dividends Rentand I Interest Capital G	None (C \$2.01.3 \$1,001.3 \$2,501.0 \$15,001.0 \$100,000.0 \$100,000.0 \$1,000.0 \$1,000.0	ra 🥉								
None	Z 5 5 5		G G	O R U	S1 S	Ó								
None None														
Goldman Sachs Global Income Fund Class A (GSGIX)(J)			x		x is									
2	HARE SHAN													
Goldman Sachs High Yield Fund Class A (GSHAX)(J)	×		×		x									
3 Goldman Sachs Structured Large Cap														
Growth Fund Class A (GLCGX)(J)	×				X									
Goldman Sachs Emerging Markets	×				x									
Equity Fund Class A (GEMAX)(J)														
5 Goldman Sachs Structured Large Cap	x		×		×									
Value Fund Class A (GCVAX)(J)		0531												
Goldman Sachs Structured Small Cap	x x		x -		x									
Equity Fund Class A (GCSAX)(J)			THE UNITE											
Goldman Sachs Real Estate Securities Fund Class A (GREAX)(J)	x		×											
8		FORCE STATE												
Goldman Sachs Structured Tax Managed Equity Class A (GCTAX)(J)			X		×									
9														
Goldman Sachs Commodity Strategy Fund Class A (GSCAX)(J)	×		X	100	X									
* This category applies only if the asset/income is mark the other higher categories of value, as approp		e filer's spouse or dependent childre	n. If the asse	t/income is eithe	r that of the filer or jointly held by the filer w	ith the spouse or dependent children,								

U.S. Office of Government Ethics Reporting Individual's Name SCHEDULE A continued 6 William J Lynn III (Use only if needed) Valuation of Assets Income: type and amount. If "None (or less than \$201)" is checked, no Assets and Income at close of other entry is needed in Block C for that item. reporting period BLOCK A BLOCK B BLOCK C Type Amount Excepted Investment Fund Other Date 000,000,058 100,000,555 Income (Mo., Day.) \$1,000,001 = \$5,000,000None (or less than \$201) (Specify Yr.)\$500,0001--\$1,000,000 \$5,000,001 - \$25,000, \$100,001-\$1,000,000 Type & Over \$1,000.000 * \$50,001 - \$100,000 Only if Actual Over \$50,000,000 Over \$1,000,000* Qualified Trust Excepted Trust Over \$5,000,000 \$5,001 - \$15,000 Amount) Honoraria \$1,001 - \$2,500 Dividends Interest None Goldman Sachs International Real Estate Secs Fund Class A (GIRAX)(J) Goldman Sachs Emerging Markets х Debt Fund Class A (GSDAX)(J) Goldman Sachs Structured Int'l Tax Managed Equity Class A (GATMX)(J) Goldman Sachs Structured Int'l х х Small Cap Fund Class A (GICAX)(J) Goldman Sachs Local Emerging х Х Markets Debt Fund Class A (GAMDX)(J) Assetmark International Equity Fund (AFIEX) (J) Assetmark Tax-Exempt Fixed-Income Fund (AFTIX)(J) Assetmark Fundamental Index Small Co. Growth Fund (AISGX)(J) Assetmark Fundamental Index Large Х Co. Value Fund (AILVX)(J) This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children.

mark the other higher categories of value, as appropriate.

Reporting Individual's Name	SCHEDIII I	A continued	Page Number								
William J Lynn III		An an analysis of the second s	7								
	(Use only	if needed)									
Assets and Income	Valuation of Assets at close of	Income: type and amount. If "None (or less that other entry is needed in Block C for that item.	in \$201)" is checked, no								
A CAN ANY ANY ANY ANY ANY ANY ANY ANY ANY A	reporting period	other entry is needed in block C for that item.	•;"								
BLOCK A	BLOCK B	BLOCK C									
		Type Amount									
And the second production of the second produc			Other Date								
	0 0 00 0,000 00,000 000,000		Income Mo., Day,								
		520	(Specify Yr.) Type &								
	000 300 000 000 000 000 000 000 000 000	1	Actual Only if Amount) Honoraria								
Nojectoralessitumes/1/00/19 \$1,001 i. \$15,000	\$\$0,001.\$\$100,000 \$250,001.\$\$200,000 \$250,001.\$\$200,000 \$500,001.\$\$1,000,000 \$5,000,001.\$\$2,000,000 \$5,000,001.\$\$2,000,000 \$5,000,001.\$\$2,000,000 \$5,000,001.\$\$2,000,000 \$5,000,001.\$\$2,000,000 \$5,000,001.\$\$2,000,000 \$5,000,000.\$\$2,000,000 \$5,000,000.\$\$2,000,000 \$5,000,000.\$\$2,000,000 \$5,000,000.\$\$2,000,000	Outailited foots Dividends Renteand Royal (fex. 1) Interest Capital Galis None (or less than \$2,201 - \$1,000 \$1,601 - \$2,500 \$2,501 - \$1,500 \$5,001 - \$15,000 \$1,500 - \$1,00,000 \$5,001 - \$100,000 \$5,001 - \$100,000	(Specify Yr.) Type & Actual Only if Amount) Honoraria								
	100 001 000 000 550,	Oughined of Dividends Rent and Ro Interest Capital Gail None (or less \$201\$1,000.81,000.85,001\$1,500.85,001\$15,000\$15,000\$15,000\$10,000	2,00								
	00 00 10 10 10 10 10 10 10 10 10 10 10 1	Outable Dividen Reuten Interest Gapital None (or 12,001 - 3,2501 - 3,25001 - 3,55001 - 3,550,001	Studio Over S								
None		S S S S S S S S S S S S S S S S S S S	5 3 6								
None											
1 Assetmark Fundamental Index Large		×									
Assetmark Fundamental Index Large Co. Growth Fund (AlLGX)(J)			400000								
2											
DWS Enhanced S&P 500 Index Fund Class S (SSFFX)(J)		×									
3											
Federated Tax Free Instruments Institutional Shares (TFSXX)(J)		X X									
4		1300	11111								
Barclays Global Investors (iShares) Russell 2000 Value Index Fund (IWN)(S)		×									
5	1005 7005 0705 0705 0705 0705 0705 0705		() () () () () () () () () ()								
6											
Pimco Total Return ADM (PTRAX)(S)											
7 28			172711								
Assetmark Real Estate Securities x	X	x x									
Fund (AFREX)(J)											
Goldman Sachs Municipal Income x		×									
Fund Class A (GSMIX)(J)			1200								
9 Pimco High Yield Fund x			188715- 1747-18-								
Class D (PHYDX)(J)											
This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, ark the other higher categories of value, as appropriate.											

Prior Editions Cannot be Used.

