

Two big Uber investors agree to sell shares in SoftBank deal

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At least two big Uber stakeholders have agreed to sell part of their private shares to a group led by Japanese technology conglomerate SoftBank in a deal that lets investors cash out at a discount and could bring management stability to the troubled ride-hailing company.

SoftBank said in a statement Wednesday that Benchmark Capital, Menlo Ventures and other early investors have confirmed intent to sell shares in the [company](#). SoftBank's offer was expected to be based on a reduced valuation of Uber. The company had been valued at \$68.5 billion in a previous stock sale.

SoftBank and Dragoneer Investment Group want to buy at least 13.4 percent of Uber shares.

Under an investment deal, the SoftBank group also is buying about \$1 billion worth of new Uber stock, injecting cash into the money-losing company.

Interest by Benchmark and Menlo Ventures is a sign that the deal is moving forward. Investors have 20 days to decide whether to take the offers.

The deal reduces the influence of ousted CEO Travis Kalanick and clears the way for Uber, among the most valuable tech firms in the world, to sell stock to the public. Under the deal, the [initial public offering](#) will take place before the end of 2019.

Kalanick, who controls three of 11 seats on the Uber board, agreed to allow a majority of board members to vote on any future appointments he makes. He was replaced in August by former Expedia CEO Dara Khosrowshahi, who has promised ethical behavior in the future but has had to [deal](#) with additional scandals that originated before he started.

Uber's growing string of scandals almost certainly played a role in the discounted valuation. The most recent problem was made public on Tuesday in a federal courtroom in San Francisco. Federal prosecutors are investigating allegations that Uber deployed an espionage team to plunder trade secrets from its rivals. The revelation triggered a delay in a

high-profile trial over whether the beleaguered ride-hailing service stole self-driving car technology from a Google spinoff.

Over the past year, Uber has been rocked by revelations of rampant sexual harassment inside the company, technological trickery designed to thwart regulators and a yearlong cover-up of a hacking attack that stole the personal information of 57 million passengers and 600,000 drivers.

The offers come as Uber's third-quarter adjusted loss rose to \$743 million, 14 percent higher than the second quarter as the company continued to struggle toward profitability, The Financial Times reported. Net revenues rose to \$2 billion, also up 14 percent.

SoftBank's statement said that any sales by Benchmark or Menlo will be "pursuant to the same terms and conditions as will be offered to all other eligible holders that participate in the tender offer."

Messages were left Wednesday seeking comment from Uber, Benchmark and Menlo Ventures. Benchmark, a major Silicon Valley venture capital firm, has fought with Kalanick over governance of the company.

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