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# BlackBerry Analysts: Smart Move for Founder to Sell Now

By **Maureen Farrell**



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Two BlackBerry analysts had this response to co-founder [Michael Lazaridis](#)' decision to sell part of his stake: Smart move.

"It's smart for him to sell now, while it's still a liquid stock," said Daniel Ernst, an analyst at Hudson Square Research.

Edward Snyder, an analyst with Charter Equity Research, agreed, noting that founders are often the most fervent believers and the last to acknowledge that a company could be stuck in a death spiral. "I think they're finally seeing the writing on the wall," said Mr. Snyder.

Mr. Lazaridis's sale came after BlackBerry's stock saw a rare spike. Last Friday, BlackBerry reported its first quarterly financials under its new management team. Despite reporting a ballooning loss of \$4.4 billion, the company's stock shot up after BlackBerry told investors that it had inked a new manufacturing deal with the Chinese manufacturer Foxconn.

BlackBerry's stock is down about 36% in 2013. It dropped 4% Thursday, the first trading day after Mr. Lazaridis's announcement. While disclosing that he had sold 3.1 million shares, Mr. Lazaridis also officially said that he would no longer pursue a joint bid to buy BlackBerry.

In October, Mr. Lazaridis and another co-founder Dougals Fregin said they were considering a joint bid for BlackBerry, which had put itself up for sale in August. Last month, BlackBerry said that it was no longer considering a sale and would work with a new management team to save itself.

Mark McKechnie notes that Mr. Lazaridis would have been much smarter to sell almost three years ago when BlackBerry's stock was trading around \$70. Now even with the recent bump, its trading around \$7.

"If you've held on for this long and are optimistic that there is some value to the assets, you should see what this new management team will do," said Mr. McKechnie.

*Update: Mr. Lazaridis sold 3.1 million shares. The original post said that he sold 26.2 million, which is the amount that he continues to hold.*

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