Re	porting Individual's Name	1000	ξ. ·								Q,	CL	ויברו ויברו	DT.	JLE	A				A.		: :	2.11								Pa	age Number		
w	illiam J Lynn III				e i	dj.					اچر							•		cu				•					٠;			8		
-												?	(U	se	only	1I	neea	ea)													1			-
	Assets and Income			-		a epo	rtin	of se o	f riod			.=				I	ncon ther e	re: t	type is r	and	l am led i	oun n Bl	t. It	C fo	one or the	at it	ess em.	tḥan	\$2	01)"	is	checked, no		
And the second s	None	None (or less than \$1 (001)	\$1,001 - \$15,000	\$18,001>,550,000	\$50,001 \$100,000	\$100,001 - \$250,000	\$250,001 \$500,000	\$500,001 \$1,000,000		\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	\$25,000,001=.\$50,000,000	Oxer \$50,000,000	Txcepted Investment Fund	Excepted Trust		Dividends Rentand-Royaldes	(Interest	Capital Gains	None (or less than \$201)	SEE \$201 - \$1,000	\$1,001 - \$2,500	85,501-85,000			oun	\$100,001 \$1,000,000	Over \$1,000,000*	\$1,000,001 - \$5,000,000	Over-\$5,000,000		Other Income (Specify Type & Actual Amount)	(Mo. Y On	oate . Day. (r.) aly if. ioraria
1	Goldman Sachs Short Duration Tax- Free Fund Class A (GSSDX)(J)		x										SOUS CALLES	X						x				100										W. A. FERRALES,
2	Schwab Cash Reserves	×														是作品的				x										100000000000000000000000000000000000000				
3	Fidelity Diversified International (FDIVX)(S)	X											of the second of the second	X						х														
4	Fidelity Spartan US Equity Index (FUSEX)(S)													X						x														
5	Fidelity Freedom 2030 (FFFEX)(S)	X												X						х														
ô	Fidelity Cash Reserves Money Market (FDRXX)(S)	×											100000000000000000000000000000000000000	地文						х				100 mm - 100										
7	FPL Group Inc. stock (FPL)(S)			×												September 1992	×				X			of the state of th						TO COLUMN TO COL				
8	Raytheon 2008 salary														·	No. of the least								and a law better the se								\$369,615		
9	Raytheon cash 2008 bonus receivable					X														х										177				
# ma	This category applies only if the asset/income is ark the other higher categ	solely	/ tha	t of	the	filer	s spo	ouse	or d	eper	ndent	chi	dren	ı. If	the as	set	/incom	e is	eithe	er tha	at of	the	filer	or jo	intly	helo	l by	the f	iler	with	the	e spouse or depend	ent ch	ildren,

Reporting Individual's Name			1			e Till Same	-		80	Ш	ופונ	ULF	7 . A	CO	nti	71114	he			, i		11		15.14	97		Page Number	
William J Lynn III									D,C	- No. 1			,				·u					OLO :					9	
	in the									(1	<u> Jse</u>	only	11	need	lea))	-	- 54			in her Language		74.7		_		1	
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	8. 8. 6.77	(C)184	194711			_		٠,			_		T					1 1 2	(2.10)	1 25	_=216 Heliki			_				·
Assets and Income		Childig		Valı	ıatio	n o	f. Ass	ets	: 3	igy.	200		þ	ncon	ne:	type	and	amou	nt.	If"N	lone	(or l	ess	than	\$20)1)"	is checked, no	of sength and
	1	1 4	2000		at cl			1			1		S	other e	entry	y is n	reede	ed in I	3loc	k C	tor t	hat i	tem.					
BLOCK A	witer			16		ng p OCK		 			l		-1						A SAU	DI	OCI	7.0	a i	-				
BLOCK				1	MA DIV	THE		ÿ (16)		SH 1		1 8		T	ype		MAN A	arsita d	i e ar	DI		ionn	diam	77.55		_		200
													ıŀ	HOUS	ype	inih.			HIM			1000	SI S	1,7,7	1111201	111	ř .	
		1															M. i.e.					ico.						
											q				1							200					Other	Date
	None (n. lesements)	10234 10234					Series de la company de la com		00		Excepted Investment Fund	- 1					0							. N. P			Income	(Mo., Day,
				a series		18			0,0	5	l ii						\$201)						00	ega e Appendi	i e		(Specify Type &	Yr.)
	L L			00	9 8		* 0	00	3,00	8 8	Ĭ			[1]	4						8	00	0:0	*	9		Actual	Only if
	鯐	00		00	250		8	3	\$2	o o	S S	ust	SIL	X a	The second	IS	th	8	00	90	i õ	0,0	005	000	\$5.	000	Amount)	Honoraria
Professional Company of the Company	Se	\$1,001 - \$15,000	SHS001 SS0000	\$50,001 - \$100,000	\$100,001 \$250,000 \$250,001 - \$500,000	\$500,000 S1,000,000	Over-\$1,000.000 *	\$1,000,001 - \$ 5,000,000	\$5,000,001 - \$25,000,000	Over \$50,000,000	l S	Excepted Trust	Qualified Licinst	Dividends Rent and Royalti	TO STATE OF THE ST	Capital Gams	None (or less than	\$201-\$1,000 \$1,001-\$2,500	\$2501-\$5000	\$5,001 - \$15,000	\$15,001-\$50,000	\$50,001 - \$100,000	\$100,000 PS - 100,0018	Over \$1,000,000*	\$1,000,001 - \$5,000,000	\$5,000,000		,797 2 · · · · · · · · · · · · · · · · · · ·
	1	1.	0	10	8 8		S.	0.0	0,0	\$3) E	otec	ă E	Dividends Rent and F	est	a i	<u>5</u>	2				11	IO	3,	8	\$5,0		
	a di	9,	8	0,0	50 00	18	ver	00	00,	ye y	8	ÇG.	E I	N E	Interest	lida	ne	8		8	ē	0,0	00	e e	ĕ	Over		and the second
	Z	\$1		S	S		0		\$	0		E I	2		1 =	E.C.	ž	22	2.5	8	SI	\$5	8	Ó	1	Ó		
None		id is														188	(d.							inc.				
1		1		18	A		E	78 K							1					D STATES		1 20 11 12 1					A STATE STATE OF THE STATE OF T	
Raytheon Pension defined benefit				11/2					and a						4												\$4,300/mo	
payable beg. 1/1/2019	311			100					165			100			200			相談	100	<u> </u>			IN IN				Single Life Annuit	/
2				100																								
							100		3.						55 51 65													
3	511		100	4					ı					牆		Hate							HH					
																			嫐									
4		70	Mark Mark	1	超級	物物	1		1	翅目	63103F		報報	開発					358	<u> </u>	開開		連続 が は に に に に に に に に に に に に に					
																	1 1					10.40.40					1	
		Č.		200																		124						
5		8					1		3110													100						
				100					器																			
6 FPL Group (Florida Power & Light)(S)	描	郭		15	PHA PHA PHA PHA PHA PHA PHA PHA PHA PHA	被抗			選		はは		瓣		15	HER	H	Military III	199			i	開始に					
- Salary (S)									100		臟			1112					쀎	FO CO.								
	猫	ii.		i i			ii .		1	#				魗						1		<u></u>			NA.			
7 Pension (defined benefit plan) (S)				Sterres.																							value not	
FPL Group Stock in LESOP (FPL)(S)				j T																		The state of the s				1000	ascertainable	
8 - Mar 2007 & 08 Performance Stk Awd		祖		1	0110			With	4		SE STATE		MAX.	D31	£								MASS IN		Galla Tillia			
- 300 shares vest 12/31/2009		×												×	121		x											
- 200 shares vest 12/31/2010		X		1					1					x III			х			ì								
9 Mar 2006 Performance Stk Awd			N.	SEE ALL										X R			Х											
600 shares vest February 2009				100																		4		1000				
* This category applies only if the asset/income	s sole	ely th	at of	the fi	ler's s	pous	e or c	lepe	ndent	childr	en.	If the a	sse	/incon	ne is	eithe	er tha	t of the	e file	rorj	oint	y hel	d by	the f	îler	with	the spouse or depend	lent children,
mark the other higher categ		-						-															,				•	,

SF 278 (Rev. 03/2000) 5 C.F.R Part 2634

U.S. Office of Government Ethics

Do not Complete Schedule B if you are a new entrant, nominee, Vice Presidential or Presidential Candidate

