

Snap Ex-CFO Tim Stone Is Walking Away From \$16 Million In Latest Exit From Struggling Social Network

[Snap](#)'s chief financial officer Tim Stone, whose departure from the social media company was revealed in a regulatory filing on Tuesday, is leaving behind about \$16 million worth of restricted stock units through his departure.

Based on [Stone's offer letter](#), when he departs, he'll have pocketed a portion of his \$500,000 annual salary, and the full vested value of the \$1 million worth of RSUs granted to [him as a hiring equity-grant](#) (these RSUs vested over a six month period). However, he has received only an estimated one-seventh of the \$19 million worth of RSUs he was granted when he was hired, which vest monthly in equal installments over a 48-month period. His departure also requires him to give up an estimated 427,083 stock options to buy Class A shares, which also vest over 48-months in monthly installments.

The steep total underlines the abrupt nature of Stone's departure, the latest exit from the company's executive ranks, despite comments by Snap founder and CEO [Evan Spiegel](#) in an email to his employees announcing Stone's departure. Spiegel said Stone's departure "is not related to any disagreement with us on any matter relating to our accounting, strategy, management, operations, policies, regulatory matters, or practices (financial or otherwise)." Snap's 8-K filing on Tuesday said Stone "notified us [Snap] of his intention to resign to pursue other opportunities."

A Snap spokesperson confirmed the contents of Spiegel's internal staff email, but declined to comment beyond Snap's Tuesday 8-K filing. Stone declined to comment.

The resignation took a toll on Snap's stock, which fell 6.9% in after-hours trading to \$6.05 on Tuesday. The stock has already fallen more than 50% over the past year in the wake of major executive churn: Snap's former content chief Nick Bell announced his departure in November, Snap's VP of marketing Steve LaBella stepped down in October, and former chief strategy officer Imran Khan resigned in September.

Snap, which owns chat and video messaging app Snapchat, has struggled to maintain its user base of teens and millennials. In October, the company reported a 1% drop in total monthly users from its second quarter to third quarter, to a total of 186 million daily users. Snap's retention problems don't appear to be ending any time soon. The company warned investors in October that it expects to continue to lose daily active users.

Snap noted in its filing on Tuesday, however, that it expects to report fourth quarter revenue and adjusted earnings in February that are "slightly favorable to the top-end" of its previously reported quarterly guidance ranges. In October, it expected fourth quarter revenue between \$355 million and \$380 million, and adjusted losses between \$100 million

and \$75 million.

Snap faces stiff competition from [Facebook-](#) owned Instagram, which has more than 1 billion monthly active users, while short-form video app TikTok and its Chinese version Dǒuyīn have about 500 million monthly users globally. If Snapchat can't show compelling user growth or engagement trends soon, the founders will likely forfeit their billionaire status, too. If Snap's stock drops to \$3.50, based on Forbes' calculation of the founders' share ownership and estimated cash holdings, the young moguls will both lose their place in the three comma club. Forbes estimates Spiegel and his cofounder [Bobby Murphy](#) each have an estimated net worth of \$1.5 billion, according to Forbes' Real-Time ranking.

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