

# Uber CEO Travis Kalanick resigns; board says he's putting company first

 [latimes.com /business/technology/la-fi-tn-uber-travis-kalanick-resignation-20170620-story.html](https://www.latimes.com/business/technology/la-fi-tn-uber-travis-kalanick-resignation-20170620-story.html)

6/21/2017

[Travis Kalanick](#), co-founder and chief executive of ride-hailing company [Uber](#), resigned Tuesday, just [a week into a leave of absence](#) meant to quell concerns about his management style.

"I love Uber more than anything in the world and at this difficult moment in my personal life I have accepted the investors request to step aside so that Uber can go back to building rather than be distracted with another fight," Kalanick said in a statement given to the [New York Times](#).

The San Francisco start-up, valued at near \$70 billion, has been rocked this year by allegations of a corrosive culture that allowed bad behavior and sexual harassment to go unchecked for years.

Last week, the company announced that Kalanick, 40, would take an indefinite leave of absence — in part to grieve after the sudden death of his mother in a recent boating accident. But that apparently was unsatisfactory for investors, whose concerns prompted the resignation.

The New York Times reported that five of Uber's major investors demanded Kalanick's immediate resignation on Tuesday because the company needed a change in leadership. Kalanick reached his decision to resign after hours of talks with some of the investors.

In a statement, the board of directors praised Kalanick's decision and noted he would remain on the panel.

"Travis has always put Uber first. This is a bold decision and a sign of his devotion and love for Uber," the board said. "By stepping away, he's taking the time to heal from his personal tragedy while giving the company room to fully embrace this new chapter in Uber's history. We look forward to continuing to serve with him on the board."

The company, which first launched its service in San Francisco in July 2010, now has more than 12,000 employees and serves over 600 cities worldwide. Uber generated \$6.5 billion in sales last year; its adjusted loss was nearly \$3 billion.

Kalanick had modeled Uber on his own brash and hyper-competitive leadership style and, because of the company's soaring valuation and growth, he was long seen by insiders and outsiders alike as being untouchable.

Investors had long gushed about Kalanick. When Menlo Ventures led a \$32-million financing into Uber five years ago, the venture capital firm's Shervin Pishevar described Kalanick as an inspiration and a visionary. "He is one of the most gnarly, passionate and obsessed entrepreneurs you will ever meet," Pishevar wrote.

It's rare for investors to turn their backs on an entrepreneur, but Uber is an exceptional case because it could produce once-in-a-lifetime returns for some investment firms. For many, their stakes in Uber could be as legacy-defining as Sequoia and Kleiner Perkins' early ownership of Google.

Bill Gurley, an Uber board member and a partner of Benchmark, a firm that has significant investments in Uber, [said on Twitter](#) Tuesday evening that there "will be many pages in the history books devoted to @travisk — very few entrepreneurs have had such such a lasting impact on the world."

Benchmark was one of the five investors that had demanded Kalanick's resignation.

Others in the long list of Uber Technologies Inc. investors include Amazon.com CEO Jeff Bezos' personal investment

fund, actor Ashton Kutcher's investment fund, Goldman Sachs, Microsoft, German media giant Axel Springer, a finance subsidiary of Indian conglomerate Tata Group, Alphabet's investment arm GV and Saudi Arabia's Public Investment Fund.

Mutual funds holding Uber shares include Vanguard's U.S. Growth Portfolio, Fidelity's Blue Chip Growth and BlackRock's U.S. Opportunities Portfolio.

Kalanick's ouster likely comes as a shock to the tech industry and business analysts, many of whom believed that he would eventually return from his leave of absence to either resume his role as chief executive, or take a less hands-on advisory role.

Until now, Kalanick had been able to weather controversies — such as when he publicly referred to Uber as “Boober” because he believed running the company made him more desirable to women. He also rebounded from revelations that he and other Uber executives used a feature called “God View” to track the trips of individual passengers.

But Kalanick's spotty reputation took another hit when video surfaced of him berating an Uber driver. That was compounded by allegations from a former employee that the company ignored or tried to cover up claims of sexual harassment, and claims that Kalanick and other Uber executives mishandled a woman's medical files after she was raped by an Uber driver in India.

One of the final public blows was the release of a report by the former U.S. Atty. Gen. Eric H. Holder Jr., who was hired by Uber's board to conduct a months-long investigation into the company's culture. The report did not detail the problems it found, [but the top recommendation](#) was to reassess Kalanick's role and responsibilities. A concurrent investigation into complaints about sexual harassment, discrimination and bullying also [resulted in the firing of 20 employees](#).

The scandals posed a threat to Uber's reputation among passengers and drivers — an opening the firm's chief rival, Lyft, appears [eager to pounce upon](#).

Kalanick's resignation drew swift and mixed reaction across Silicon Valley. Mary Lou Jepsen, who led divisions at Google and Facebook before forming a healthcare start-up last year, posted on Facebook that it was “about time” and that she hopes the move “wakes up other companies in Silicon Valley and beyond.”

Alexia Tsotsis, the former co-editor of technology news website TechCrunch, wrote on Twitter that Kalanick leaving was “very frustrating for people who know him. He's not the monster the media turned him into.”

Kalanick's departure sparks for Uber what's expected to be a high-profile search for a new chief executive — one of many C-level positions open at the firm.

---

**UPDATES:**

June 22, 7 a.m.: This article was updated to include reference to Uber's search for a new chief executive and its chief competitor, Lyft.

11:55 p.m.: This article was updated with reaction from Uber board member and investor Bill Gurley and others in Silicon Valley.

11:35 p.m. This article was updated with a statement from Uber's board of directors.

**11:26 p.m.:** This article was updated with additional context.

**10:55 p.m.:** This article was updated with confirmation of Kalanick's resignation and additional details and background.

*This article was originally published at 10:45 p.m.*