Reporting Individual's Name		SCHEDULE I	3	r. d Shall-					,		Page 1	Number	10		
Part I: Transactions	No.						None	e						r. Welst i d	
Report any purchase, sale, or exchange by you; yo or dependent children during the reporting period		olving property used solely as your transaction solely between you.		unsactio		**************************************				Amount	of Transaction	(x)			
property, stocks, bonds, commodity futures, and o securities when the amount of the transaction exce \$1,000. Include transactions that resulted in a loss	other your spouse, or depende eeded divestiture" block to ind	nt child. Check the "Certificate of ", licate sales made pursuant to a	Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	\$1,001	\$15,001 -	\$50,001 -	\$100,001 - \$250,000 \$250,001 - = \$500,000	\$500,001 - \$1,000,000 Över \$1,000,000*	\$1,000,001 - \$5,000,000 \$5,000,001- \$25,000,000	\$25,000,001 - \$50,000,000	Over 550,000,000	Certificate of
Example: Central Airlines Common		AL TELEPONE PARTY	X		SWING SWING	2/1/99			х		1500000 1500000 500000			MARKET ST	_
							7 .			(Prophitis)	200 H				
2					-									100	
3	- MANAGEMENT						\ A.		V.	151416		100		Typicas	
4							V-V-S			total es	i i i i i i i i i i i i i i i i i i i				
5		The state of the s	100000 101500					-	-						
* This category applies only if the underlying asse							·-						To Comment		
Part II: Gifts, Reimbursement For you, your spouse and dependent children, tion, and the value of: (1) gifts (such as tangil food, or entertainment) received from one so (2) travel-related cash reimbursements receiv than \$260. For conflicts analysis, it is helpful as personal friend, agency approval under 5 I authority, etc. For travel-related gifts and rein dates, and the nature of expenses provided.	report the source, a brief descrip- ble items, transportation, lodging, urce totaling more than \$260; and ed from one source totaling more to indicate a basis for receipt, such J.S.C. § 4111 or other statutory mbursements, include travel itinerar	ν.	the U recei indent the d total for o	J.S. G yed fi pende onor's value ther e	rom rom rom of of or of	relatives; relatives; relatives; their relation dence. All none sour sions.	ven to ecciv ionsh so, for ce, ex	ed by ip to v r purp clude	your s you; or oses o items	pouse or d provided f aggregati worth \$10	ction with o ependent ch as personal ng gifts to c 4 or less. S	fficial trav uild totally hospitality letermine t ee instruct	at he		
Source (Name and Address) Examples: Nat'l Assn. of Rock Collectors, NY, NY	A Late	e meals incident to national conference 6/1:				n W					and the second			Value \$500	e (*)**; osobowo
Frank Jones, San Francisco, CA 1 2	Leather briefcase (personal	friend)				y minerated to	o daisy	The special section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a section in the second section in the second section is a section in the section in the section in the section is a section in the section in the section in the section is a section in the section in the section in the section is a section in the section in the section in the section is a section in the section in the section in the section is a section in the section in the section in the section is a section in the section in the section in the section is a section in the s						\$300	
4															
5 Prior Editions Cannot Be Used.	·														

SF 278 (Rev. 03/2000) 5 C.F.R Part 2634 U.S. Office of Government Ethics

Reporting Individual's Name							`	1.50				P	age Nu	mber		T)
William J Lynn III	e land in the land		SCHEDUL	E C						e e				1	1	
NO SMILLER DOWN THE CONTROL OF THE C	August 1 Committee Committ		Parametrian Parametrian (Company)				gland stillen	<u>mathible</u>	Section of					· · · · · ·		7 10
Part I: Liabilities								· ·	•							
Report liabilities over \$10,000 owed to an		personal residence unless it			No	ne x		,		Catego	ry of A	nount o	r Value	e (x)		
any time during the reporting period by your dependent children. Check the highest	ou, your spouse,	by automobiles, household to liabilities owed to certain re-			·		11.10	Chiel Name	Sugar	et against a	7 77		1 2 4	7.39.2	- 1 1	1 14
during the reporting period. Exclude a mo		See instructions for revolving		Date	Interest	Term if	1404098			T 0	200	- 8	8	5 8 5	8 8	8
BEAUSTON BERGER BERMINGSBERGER BEGER STEELEN STEELE	ingerfall var immerit betrette de district de letter		kanoratrial mentatra militaria dalah salah s	Incurred	Rate	appli- "cable	\$10,001	\$16,001	\$50,001 \$100,000	\$100,001 \$250,000	\$250,001	\$500,001	\$1,000,0	\$5,000,000 \$5,000,000	\$25,000,00	\$50,000,000 Over \$50,000,000
Creditors (Name and /	Address)	Туре	of Liability			Capita	\$10	\$16 \$50	\$50 \$10	\$10 \$25	\$25 \$50	\$1.0	\$ 6	\$5,0 \$5,0	\$25	\$50 \$50
Examples: John Jones 123 UST Washington		Mortgage on rental property, D Promissory note	Pelaware 1111 1111	1991 1999	8% 10 %	25 yrs.			_x							
John Jones, 123 J St., Washingto	on; Dean in the present	Promissory note	SIURITIES CERTIFICATION STORES A SERVICIAS	1999	10 %	on demand	Marahan)	anethica(s) y	(IIIA-A)	Sattaita	1X		9,7 , 1,0			
•																
2																
3						-	-	-			-				\dashv	
3				l .									-	- 1		
4																
															_	_
5				ì	l											
* This category applies only if the liability	is solely that of the file	's spouse or dependent childr	en. If the liability is that of the f	ler or a jo	int liability	y of the filer										
with the spouse or dependent children, ma	ark the other higher cate	gories, as appropriate.														
Part II: Agreements or A	rrangements				:- ` .	Japanja	de vegilag Luciliani	gged Sanar								
Report your agreements or arrangeme				of absen	ce; and (4	4) future er	nployn	nent. S	ee in	struct	ions re	egardi	ng the	repor	ing	
employee benefit plan (e.g. 401k, def	erred compensation; (2) continuation		of negoti	iations fo	r any of th	ese arra	angem	ents (or ber	efits	,				7.2 7.18
payment by a former employer (inclu-	ding severance payme	ilis), (3) leaves		14 14 14 14 14 14 14 14 14 14 14 14 14 1	Alberta e	englis. District executiv	agt affects Amountable		inceped.	a de la composición dela composición de la composición dela composición de la compos	essasida.	No	one.			-1.4.634
Canada and a second	Status and Terms of any	Agreement or Arrangement			900		- A24			Parties		Kille View		WIND ALL	100 F	Date
Example: Pursuant to partnership agreen	nent, will receive lump sun	payment of capital account & p				Do	Jones						12	Maria.		7/85
calculated on service performe	ed through 1/00.			的形形了 如何的诗形的	Miller Visited	1				Espha	a solicill			al Sirieri	Maril I	Alter mins
RAYSIP 401(k) plan - will receive	lumo sum distribution	which would rollover to an	IRA under established policy			Ra	ytheon	1								8/2002
2																
Pursuant to the Post-2004 and Pri	e-2005 Excess Saving	s Plan will receive a lump	sum payout upon resignation	<u>. </u>		Ra	ytheor	1							\perp	8/2002
Pursuant to the Post-2004 and Pro	a-2005 Deferred Com	nensation Plan will receive	a tumo sum navout unon ros	ionation		Ra	ytheor	1								8/2002
4	6-2000 Deletted Colli	portation rian will receive	s a lamp sum payout upon res	ignation.		1100	741001								\dashv	VIEVVE
5																
6															+	
Prior Editions Cannot Be Used.																

