

# This investor just inherited 7,000 shares of Apple — and the internet has advice on what he should do now

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By [Andrew Keshner](#)

Apple achieved a \$2 trillion market valuation intraday Wednesday



After inheriting 7,000 shares of Apple, turning to the internet for guidance. LAUREN DECICCA/GETTY IMAGES

[AAPL](#) **-1.61%** [BRK.B](#) **0.55%** [BRK.A](#) **0.64%** [DJIA](#) **-0.37%** [SPX](#) **0.20%**

To hold, or not to hold?

That's the question from a guy who just learned that his recently deceased grandfather left him 7,000 shares of Apple [AAPL](#), **-1.61%**.

This person's grandfather put money earmarked for college into Apple in 2003 when the Reddit poster enlisted in the military, he stated in a thread on that forum.

The person told Reddit users about his windfall on Tuesday, a day before Apple's market capitalization crossed the \$2 trillion milestone on an intraday basis.

Assuming the stock stayed at its midday trading levels around \$467.50, the man with 7,000 shares is looking at a \$3.27 million stake in the iPhone and Mac maker.

In fact, if he doesn't do anything until at least the end of the month, he'll have 28,000 shares of the tech behemoth. Apple is undertaking a four-for-one stock split, but experts are quick to note such a split has no bearing on the company's value. In other words, this guy will still have \$3.27 million if Wednesday's midday price sticks.

"What I need to know is should I move it around or keep it rolling all in AAPL?" the poster, whose screen name is "Big-Weed," said.

Fellow Reddit users chimed in with three forms of advice: hold; diversify; and run far, far away from the online forum and find a professional to help out.

One user said the man shouldn't do a thing, because that positions him alongside the likes of Warren Buffett. The Oracle of Omaha's Berkshire Hathaway Inc. BRK.B, 0.55% BRK.A, 0.64% held 245,155,566 shares of Apple as of late March, according to a Securities and Exchange Commission filing.

"That grandpa is world famous well known investor holding it strong, where is the risk? ... This is a hold for life stock," said the user, "AlgoWinner."

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Another user said the man should get ready to sell most of the holding after the stock splits and there's a sugar rush of highs from even more Apple shares hitting the market.

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After those transactions, this user, “ace425,” said the original poster should get “a paid off house and lock the rest of those in low risk diversified investments. ... Don’t touch or risk your core capital and you will enjoy a lifetime of that sweet American pie so many of us can only dream of feasting on.”

MarketWatch checked in with some pros for their take. The Reddit user’s first mistake was even letting people know he’s come into big-time money, according to Kashif Ahmed, president of American Private Wealth, a financial advisory firm in Bedford, Mass.

“If all of the sudden you become rich, you all of the sudden have 48 cousins,” Ahmed said. He tells clients and potential clients to clam up about windfalls, he said.

Beyond those street smarts, there’s some tax know-how to consider. Because of the “step-up in basis” under current estate-tax rules, an asset’s value resets for capital-gains-tax purposes upon inheritance.

Suppose another grandpa bought a stock at \$5 per share. Then his grandson inherited it at \$10 per share and sold it at \$12 per share. The rule means the tax kicks in on the profit from a sale at \$10, not \$5, per share.

So if this man is going to unload Apple stock and diversify his investments, Ahmed said, he should act fast with a climbing stock price in order to minimize a tax bill. By the way, Ahmed added, this guy should be selling and diversifying.

“If I was him, I’d sell the whole thing, immediately go back and buy [exchange-traded funds] that are broad-market or tech-focused,” Ahmed said. That move diversifies the man’s holdings, while retaining exposure to Apple, he said.

“Nothing is forever. ... The day of reckoning will come for all stocks,” he said.

Apple shares are up 59% so far in 2020. In that same time frame, the Dow Jones Industrial Average **DJIA**, **-0.37%** is down nearly 2.5% and the S&P 500 **SPX**, **0.20%** is up approximately 5%. **MW**

# When Should You Claim Social Security?

Age

47

Annual Income ⓘ

\$ 110,000

Gender ⓘ

Male  Female

Anticipating Living Into ⓘ

70s  90s

Marital Status ⓘ

Single

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Lifetime Benefit

Monthly Benefit

AGE 62 Earliest you can claim \$ - - - -

67 Your Full Retirement Age (FRA) ⓘ \$ - - - -

70 Age you qualify for the max monthly benefit \$ - - - -

Methodology

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