

Trump Media shares tank after company reveals plan to sell more stock

Publication Date: 2024-04-15

Author: Nick Robins-Early

Section: Technology

Tags: Technology, Donald Trump, Social media, Digital media, news

Article URL: <https://www.theguardian.com/technology/2024/apr/15/trump-media-stock-price-fall>



Shares of the former president Donald Trump's social media company slumped 12% on Monday, extending their string of losses, after the company said in a regulatory filing that it could sell millions of additional shares in coming months. The filing showed a potential sale of 146.1m shares in Trump Media & Technology Group, including 114.8m shares owned by Trump himself. Documents also listed an additional 21.5m shares that could be sold upon the exercise of certain warrants issued when the company went public through a blank-check merger with Digital World Acquisition Corp. Shares of the Truth Social parent company have retreated sharply since their market debut on 26 March, falling 60% from the opening price of \$70.90. Trump is subject to a lockup agreement that prevents him from personally selling his shares until September, further tying his wealth to the company's market value. If the price holds, he could reap billions of dollars from his shares. Trump, the presumed Republican 2024 nominee, started his criminal trial on Monday in a Manhattan court as the stock dipped. He is facing 34 felony counts of falsifying business records related to hush-money payments to the adult film star Stormy Daniels. It is the first criminal trial of an American president, and the proceedings are expected to last about six weeks. Trump is under significant financial pressure after a series of legal woes in the past year. He owes about \$500m as a result of being found liable in civil fraud, defamation and sexual abuse cases. Trump Media, which was backed by some of the former president's biggest political donors, has offered him a future lifeline and source of income to pay off those debts. Earlier this month, several Democratic-aligned groups called on Congress to investigate Trump Media amid a flurry of news about the firm's dubious hangers-on. Two Florida brothers pleaded guilty at the beginning of April to insider trading related to the ex-president's social media company. Meanwhile, the Guardian reported that the company was kept afloat by loans from a Russian-American businessman who is under federal investigation for money laundering and insider trading.