SF 278 (Rev. 03/2000) 5 C.F.R Part 2634																	
U.S. Office of Government Ethics Reporting Individual's Name		1 Medicale Learning of the Street Assessment		carrier someway	vorines outline								Dane N	1h a			
			CTTCDYIT	TO A	ar arteria			200	. Vgr				Page N	umoer	40		
William J Lynn III	1	81	CHEDUL	E.C	100			G . W							12		
I dead of the second	Jan 2011 Hawait Company	in a constant of the constant			 	2000年 1000年	WORLD AND	1798/11/2	3000 M		12						- 0
Part I: Liabilities	2 17 17 19 19 19 19 19 19 19 19 19 19 19 19 19					arra, at least a	. 4 6 7	of the second		1				1	Constitution of the	# 13#	Min
Report liabilities over \$10,000 owed to a	y one creditor at	personal residence unless it is rented out; loa	ans secured		" No	ne	7			119.00	1.			20000	Alegone	Control of	
any time during the reporting period by		by automobiles, household furniture or appli	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				1.	′, .	· .	Catego	ory of A	Amount	or Val	ue (x)			
or dependent children. Check the highest	amount owed	liabilities owed to certain relatives listed in i		RECEIPTED.	MANAGE AND	1111313			100	130	J	.: .	F		Try (g)	W _E	
during the reporting period. Exclude a n		See instructions for revolving charge accoun	nts,	Date	Interest	Term if	1			- 0	÷ 0	- 8	8	5 8	5 8 8	88	
(in a second	a arangan kanan			Incurred	Rate	appli- cable	8 8	8 8	9 8	8, 8,	8 8	00'0	0,0	8 8	8 8	800	
Creditors (Name and	Address)	Type of Liability	SATURATE STATE			Cable	\$15,000	\$15,001	\$50,001	\$100,001	\$250,001	\$500,001	Over \$1,000,00	\$1,000,	\$25,000	\$25,000)Ve
Participant of the Property of	2 2 2 2 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	Mortgage on rental property, Delaware	* 1 (1997) (patent	1991	8%	25 yrs.	in in the	11277	x		0, 0,	0, 0,	- 	07.02	GINEWAY	(A) (A)	
Examples: John Jones, 123 J St., Washing	ton, DC	Promissory note	F 4 FEQ.8	1999	10%	on demand		100000	Marie .	7/1	×			7	Sergiji.	KFA(A	an)
1																	$\overline{}$
				1			↓		ļ							igsquare	_
2								1	1				1		. !		l
				ļ			├	<u> </u>				<u> </u>	—	\vdash			
3															, !		i
	- Comment			-			├	-	1		-		-	\vdash		-	_
7							1						1	'	, '		
5							1			-		-	 	 	-	 	
				1				}								'	
* This category applies only if the liabilit	y is solely that of the fil	er's spouse or dependent children. If the liabili	ty is that of the f	iler or a jo	int liabilit	y of the filer								<u></u>			-
with the spouse or dependent children, n	ark the other higher cat	egories, as appropriate.															
Part II: Agreements or A	rrangaments			Selection	n November (1986)					977 .					3.1		2
			(1) (1) (1) (1) (1) (1) (1)				10000000	O.	0					4.750	aliidii		
Report your agreements or arrangememployee benefit plan (e.g. 401k, de	ents for continuing p	Participation in an				1) future ei						regard	ing th	te rep	orting		
payment by a former employer (inch	iding severance navn	(2) continuation	- 1997) - 100	of nego	namons to	r any of th	ese an	angen	nents	or be	nems		150	्या अस्ति । व्यक्तिसम्बद्धाः			
payment by a former employer the		Maria de la companya				Steal Bloker	andra. Sangaran					N	None	1000100			
Contract the second	Statue and Torme of any	Agreement or Arrangement	201	en e	11500015 11500015	Beneraliya Loka	FEMERAL	indialist.	SAMPLE	Partie				7 . 7 . 7	ALCOHOL:	To be	ate
Example: Pursuant to partnership agree		im payment of capital account & partnership share		zania kaning Kuning Payani	uraberiningerer Turkhilister			& Smit	-		_			te avail	Ad North		85
calculated on service perform	ed through 1/00.		7. 特别的原	MARKET							, State						
1 Performance Award under the 20	06-2008 Long-Term	Performance Plan (LTPP)		_													
6,000 shares of restricted stock						Ra	ytheo	n								8/20	002
2 Pension (defined benefit plan). F		nuary 1, 2019.	·														
\$4,320.66 /month Single Life Ann	uity					Ra	ytheo	n								8/2	002
3 2008 cash bonus pursuant to pre	viously established b	onus target formula. Payable March 2009) <u>.</u>			_											
10-4	07 0000 1	De fermes a Blan				IRa IRa	ytheo	n								8/2	002
4 Performance Award under the 20						D	n dhoo	_								0/0	000
5 5300 restricted shares forfeited to 5 Performance Award under the 20						Ka	ytheo	11								8/2	JU2
4237 restricted shares forfeited u						R	ytheo:	n								8/2	กกา
TAST TESTITUTED STRATES TOTTERED OF	pon resignation unde	established company practice				II C	y ti ieO	•								012	002

8/2002

Reporting Individual's Name	"山土"是"河流"。在"大学","红色"和美国的	\$#####################################	Page Number	
William II van III	SCHEDULE D		1	3
William J Lynn III		and the state of t		
	Control of the Contro	The first transmission of the first factors		
Part I: Positions Held Outside U.S. Government				
Report any positions held during the applicable reporting period, whether	consultant of any corporation, firm, partne	rship, or other business enterprise or any	A The state of the	
compensated or not. Positions include but are not limited to those of an officer.	non-profit organization or educational inst	itution. Exclude positions with religiou	S	
director, trustee, general partner, proprietor, representative, employee, or	social, fraternal, or political entities and th	ose solely of an honorary nature.	None	
	・・・・・・・・・・・・・・・・・・・・・・・・・・・・・・・・・・・・	Supplementation of the second		1
Organization (Name and Address) Nat'l Assn. of Rock Collectors, NY, NY	Type of Organization Non-profit education	Position Held President	From (Mo., Yr.)	Canada San San San San San San San San San Sa
Examples: Doe Jones & Smith, Hometown, State	Non-profit education Law firm	Partner	7/85	Present 1/00
1 Raytheon Company	The state of the s	Senior VP	1100 to 12 of the particular o	PROPERTY AND THE PROPERTY OF T
110 Wilson Blvd, Arlington, VA 22209	Defense Company	Corporate Officer	8/2002	present
2 Center for New American Security				, , , , , , , , , , , , , , , , , , ,
1301 Penn Ave NW, Washington, DC 20004	Non-profit research institute	Board member	2007	present
3 Electronic Industries Alliance				·
2500 Wilson Blvd Arlington, VA 22201	Industry Association	Board member	2006	2007
4				
5	•			
6				
		4 34 3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		endage en la
Part II: Compensation In Excess Of \$5,000 Paid by One So				plete this part
Report sources of more than \$5,000 compensation received by you or your	corporation, firm, partnership, or other bus			
business affiliation for services provided directly by you during any one year of the reporting period. This includes the names of clients and customers of any	organization when you directly provided the of more than \$5,000. You need not report		Termination Vice Preside	
the reporting period. This includes the names of chents and customers of any	of more than \$3,000; and need not report	the U.S. Government as a source.	or President	ial Candidate
			None	THE RESERVE OF THE PARTY OF THE
Source (Name and Address)		Brief Description of Duties	e a manus municipalitation de la compansión de la compans	
Doe Jones & Smith Hometown State	Legal services	[2] [1] [2] [2] [2] [2] [2] [2] [2] [2] [2] [2	Sac ESTATION FEBRUARIOS	CONTRACTOR CONTRACTOR
Examples: Metro University (client of Doe Jones & Smith), Moneytown, State	Legal services in connection with university	construction		idliouiska karata, karata
1				
Raytheon	Senior VP			
2				
3				
4				
5				
6				

Prior Editions Cannot Be Used.

