

‘Surprised and Disappointed’: All Independent Board Members of 23andMe Resign, Leaving Only the CEO

Days after proposing to settle a data breach lawsuit for \$30 million, 18-year-old genetic testing company 23andMe now faces another public hurdle: Seven independent directors of its board resigned on Tuesday through a pointed letter addressed to CEO Anne Wojcicki, who is now the only remaining member of the board.

The resigning directors, among whom were YouTube CEO Neal Mohan and Sequoia VC Roelof Botha, called out Wojcicki for not submitting a “fully financed, fully diligenced, actionable proposal” to take the company private over the past five months. They wrote that their strategic direction for 23andMe was different from Wojcicki’s.

“Because of that difference and because of your concentrated voting power, we believe that it is in the best interests of the Company’s shareholders that we resign from the Board rather than have a protracted and distracting difference of view with you as to the direction of the Company,” they stated.

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Wojcicki, who co-founded the company in 2006, controls 49% of 23andMe votes. In July, she submitted a proposal to buy all the shares she didn’t already own at \$0.40 per share and take the company private. A special committee created by the company rejected her proposal, stating that it wasn’t in the best interests of shareholders.

Anne Wojcicki. Credit: Kyle Grillot/Bloomberg via Getty Images

Wojcicki told employees in a memo on Tuesday that she was “surprised and disappointed” by the resignations and would immediately begin finding replacement directors. She stated that “taking 23andMe private will be the best opportunity for long-term success.”

23andMe, which was valued at \$6 billion in 2021 shortly after going public, is now a penny stock worth 34 cents per share at the time of writing. The company has until November 4 to bring its stock price up to at least \$1 per share or risk being delisted.

23andMe has faced a number of public setbacks, including a data breach in October that impacted nearly 7 million accounts

and appeared to target people with Chinese or Ashkenazi Jewish ancestry. Customers filed a class action lawsuit in January and 23andMe proposed a \$30 million settlement earlier this month.

23andMe's core product is a \$99 ancestry kit that requires a customer to submit their spit in exchange for genetic insights. A \$199 kit advertises health predisposition reports. The company is also developing drugs in-house and testing them.

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