Is your venture capitalist a mobster?

Sun, 28 Jun 2015 17:00:00, newstips66, [category: afghanistan, category: brotopia, category: elon-musk, category: energy-dept-slush-fund, post_tag: gilman-louie, category: google-alphabet, category: hired-assassins, category: idea-theft, post_tag: is-your-venture-capitalist-a-mobster-nvca, post_tag: james-breyer, post_tag: key-stories, category: lithium-batteries, post_tag: national-venture-capiral-association, category: senator-insider-trading, category: stanford_univ_bribes, category: worldnews]

The National Venture Capital Association (NVCA). Numerous reports and investigations have charged the NVCA with collusion, dumping, valuation rigging, stock market manipulation, securities rigging and political bribery for federal policy manipulation. Over 50 spy related operations have been discovered to have turned into criminal operations because Congress found that ***"nobody was watching them". This portion of the NVCA was an organized crime operation!***
SEE HOW THE NCVA HELPED PUT THE SILICON VALLEY CARTEL TOGETHER AND GAVE THEM THE WEST COAST FRANCHISE

The EyeOpener- Silicon Spies-

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IS THE NATIONAL VENTURE CAPITAL ASSOCIATION (NVCA) ACTUALLY A MAFIA-LIKE CARTEL?

– Does the NVCA control the SEC as charged? Is the SEC serving the NVCA instead of the public?
– Collusion, Cartels and Crime charged in unregulated elites club with no over-sight!
– Bigger than **"ANGELGATE" (click for details)**
– Did they order a **"murder for hire" on a whistle-blower**?
– Are they killing competitors via collusion AND actually killing individuals with media and mobster "hit-jobs"?
– Is Breyer or Doerr the "Don"?
– FBI and Congress asked to investigate

TESLA-SCAM2-791x1024

Upcoming venture capitalists collusion meeting! | Startable

Are these people colluding at the 2010 **NVCA** meeting? That's right. The National Venture Capital Association. Where will the**collusion** stop?!?
startable.com/2010/09/23/venture-capitalists-collusion-…

DC-based fund, Sands Capital, withheld filings that concealed Chinese influence over the White House, Patent Office, Judiciary & Facebook

Contributing Writers | OPINION | *AMERICANS FOR INNOVATION* | Updated Mar. 09, 2014 04:45 p.m. ET | Updated PDF (post Scribd censorship)

Beijing Bedfellows

Parker Zhang, became "Chief of Patents" at Baidu in 2012. He worked for Fenwick & West LLP, 2006-2010. *Photo: Google+*

More News! Jan. 30, 2014—Baidu says attorney Parker Zhang is "Chief of Patents." It is very unusual for a junior attorney to reach such a position of power. Zhang graduated from Michigan Law in 2005. He was an Associate at Fenwick & West LLP from 2006-2010. After less than a year as "IP Consultant" at Hewlett-Packard, he became "Chief of Patents" at Baidu, in about May 2012. CLICK HERE for a bio.

SV-CRIME-FAMILY

Marauding Obama Donors: Zhang's move to Baidu, Inc. coincides with the unreported Sands Capital securities transactions analyzed below. Also during his move, Facebook went public, T. Rowe Price invested $190.5 million in Facebook and $147 million in Baidu. Fenwick & West LLP was Facebook's securities and patent counsel. The *Leader v. Facebook* case was on appeal at the Federal Circuit where the judges were heavily invested in Facebook, and the S.E.C. Chair in Baidu (e.g., T. Rowe Price PRGFX)

INV99-1

Why Some People (like the NVCA) Want MORE domestic spying!