WILLIAM J. LYNN III

[Deletion Per FOIA Exemption 6, 5 U.S.C. § 552(b)(6), Personal Privacy]

January 13, 2009

Mr. Daniel J. Dell'Orto
Principal Deputy General Counsel and
Alternate Designated Agency Ethics Official
Office of the General Counsel
Department of Defense
1600 Defense Pentagon
Washington DC 20301

Dear Mr. Dell'Orto:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Deputy Secretary of Defense.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Upon my appointment, I will resign from my position as Senior Vice President of Government Operations and Strategy at Raytheon Company (Raytheon). I currently hold Raytheon stock, and I will divest this stock within 90 days of my appointment. I do not hold stock options in Raytheon. I hold Raytheon restricted stock units under the following incentive plans: (a) the 2006-2008 Long-Term Performance Plan (LTPP); (b) the 2007-2009 LTPP; and (c) the 2008-2010 LTPP. Upon resignation, I will forfeit all of my restricted stock units that I hold under the 2007-2009 LTPP and the 2008-2010 LTPP. I will retain the 6,000 shares of restricted stock units that I hold under the 2006-2008 LTPP, which will vest in February 2009. I will divest these 6,000 shares within 90 days of the date on which they vest. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the 'financial interests of Raytheon until I have divested it, unless I first obtain a written

waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I will receive a bonus in March 2009 for work performed during calendar year 2008, in accordance with the previously established bonus target formula. Consistent with the customary practice for departing executives of Raytheon, I will continue to participate in the Raytheon Defined Benefit Plan, which would pay me about \$4,300 monthly beginning on January 1, 2019. I also participate in the Raytheon Savings and Investment Plan, Excess Savings Plan, and the Deferred Compensation Plan. Pursuant to company policy, Raytheon will pay out my interests in these three plans to me in a lump sum, which will be based on the value of the holdings in my accounts under these plans. Until I receive these payments, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the ability or willingness of Raytheon to make these payments to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. 208(b)(1).

For a period of one year after my resignation from Raytheon, I also will not participate personally and substantially in any particular matter involving specific parties in which Raytheon is a party or represents a party in that matter, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Upon my appointment, I will resign from my position as a board member of the Center for New American Security. For a period of one year after my resignation, I will not participate personally and substantially in any particular matter involving specific parties in which the Center for New American Security is a party or represents a party, unless I am first authorized to participate pursuant to 5 C.F.R. § 2635.502(d).

My spouse is employed as a regulatory attorney for Florida Power and Light Company. She receives a fixed salary and an annual bonus. She receives performance stock awards through the Leveraged Employee Stock Ownership Plan (LESOP) in FPL Group, the parent of Florida Power and Light Company. In addition, she owns shares of FPL Group common stock. In order to comply with the requirements of the Senate Armed Services Committee with regard to Department of Defense contractors, my spouse will divest all of her common stock in FPL Group within 90 days of my appointment. She will retain her unvested performance stock awards. However, she will divest any of these performance stock awards that vest during my appointment as Deputy Secretary within 90 days of the date on which they vest, in order to comply with the requirements of the Senate Armed Services Committee. During my appointment as Deputy Secretary, if my spouse receives any additional performance stock awards, she will divest any such vested awards within 90 days of receipt, and she will divest any such unvested awards within 90 days of vesting. For as long as my spouse continues to hold any equity in FPL Group, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of FPL Group, unless I first obtain

[Deletion Per FOIA Exemption 6, 5 U.S.C. § 552(b)(6), Personal Privacy] WILLIAM J. LYNN III

a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

Within 90 days of my appointment, I will divest my stock in IBM. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of IBM until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I understand that I may request a Certificate of Divestiture for some of these assets and that a Certificate of Divestiture is effective only if obtained prior to divestiture. However, I also understand that my spouse and I must divest the identified assets whether or not I receive a Certificate of Divestiture.

Sincerely,

William J. Lynn III

Bloomberg

Fidelity's Danoff Bets on Facebook, Zynga

By Miles Weiss - Jun 1, 2011

William Danoff, the manager of Fidelity Investment's largest stock fund, established a toehold in the social-networking industry during the first quarter by acquiring shares of <u>Facebook</u> Inc. and Zynga Inc.

Danoff's Fidelity Contrafund invested \$74 million in Facebook Class B common shares and \$82 million in Zynga convertible preferred stock, according to a quarterly report the fund filed yesterday with the U.S. Securities and Exchange Commission. Danoff, 50, has managed the \$80 billion Fidelity Contrafund since September 1990.

Fidelity and rivals T. Rowe Price Group Inc. and Capital Group Cos. are snapping up stakes in social-networking companies before they go public, after the mutual-fund industry avoided privately traded stocks for years. Boston-based Fidelity and Baltimore's T. Rowe Price may recognize an opportunity as a growing percentage of clients access their fund holdings through Facebook, said <u>Geoff Bobroff</u>, a fund consultant in <u>East Greenwich</u>, <u>Rhode Island</u>.

"We are seeing more of these fund companies embrace and adopt social media as something they are providing to their shareholders," Bobroff said today in an interview. "It's somewhat logical they would think there is value."

<u>Vincent Loporchio</u>, a spokesman for Fidelity, said more than 30 of its funds held Facebook shares as of April 30. No fund had more than 0.15 percent of its assets invested in Facebook, according to Loporchio, who declined to comment further.

T. Rowe, American

T. Rowe Price reported in April that 19 of its mutual funds invested at least \$191 million during the first quarter in Facebook, the <u>Palo Alto</u>, California-based owner of the world's most popular social-networking website. American Funds Growth Fund of America, a \$168 billion stock fund overseen by Los Angeles-based Capital Group, invested \$66.5 million on Feb. 18 in Zynga, the largest maker of games on Facebook, according to an April 29 filing.

Fidelity Contrafund (FCNTX) averaged annual gains of 7 percent over the past 10 years to beat 99

percent of its large-capitalization growth stock peers, according to Chicago-based research firm Morningstar Inc.

Danoff's fund aims to invest in stocks whose value hasn't been fully recognized by the public. At the end of last year, it had about 33 percent of net assets in information technology shares, including a \$5.3 billion stake in Apple Inc. (AAPL) and \$3.8 billion in Google Inc.

The fund acquired 2.97 million Facebook shares during the first quarter for about \$25 each, the same price T. Rowe Price reported paying, according to yesterday's filing. Facebook in January said it had raised \$1.5 billion from investors led by <u>Goldman Sachs Group Inc. (GS)</u>, placing a \$50 billion valuation on the closely held business at the time.

Convertible Preferred Shares

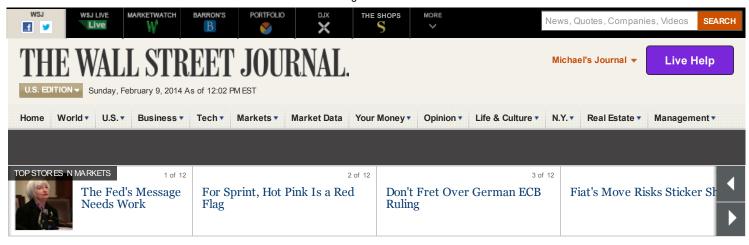
Fidelity Contrafund also bought its Zynga convertible preferred stock on Feb. 18, according to yesterday's filing. Zynga held talks in February with T. Rowe Price and Fidelity about selling shares at a price that implied the company's market value was close to \$10 billion, two people familiar with the situation said at the time.

Facebook and Zynga last year laid the groundwork for initial public offerings by imposing fees on employees who sell their shares. Zynga may file for an IPO by the end of June, a person familiar with the plans said last week.

To contact the reporter on this story: Miles Weiss in Washington at mweiss@bloomberg.net

To contact the editor responsible for this story: Christian Baumgaertel at cbaumgaertel@bloomberg.net

®2014 BLOOMBERG L.P. ALL RIGHTS RESERVED.



WSJ BLOGS

Deal Journal

An up-to-the-minute take on deals and deal makers.

August 24 2012 2:18 PM

Who Else Has a Big Bet on Facebook



By TELIS DEMOS CONNECT

We <u>reported this morning about the concentration</u> of Facebook stock in the portfolio of one group of investors, several mutual funds operated by Morgan Stanley Asset Management. But that is not where the concentration of Facebook stock ends.

According to fresh data from Ipreo, which has tallied up the public filings by all investors, a relatively large chunk of Facebook stock just three months after its \$16 billion IPO in May is held by the company's 10 largest institutional investors (that excludes insiders, like CEO Mark Zuckerberg, and the early VC investors, like Accel Partners).



