

# Uber board spat over ex-chief Kalanick goes public

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Travis Kalanick, seen in a 2016 photo, resigned earlier this year as CEO of the global ridesharing service Uber, but his future at the company is still being debated by investors and board members

A bitter fight over control of Uber has intensified in recent days with warring factions battling over the future role, if any, of ousted chief executive Travis Kalanick at the global rideshare titan.

On Monday, a major investor fired off a message to Uber employees explaining why it filed suit last week against founder Kalanick, accusing him of covering misdeeds while rigging the board in order to return to power at the company.

Benchmark Capital Partners said in the letter it acted to push Kalanick out due to "a deep conviction that it would be better for Uber, its employees, and investors to have a fresh start."

The letter said the company needed to clean up "utterly unacceptable" behavior at the company, which has been roiled by disturbing reports of a cutthroat workplace culture, harassment, discrimination and questionable business tactics to thwart rivals.

It added that Kalanick failed to live up to his promises when he quit as CEO in June and that he may be manipulating the search process for his replacement to "create a power vacuum in which Travis could return."

The suit filed by Benchmark accused Kalanick of committing fraud, breach of contract, and violating fiduciary duty by conniving to "entrench himself on Uber's board of directors and increase his power for his own selfish ends."

The company which calls on a Delaware court to bar Kalanick from tinkering with the Uber board.

## **Kalanick loyalists**

Shareholders loyal to Kalanick meanwhile have asked Benchmark to sell its shares and have nothing to do with the Uber board of directors.

In a letter to Benchmark last week, investors siding with Kalanick accused the company of hurting Uber by holding "the company hostage

to a public relations disaster" by calling for his resignation on short notice "and within weeks of a personal tragedy, under threat of public scandal."

Kalanick's mother had died a short time earlier in a boating accident.



Global ridesharing giant Uber is being roiled by internal strife over control since the resignation of CEO Travis Kalanick

The letter signed by early Uber "angel" investor Shervin Pishevar and others asked Benchmark to sell enough shares to surrender board appointment rights, saying it had people ready to buy the stake.

An early investment of \$27 million made in Uber by Benchmark was now estimated to be worth some \$8.4 billion.

Uber is not listed on a public exchange, so its value is determined by how much private investors pay for stakes in the company.

## **New investors?**

Meanwhile, a New York Times report on Monday indicated that Uber's board is selling shares in the San Francisco-based company at a discount from Uber's estimated \$68 billion value with one of the scenarios allowing Benchmark to take its money and leave.

One of the reported offers is from Japanese banking giant SoftBank and the other from a consortium of investors led by Dragoneer Investment Group. Uber declined comment on the report.

Uber dominates the market for smartphone on-demand car rides, but has faced fierce opposition from regulators and the taxi industry in various countries.

Uber drivers have been pressing for better pay and benefits befitting employees instead of contract workers. The company's image has been dented by an array of scandals, from sexism in the headquarters to Kalanick caught on video ranting at a driver during a ride.

The Benchmark suit contends Kalanick essentially duped the [investor](#) into agreeing to expand the Uber board by three seats to 11 people, giving the then [chief executive](#) the power to appoint members.

Kalanick, who had been the driving force behind Uber's massive global expansion and whose brash style had made him a liability, still holds a large voting stake in the [company](#).

Uber has yet to replace Kalanick, with Benchmark in the letter to employees claiming it appeared at times that the search for a new chief

executive was being intentionally derailed to clear a track for him to return to power.

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