Will CEO sex scandal crush SoFi’s IPO dreams?

Online lender Social Finance (SoFi), a six-year-old San Francisco-based startup on the cusp of an IPO, could be at risk of jeopardizing its public offering in the wake of the sudden resignation of its CEO amidst an unfolding sex scandal. SoFi CEO Mike Cagney resigned Monday following sexual harassment accusations that began in early 2012 and rapidly escalated with a wrongful termination lawsuit this August and new allegations of loan improprieties and fraudulent accounting. Besides exposing the company to further review from shareholders and the Securities Exchange Commission, the scandal, say experts, could delay or end a plan by SoFi to expand into banking services, like credit offerings and checking accounts. “I want SoFi to focus on helping members, hiring the best people, and growing our company in a way consistent with our values,” wrote Cagney in a resignation letter published on the company’s blog. “That can’t happen as well as it should if people are focused...

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