AFP/Getty Images

The top 10 "accounts," in banker-speak,

represent about 50% of Facebook's institutional ownership, according to Ipreo, the capital markets data firm. That tops the 42% concentration for the top 10 institutions for all second quarter tech IPOs three months after they went public. Across more comparable \$1 billion-plus IPOs since 2010, the concentration is even lighter: The top 10 institutional accounts held 32% of those companies' shares.

This data, keep in mind, does not tell us who bought the IPO. That's a closely guarded secret held by the lead underwriters. These figures are based on public disclosures as of June 30. They are at best a proxy for how the IPO was actually distributed.

So who are the biggest betters — by total number of shares, not necessarily by weighting within the fund – on Facebook? Morgan Stanley Asset Management is only the fifth largest holder by that measure, according to lpreo. Above them are Goldman Sachs Asset Management, Baillie Gifford & Company, Fidelity Investments, and T. Rowe Price Group Inc. Rounding out the top 10 are BlackRock Inc., Sands Capital

Dear Reader,

Search Deal Journal

Thanks for reading Deal Journal. We would like to direct you to MoneyBeat, he Wall Street Journal's brand new global blog. MoneyBeat unites MarketBeat, The Source, Overheard and all he Deal Journal blogs, bringing together all the market, M&A, IPO and hedge-fund news from those blogs into a 24-hour hub for finance news. Check it out and let us know what you hink at moneyblog@wsj.com.

SEARCH

Management LLC, Jennison Associates LLC, The Vanguard Group Inc. and Capital Research Global Advisors Inc.

Some of those investors were big pre-IPO holders. Goldman Sachs famously marketed a fund with pre-IPO Facebook stock to international investors, which accounts for a big chunk of its holdings. T. Rowe Price and Fidelity also bought in before the IPO. The point here is that they all may still be sitting on Facebook stock gains, depending on when exactly they got into the stock.

Others, however, appear to have gotten in primarily via the IPO, or after it began trading. That includes Baillie Gifford, an Edinburgh-based fund management giant that manages assets of £76.0 billion (\$120 billion). They are a sub-advisor to some large fund management families, like Vanguard, but also manage money on behalf of giant pension funds such as the California Public Employees' Retirement System (CALPERS), the New York City Police Pension Fund and the Korea National Pension Service, according to their website. The firm did not return requests for an interview.

Some of the big investors are also there just because they have to be. BlackRock and Vanguard operate many index funds that may have bought Facebook stock solely because it likely will be a member someday of indexes such as the S&P 500 and Nasdaq 100, and is already in indexes such as the Russell 1000.

What speaks loudly are the absences of firms that are typically very big holders of recently IPO'd companies. Citadel Advisors, which bought 17 other second-quarter IPOs according to Ipreo, owned just 167,164 Facebook shares at the end of June. Wellington Management Company LLP and Lord Abbett & Company LLC, which bought 11 second quarter IPOs, both held fewer than 1m shares. For context, Baillie Gifford reported holding 19 million shares.

RANK	NAME	AUM	JUNE 30
1	Goldman Sachs Asset Management, L.P. (U.S.)	82,329.1	36,634,486.0
2	Baillie Gifford & Company	60,809.1	19,380,440.0
3	Fidelity Management & Research Company	544,656.5	18,774,915.0
4	T. Rowe Price Associates, Inc.	338,744.6	18,663,997.0
5	Morgan Stanley Investment Management, Inc. (U.S.) 54,113.2	54,113.2	16,362,788.0
6	BlackRock Fund Advisors	768,143.8	11,690,656.0
7	Sands Capital Management, LLC	22,157.4	11,649,292.0
8	Jennison Associates, LLC	80,316.4	9,691,825.0
9	The Vanguard Group, Inc.	908,526.5	9,582,480.0
10	Capital Research Global Investors (U.S.)	366,059.2	8,273,200.0

Next » « Previous Private Equity, Others, Eye Cytec Industries's Morgan Stanley Really Likes Facebook Coating Resins Business

DEAL JOURNAL HOME PAGE *









ED SHADES AS OF

About Deal Journal



Deal Journal is an up-to- he-minute take on the deals and deal makers that shape the landscape of Wall Street, including mergers and acquisitions, capital-raising, private equity and bankruptcy. In short, wherever money changes hands. Deal Journal is updated throughout each trading day

with exclusive commentary, analysis, data, news flashes and profiles. The Wall Street Journal's David Benoit is the lead writer, with contribu ions from other Journal reporters and editors. Send news items, comments and questions to deals@wsj.com.



Deal Journal on Twitter

Deal Journal on Facebook



APRIL 15, 2011, 12:34 PM

T. Rowe Price Discloses \$190 Million Stake in Facebook

By EVELYN M. RUSLI

T. Rowe Price has made several recent investments in social media companies, including Facebook and Zynga, according to recent filings.

The value of its Facebook investments, made through various funds, totals \$190.5 million (as of the end of March), according to calculations made by DealBook from data on T. Rowe's Web site. T. Rowe Price confirmed the value to DealBook.

Although the firm did not disclose exactly how much it paid for its shares, the current value is close to the initial investment since the stakes were purchased in March. T. Rowe Price's funds also had investments in Zynga worth \$71.8 million and in Groupon worth \$86.8 million.

Although the holdings represent a small fraction of T.Rowe's investments — the firm has some \$482 billion in assets under management — T.Rowe has become increasingly aggressive in the social media and larger technology sectors. In 2009, T. Rowe participated in a \$100 million round for Twitter, with Insight Venture Partners, Benchmark Capital and Morgan Stanley. Since then, the firm has courted several fast-growing social-centric start-ups.

According to data on its site, T. Rowe's investments in social Internet companies are worth more than half a billion dollars, spread across more than a dozen funds. Still, no individual holdings represents more than 1 percent of any fund.

The firm's investment in Ning is worth about \$10 million, its stake in Angie's List is valued at \$35 million, its stake in YouKu.com is valued at \$114 million, and the 2009 investment in Twitter is now worth nearly \$67 million, according to data on its site.





Home → Collections → Investment



T. Rowe Price sees Facebook investment more than triple in a year



Recommen

May 18, 2012 \mid By Gus G. Sentementes, The Baltimore Sun

T. Rowe Price Group's stake in Facebook Inc. more than tripled in $\underline{\text{value}}$ $\underline{\mathbb{Z}}$ as the social networking (

At the close of the market Friday, T. Rowe's $\underline{investment}$ $\underline{\mathbf{Z}}$ in Facebook was valued at \$695.8 million. based mutual fund company invested \$190.5 million in Facebook last spring.

Top 10 Stocks for 2014



These 10 stocks are set to crush the S&P 500 in the coming year.

Alert: Buy This Stock | 3 Credit Score Now

www.topstockanalysts.com

This tiny firm could skyrocket if Apple unveils iCash. Details here.

(Free)

freescore360.com

View your latest Credit from All 3 bureaus in 6 for \$0!

Shares of Facebook ☐ finished trading at \$38.23 — just 23 cents above the initial public offering price company and its underwriters.

T. Rowe holds 18.2 million Facebook shares, which are spread across 80 mutual funds and \underline{accour}

Source: The Wall Street Journal Online

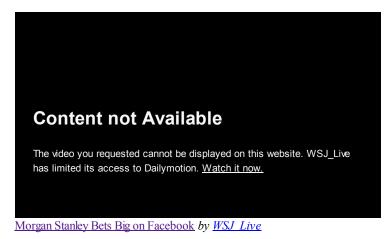
THE WALL STREET JOURNAL. ■ MARKETS

MARKETS

Morgan Stanley Funds in Big Facebook Bet

By Aaron Lucchetti and Telis Demos Updated Aug. 24, 2012 11:57 a.m. ET

U.S. mutual funds run by Morgan Stanley, MS -0.12% the lead underwriter in Facebook Inc. FB \$16 billion initial public offering, have disproportionately high investments in the social-media company, leaving fund shareholders exposed to the stock's big drop since its May 18 IPO.



