



Coinbase Listing: Here's Who Got Rich

Description

Coinbase ([NASDAQ:COIN](#)) recently went public in a direct listing. And several top investors got very rich. The company's stock closed at \$328 on its first day of trading. Several top executives and insiders sold at prices higher than that, netting hundreds of millions of dollars in the process. In this article, I'll look at who got rich in the Coinbase IPO and whether investors can learn anything from their success.

The who's who of Coinbase

The people who got rich selling COIN shares after the listing were, predictably, a "who's who" of company insiders — that is, executives, board members, and venture capitalists who funded the company. Some high-profile names who cashed in on the listing include the following:

- Brian Armstrong, CEO, sold [\\$291 million worth of stock](#). He still owns 33% of the company (his stake is worth approximately \$20 billion).
- Fred Ehrsam, co-founder, sold \$112 million worth of stock.
- Alesia Haas, chief financial officer, sold approximately \$98 million worth of stock.
- Jennifer Jones, chief accounting officer, sold approximately \$42 million worth of stock.

These are just a few of the top Coinbase execs who got rich selling shares in COIN's direct listing. Some of them own far more shares than they've sold. Armstrong and Ehrsam, for example, are both billionaires, and several venture capital firms — like Y Combinator and Andreessen Horowitz — own sizable stakes as well.

Is it a promising investment?

When you look at all the money people are making off of Coinbase's listing, it might be tempting to view the company's stock as a ticket to riches. However, COIN's listing has not actually performed well so far. The stock opened at around \$400 and has since fallen to \$320. Part of that is because of the executives themselves selling shares. Presumably the selling frenzy will quiet down shortly. But still, it remains to be seen whether this stock will live up to the hype.

One Canadian crypto investment to research

If you're *really* dead set on betting on crypto but don't see Coinbase as a sure thing, you could always explore other options. The crypto universe abounds with assets ranging from the coins themselves to ETFs, and there are many ways to play "crypto mania."

One interesting *Canadian* crypto play is **Purpose Bitcoin ETF (TSX:BTCC.B)**. It's a [pure-play Bitcoin ETF](#) that holds \$1.3 billion worth of Bitcoin. When you buy it, you're effectively just buying Bitcoin that's held for you by a financial intermediary. In exchange for them keeping your Bitcoin safe, you pay them a 1% annual fee. Does that sound steep? Compared to most index funds, it is. But it's not necessarily absurd. Direct Bitcoin ownership comes with a number of risks, like password hacking — for which there is no recourse. Perhaps having the professionals at Purpose hold your Bitcoin for you is worth the 1% annual fee. Also, you can hold BTCC.B in a TFSA and skip all the taxes you'd have to pay by owning and selling Bitcoin directly.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:COIN (Coinbase Global)
2. TSX:BTCC.B (Purpose Bitcoin ETF)

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Date

2025/09/18

Date Created

2021/04/21
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