



Joseph Stone Capital Loss Risk Guide: How Investors Can Evaluate Pre-IPO and Private-Market Investments

GARDEN CITY, NY, UNITED STATES, October 16, 2026 /EINPresswire.com/ -- Joseph Stone Capital, LLC today published a plain-language guide to the main loss risks in pre-IPO and other private-market investments, as more investors look at private technology companies before they go public.

"Private markets can open the door to companies years before they list. They also carry risks public stocks don't," Joseph Stone Capital said. "We want investors to understand how a private investment can lose value before they commit any capital."

Key loss risks the firm says every investor should review:

Illiquidity: Private shares may not be sellable for years, and there may be no buyer at any price.

Valuation: Private prices are set by negotiated rounds and secondary trades, not a public market, and can fall sharply in later rounds or at IPO.

Dilution and share terms: New funding rounds, preferred-stock rights, and liquidation preferences can reduce what common or secondary holders receive.

Structure and fees: Investments made through funds or special-purpose vehicles may carry layers of fees and depend on the vehicle's documents.

Total loss: Many private companies never reach an IPO or sale, and investors can lose their entire investment.

"Reviewing these risks first is the most important step," the firm said. "Read the offering documents, ask how the price was set, and size any private investment so a loss won't derail your plans."

About Joseph Stone Capital

Joseph Stone Capital, LLC is a privately held, full-service broker-dealer headquartered in Garden City, New York. Member FINRA/SIPC. josephstonecapital.com

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