New data show that eight of the top nine U.S. mutual funds with Facebook shares as a percentage of total assets are run by Morgan Stanley's asset-management arm, according to fund tracker Morningstar Inc.

Morgan Stanley had a crucial role in lining up orders for Facebook as the social-media company prepared to go public. It helped advise Facebook executives to increase the size and price of the IPO, despite warnings the company was making about its profit outlook. The New York securities firm, which declined to comment, took in \$200 million in underwriting fees and trading profits,

according to regulatory filings and people involved in the deal.

The Morgan Stanley funds that have Facebook shares got many of them before the IPO at prices well below the \$38 offering price.

That means that fund shareholders may still have paper gains on their Facebook purchases, depending on when the fund bought their original stake. It also means the funds have been unable to sell any of their pre-IPO holdings.

The company's mutual funds have made large bets on other big-name technology companies in recent years, including bets on Apple Inc., AAPL +1.48% Amazon.com Inc.AMZN -1.06% and LinkedIn Corp. LNKD +0.14% whose values have all surged this year.

The Funds That Own Facebook

Hundreds of mutual funds have stakes in the social media company. See a list and sort by percentage of fund assets devoted to Facebook, and by absolute and relative performance.

Click here for an Excel file containing all four sections of the table below: GoogleDocs | XLS file

August 24, 2012

The Funds That Own Facebook

Hundreds of mutual funds have stakes in the social media company. Click column headers to sort by percentage of fund assets devoted to Facebook and by absolute relative performance.

<< first < prev 1 2 (#) 3 (#) 4 (#) next > (#) last >> (#)

2014		Morgan Stanl	ey Funds in Big Fa	cebook Bet - `	THE WALL STRE	ET JOURNA	.L, Aug. 24, 2012 11	:57 a.m. ET	
Fund Name (yui- dt0-href-col 0)	Ticker (yui- dt0- href- col 1)	Total Facebook Weight (yui-dt0- href- col 2)	Total Investment as of portfolio date (yui-dt0- href-col 3)	July 2012 Return (yui-dt0- href- col 4)	July % rank against similar funds (yui-dt0-href- col 5)	Year-to- date Return (yui-dt0- href- col 6)	Year-to-date % rank against like funds (yui- dt0-href- col 7)	One- year return (yui-dt0- href- col 8)	One-year % rank against like funds (yui dt0-href- col 9)
Morgan Stanley Inst Focus Growth I	MSAGX	7.77%	\$28,777,414	-2.98%	98%	9.64%	90%	8 33%	99%
Morgan Stanley Focus Growth B	AMOBX	7.72%	\$1,586,239,713	-3.08%	98%	8.63%	94%	7 06%	99%
Morgan Stanley Inst Opportunity H	MEGHX	7.39%	\$244,919,024	-3.91%	99%	6.71%	98%	10.10%	98%
Morgan Stanley Inst Advantage H	MAPHX MSEQX	6.71%	\$12,159,351	-1.57% -2.33%	96%	11 96% 11 34%	71%	21.88%	97%
Morgan Stanley Institutional Growth		SEQX 6.63%	\$847,917,689						
Transamerica Capital Growth A	IALAX	6.58%	\$746,167,025	-2.39%	98%	10 35%	85%	11.62%	97%
Morgan Stanley Multi Cap Grow th B	CPOBX	6.42%	\$313,515,817	-2.33%	97%	7.93%	96%	8 32%	99%
Morgan Stanley Inst Global Opportunity I	MGGIX	6.42%	\$15,221,935	-3.96%	98%	4.98%	93%	3.77%	93%
Morgan Stanley Inst Glbl Advantage I	MIGIX	5.19%	\$2,513,921	-0.36%	86%	13 94%	10%	19.13%	9%
Turner Concentrated Gr	TTOPX	5.00%	\$35,255,772	-4.20%	99%	9.28%	92%	14.60%	96%
Morgan Stanley Inst Glbl Discovery I	MLDIX	4.79%	\$5,032,255	-1.53%	93%	11 60%	29%	15.92%	31%
Goldman Sachs Technology Tollkeeper A	GITAX	2.85%	\$358,167,660	-2.66%	92%	17 63%	26%	28.63%	29%
Turner Global Opportunities Instl	TGLBX	2.32%	\$1,420,185	-1.11%	91%	9.89%	52%	16.77%	23%
Chesapeake Core Grow th	CHCGX	2.23%	\$31,550,392	0.20%	66%	16 83%	12%	28.85%	19%
Chesapeake Growth Instl	CHESX	2.15%	\$10,660,814	-1.39%	70%	15 84%	2%	23.82%	46%
Saratoga Large Capitalization Growth I	SLCGX	1.73%	3% \$20,539,302	0.63%	46%	12.43%	65%	26.38%	40%
Lord Abbett Grow th Leaders A	LGLAX	1.67%	\$23,284,142	-0.78%	90%	10 58%	84%	22.02%	76%
Tocqueville Opportunity	TOPPX	1.61%	\$68,606,152	-2.15%	77%	12.18%	25%	25.75%	45%
Goldman Sachs Concentrated Grow th A	GCGAX	1.60%	\$176,037,973	1.77%	7%	17 33%	9%	28.74%	20%
American Independence Large Cap Growth I	A FLX	1.59%	\$5,723,812	-3.24%	99%	1.67%	99%	10.15%	98%
Eagle Capital Appreciation A	HRCPX	1.58%	\$312,936,069	1.75%	8%	17 64%	7%	27.76%	26%
Loomis Sayles Growth Y	LSGRX	1.58%	\$137,102,956	1.09%	27%	13 02%	59%	26.08%	42%
Sands Capital Global Growth Inst	SCMGX	1.55%	\$26,411,222	-0.16%	84%	12 51%	18%	18.99%	10%
Firsthand Technology Opportunities	TEFQX	1.52%	\$83,809,180	2.91%	1%	17.78%	24%	15.43%	93%
Touchstone Sands Capital Select Grow th Z	PTSGX	1.51%	\$2,650,677,414	0.34%	61%	20 80%	3%	34.98%	2%
Touchstone Sands Capital Inst Gr	CISGX	1.50%	\$1,879,329,652	0.36%	60%	21.45%	2%	35.72%	2%
Turner Large Growth Institutional	TTMEX	1.36%	\$254,252,990	-0.57%	86%	11.79%	73%	21.25%	80%
Columbia Global Extended Alpha A	RTAAX	1.36%	\$18,990,332	1.43%	34%	8.50%	73%	13.66%	59%
Invesco Leisure Investor	FLISX	1.25%	\$362,284,050	-2.50%	83%	18 34%	12%	29.20%	79%
Invesco Technology Sector B	FOBX	1.19%	\$103,441,217	-1.45%	81%	12 59%	67%	28.04%	34%
AllianceBern Global Thematic Gr A	ALTFX	1.17%	\$830,246,855	-3.98%	99%	5.56%	91%	-0.55%	95%
Invesco Technology	FTCHX	1.17%	\$709 896 602	-1.29%	71%	12 27%	69%	25.97%	44%

