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More Ways to Sell Out of Your Startup Stock

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Startup executives and employees haven't had it easy cashing out of their private company stock since the IPO and M&A markets, which typically provide "liquidity" and a route to riches, have been relatively moribund in recent years. Spotting an opportunity, several companies have sprung up in recent months to try and provide startups with new avenues to liquidity.



Next week, another of these companies, SharesPost, plans to announce their new service, say people briefed on the matter. The Los Angeles-area based company, headed by CEO Greg Brogger, will unveil an online platform where people can list their private company shares for sale and get bids for the stock.

SharesPost is positioned as a kind of Craigslist for private company stock, connecting sellers and buyers in an online classified ads-like model, say people briefed on the matter. The company aims to get revenue by eventually charging a monthly subscription fee for those

who want to list their shares and those interested in purchasing the stock, say these people, who add that some of these plans may change. SharesPost has recently been testing a beta of its service, they say.

In an email last week, a SharesPost spokeswoman noted the company won't charge commissions on the sale of private company stock and that the site already has posts to buy and/or sell shares of private companies including Facebook and Tesla Motors. She declined comment Thursday.

SharesPost follows the recent launches of other companies such as InsideVenture, which is aimed at helping private companies connect with large institutional investors. In addition, a company called SecondMarket recently debuted a private marketplace for buying and selling of startup stock; SecondMarket works with the startup companies to

set parameters for how often and who can buy and sell the stock. Other companies that are creating mechanisms for the trading of private company stock, such as XChange, are also popping up.