

DEPARTMENT OF CORPORATIONS*Supporting a Fair and Secure Financial Services Marketplace for California***JAN LYNN OWEN****California Corporations Commissioner****MEDIA RELEASE****For Immediate Release**

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California Department of Corporations Grants Permit to Facebook for Acquisition of Instagram

SACRAMENTO, CA (August 29, 2012) – The Department of Corporations determined Wednesday that the terms and conditions of Facebook Inc.’s acquisition of Instagram Inc. are fair to the Instagram shareholders and the Department will issue a permit that authorizes Facebook to issue stock for that acquisition. This determination constitutes the final regulatory approval required for the acquisition. Formal approval by Instagram’s shareholders must still occur.

“Our role as the State’s securities regulator is primarily to determine whether the transaction is fair to Instagram’s 19 shareholders and the proposed exchange of securities meets that test,” said Corporations Commissioner Jan Lynn Owen.

The finding came at the conclusion of a “Fairness Hearing” conducted under Section 25142 of the California Corporations Code.

The Fairness Hearing was conducted by a hearing officer and Department counsel as designated by Commissioner Owen. All 19 of Instagram shareholders were contacted and invited to participate in person or via telephone. Witnesses from both Facebook and Instagram presented testimony related to the fairness of the transaction.

The Fairness Hearing was conducted at the Department of Corporations’ offices in San Francisco.

The Department of Corporations is responsible for the regulation, enforcement, and licensing of securities, franchises, investment and financial services, independent escrows, consumer and commercial finance lending, residential mortgage lending, payday lending, off-exchange commodities, and debt reduction services. Consumers are encouraged to contact the Department (toll-free at 1-866-ASK-CORP (1-866-275-2677) or at www.corp.ca.gov) to check on the licensing and enforcement status of financial services businesses before engaging them.

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