/2014		worgan Star	liey runus in big ra	cebook bet -	I II E WALL S	IKEET JOOKINA	AL, Aug. 24, 201	2 11.5/ a.III. ⊑1	
Investor	. 5.5.	~	Ψ 00,000,00=	,	,,,		55,0		, ,
Artisan Global Opportunities Inv	ARTRX	1.15%	\$238,682,629	2.30%	12%	22.11%	1%	26.59%	1%
Baron Global Advantage Institutional	BGAIX	1.11%	\$2,313,424	-1.64%	94%	N/A	N/A	N/A	N/A
PL Large-Cap Grow th P	N/A	1.08%	\$125,638,896	-0.21%	80%	16.11%	19%	27.24%	31%
Invesco Van Kampen American Franchise A	VAFAX	1.04%	\$5,607,536,462	-0.25%	81%	12 63%	62%	19.20%	89%
Invesco Constellation A	CSTGX	1.04%	\$2,462,252,859	-0.22%	80%	11 61%	75%	17.55%	93%
Invesco Van Kampen Mid Cap Gr A	VGRAX	1.04%	\$1,891,989,133	-1.72%	78%	8.66%	75%	19.77%	74%
Invesco Dynamics Inv	FIDYX	1.02%	\$821,481,822	-1.76%	80%	9.18%	70%	21.21%	68%
T. Row e Price Global Stock	PRGSX	1.00%	\$513,696,057	0.12%	78%	9.77%	54%	11.82%	68%
JHancock US Global Leaders Gr A	USGLX	0.99%	\$570,665,220	0.38%	59%	16 58%	14%	33.99%	3%
T. Row e Price Media & Telecommunications	PRMTX	0.97%	\$2,176,042,473	1.34%	75%	20 59%	12%	28.47%	12%
Hodges Pure Contrarian Retl	HDPCX	0.95%	\$6,538,442	-0.27%	28%	19 01%	2%	20.88%	77%
T. Row e Price Science & Tech	PRSCX	0.93%	\$2,691,539,999	-3.08%	96%	7.42%	93%	15.44%	92%
VALIC Company I Science & Technology	VCSTX	0.93%	\$239,494,861	-0.85%	51%	13 67%	58%	21.83%	64%
Hartford Growth Opportunities B	HGOBX	0.91%	\$1,878,737,839	0.00%	74%	20 86%	3%	25.27%	48%
Oppenheimer Main Street A	MSIGX	0.90%	\$5,199,383,488	2.20%	7%	14.49%	16%	30.19%	6%
Hartford Growth Opportunities HLS A	HAGOX	0.89%	\$1,068,479,670	0.14%	69%	21 83%	2%	26.91%	35%
MassMutual Premier	MSSAX	0.87%	\$150 288 656	2 21%	7%	14 20%	18%	20 78%	7%

Still, the Morgan Stanley funds' large stakes raise questions about whether the firm's role as lead underwriter influenced decisions.

A large investment bank that simultaneously buys and sells shares in any company "is in this conflicted position," said Frank Partnoy, a law professor at the University of San Diego who worked for Morgan Stanley in the 1990s. "This time it didn't work out."

The funds span the \$1.6 billion Focus Growth fund to the \$2.5 million Institutional Global Advantage fund.

Morgan Stanley's funds don't appear to have violated Securities and Exchange Commission rules limiting investments in offerings underwritten by an affiliate. SEC rules allow bank-affiliated mutual funds to participate in offerings in which the bank's investment bankers are advising the company, as long as the fund managers don't buy more than 25% of the deal and they buy the shares from a different bank.

The concentration of Morgan Stanley's funds stands out when compared with funds operated by other large institutional holders of Facebook stock.

Morgan Stanley Focus Growth Portfolio had 5.7% of its assets in Facebook shares as of July 31, according to Morgan Stanley's website, while Morgan Stanley Institutional Opportunity Portfolio had 5.5% and Morgan Stanley Institutional Growth Portfolio had 4.8%. Others among the eight Morgan Stanley mutual funds range between 3.6% and 4.6%. Those proportions ranged between 5% and 7.8% on June 30, according to the most recent Morningstar data that included other fund families.

"It's surprising that so many Morgan Stanley affiliated funds out of the thousands of mutual funds show up as having

extremely big weights," said Jay Ritter, a professor of finance at the University Florida.

Morgan Stanley isn't the largest institutional holder of Facebook.

Larger holders by dollar value include Fidelity Investments, <u>T. Rowe Price Group</u>Inc. TROW -0.79% and Goldman Sachs Asset Management, a unit of underwriter <u>Goldman Sachs Group</u> Inc. GS -0.24% Goldman also owned Facebook shares before its IPO

Goldman's most concentrated mutual fund position in Facebook was the Technology Tollkeeper fund, with Facebook making up 2.85% of its portfolio as of the end of June.

No mutual funds operated by Fidelity or T. Rowe Price, two other large institutional holders, publicly reported holding more than 1% of their portfolios in Facebook through June.

Many of the Morgan Stanley funds are sold to institutions only, and require a \$5 million minimum investment.

Morgan Stanley Multicap Growth Fund—one fund open to retail investors, including Morgan Stanley Smith Barney brokers—had a stake in Facebook as early as November 2010, when Facebook shares were valued at about \$13. They closed Thursday at \$19.44, down 49% since the IPO.

In June, a commentary on Morgan Stanley's fund website noted that Facebook and other technology stocks were "the leading detractor in the portfolio this quarter," attributing the decline in Facebook shares "to post-IPO volatility."

Under SEC rules, mutual fund managers also are bound by fiduciary duties to look out for their investors' interests over their own.

Read More

- Deal Journal: Who Else Has a Big Bet on Facebook?
- Nasdaq's Facebook Plan Under Fire

There's no sign that fund managers at Morgan Stanley bought Facebook shares because of the firm's underwriting relationship with Facebook, or to help curry favor with Facebook executives who chose Morgan Stanley for a key underwriting assignment in the spring IPO.

Mr. Ritter cited "psychological factors" as a possible explanation for the large investments, driven by the fact that many of the funds owned a big chunk of Facebook shares before the company sold shares to the public.

"There's a tendency to fall in love with what you've got rather than stepping back," said Mr. Ritter. Many Morgan Stanley funds added to their pre-public stakes during the month of the IPO—a sign, he said, that "they were drinking the Kool-Aid and became true believers."

Morgan Stanley has streamlined its mutual fund business under Gregory Fleming, who runs both the firm's asset management and wealth management units. Morgan Stanley's asset management at the end of June managed \$311 billion and produced \$456 million in revenues.

Morgan Stanley funds with the strongest liking for Facebook are overseen by Dennis Lynch, the firm's head of growth investing. A Morgan Stanley spokesman declined to comment on behalf of Mr. Lynch.

Write to Aaron Lucchetti at aaron.lucchetti@wsj.com and Telis Demos at Telis.Demos@wsj.com

Source: The Wall Street Journal Online



Business

Fidelity Invests \$74 Million in Facebook & \$82 Million in Zynga

<u>Gregory Gomer</u> Jun 2nd 2011 at 2:31 pm <u>Facebook</u>, <u>Zynga</u>, <u>Fidelity</u>



According to the <u>Boston Globe this morning</u>, Fidelity Investments made a few large investments in social media during the first quarter of this year. It is reported that William Danoff, the manager of Fidelity's Contrafund - it's biggest and very popular fund - has invested \$74 million in Facebook Class B common shares and \$82 million in Zynga

+1

convertible preferred stock. Danoff has managed the \$80 billion Fidelity Contrafund since September 1990.

In the <u>article</u>, "Vincent Loporchio, a spokesman for Fidelity, said more than 30 of its funds held Facebook shares as of April 30. No fund had more than 0.15 percent of its assets invested in Facebook, said Loporchio, who declined to comment further."

This is certainly no surprise as large funds have been dying to get their hands on the red hot shares of these social media companies, but it does mark a scary trend.

These secondary markets are not regulated at all by the SEC, and most funds have avoided these privately traded stocks for years. These markets can be extremely volatile and guess what is going to the be first to crash, once this said "bubble" we are in either pops or deflates?

I certainly like this move, historically these markets have proven to be extremely valuable leading up to the company's IPO's but again can be very risky. The fund also has a \$5.3 billion stake in Apple Inc. and \$3.8 billion in Google Inc.

Having that said, being a Fidelity alum I have money in the Contrafund and dig the investment.

Related Posts



Fidelity Demands Resolution to Nasdaq Trading Glitch

Sam Dwyer

Cloudant Raises \$12 Million Series B for Database-as-a-Service

Walter Frick