There are over 40 different agencies and data harvesters watching and recording everything you do on your phone, computer, car and anything else electronic. That does not include the hackers, foreign governments and stalkers. They analyze you, with that information they try to trick you into purchasing or voting certain ways via subliminal messaging and mood manipulation. When you say, or write, something that makes any of them concerned, they increase their monitoring of you. Everybody now has an analysis file associated with their name. You are ranked by how much trouble you are likely to cause.
Is that George Orwell's "1984"?
The bigger question is: "Why did so many of the people we hired to run our countries go so overboard with digital manipulation?"
It may have to do with the power of community and the abuse of the public, by a few, finally coming to light.
The power of community brought the Catholic sex abuse catastrophe to light.
The power of community changed the structure of the Middle East forever.
The power of community made the internet the internet.
Those who have chosen careers as dictators, mobsters and corrupt politicians HATE the internet and the power of community.
The biggest push-back has come from the corrupt politicians because they are so well financed, and, they are financed by the tax money from the very community that now has the power.
The power of community just became equal to the power of a billionaire's bank account.
This is the greatest fear of the corrupt.The corrupt can only exist in the shadows. They can only steal tax money when nobody is looking. With the power of community, their schemes are crumbling. Their Solyndra's are crashing and burning. Their Madoff's are uncovered. Their Countrywide's are laid bare.
Some of the corrupt Senators and their campaign backer billionaires are calling for "more surveillance", more control of access and more limits of free speech. This is because they are scared.
Here is one example of a grand corruption that has recently been "outed" by the power of community:
America was always viewed as the "Great Innovator of the World". That is no longer the case, thanks to a group called the National Venture Capital Association (NVCA).
They conspire, collude, and coordinate who gets funded and who gets shut-down. If you compete with their boys,they blacklist you. If your new product might threaten their holdings, they use their Gust database and VC-Link and other data mining services to make sure you never get any money for your idea, no matter how great it is.
In a well known scandal called: "AngelGate",a group of VC's were documented having one of the weekly collusion meetings they all attend, to decide which insiders get to play the game and who gets rolled over. The founders of the NVCA are the same people involved in the sinister In-Q-Tel organization and the various "public information foundations" that are now under intense scrutiny for public policy manipulation.
Even though they helped fund the internet, the VC's are not the smartest tools in the shed. They are not the "idea guys". They move like sheep in a herd. They are the ones that steal the ideas from the actual "idea guys". They did not have the vision to see that the internet was about to become their biggest enemy.
When a VC see's an idea guy/gal's idea pitch they are thinking three things: 1.) "Can I get some free market research from this guy? 2.) Will this product compete with my portfolio and should I kill it? 3.) Is it really a good idea that I can steal and pass over to another NVCA VC so they can copy it and the idea guy will never be able to trace the theft back to me?"
There is a reason they call them "vulture capitalists". The biggest myth about Silicon Valley venture capital money is that any outsider, who isn't in the Stanford frat club, will ever see any of that money.
For the very insider, good-ole-boy, money to stay in the tight little insider circle, a facade of "the American Dream for ideas" had to be perpetrated. Now that all of the entrepreneurs can compare notes, valuations, IP thefts, patent protection sabotage and VC lies on the open internet and see that the entrepreneurs are just getting harvested and plucked like chickens.
The VC's and campaign billionaires want everybody spied on, in their country, so they can get a heads-up on when the game is up, and try to forestall that day with disinformation. Always slow to the table though, the NVCA manipulations have yet to realize that the day has already passed them by.

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Investigators say that, Democratic party operatives David Plouffe, Rahm Emanual, Steven Rattner, Bill Daly, David Axelrod and Robert Gibbs arranged with Silicon Valley investors to take over the lithium battery industry in order to monopolize the trillions of dollars of lithium, and related mining deals, in Afghanistan.
They say that they traded federal funding for campaign support assisted by Harry Reid and Dianne Feinstein, who received numerous stock and cash kickbacks in the scheme.
They say they used the money to fund political campaigns. They used the Silicon Valley investors internet companies to manipulate voter perceptions and web searches in favor of their agenda. The Silicon Valley investors received: favorable federal laws, tax gifts, free federal loans, stock bumps and other perks.
The Silicon Valley investors mining resources exploitation companies: Abound, Solyndra, Fisker, Ener1, Tesla, and many, many more, that received the Department of Energy kickback funds, managed by Steven Chu, have all either failed, been raided, been charged with fraud or otherwise turned out to be disasters because they were based on a financial fraud skimming scheme instead of a good business plan.
All of these facts are known, in great detail, by many investigators. Nearly a million pages of evidence exist. A Special Prosecutor is required to perform proper prosecutions.

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BILLIONAIRE

Zhang had only five years of experience before jumping to the top intellectual property job at Baidu. Baidu is one of the largest technology companies with $23B in revenue and 21,000 employees. This would place the company around 130th on the Fortune 500 list; along with U.S. Bank, Time Warner, and Goodyear. It appears that the Facebook IPO feeding frenzy was orchestrated in both the U.S. and China. This supports the hypothesis that the NASDAQ "glitch" was a smokescreen.

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JOHN DOERR- HEAD OF THE WEST COAST OPERATION

Breaking News! Jan. 29, 2014—S.E.C. Chair Mary L. Schapiro held stock in both Facebook & Baidu (China) *before* the Facebook IPO via her investment in T. Rowe Price Growth Stock Fund (PRGFX), which was up to $600,000, according toSchapiro's financial disclosure.
Mary L. Schapiro, Chair, S.E.C.; held stock in Facebook and Baidu before the Facebook IPO, along with *Leader v. Facebook*judges and Patent Office; ignored whistleblower warnings. *Photo: NYTimes.*
In addition to warnings about fabricated mobile revenues, her S.E.C. agency also *ignored* numerous whistleblower warnings of improper "dark pools" activity, including failure to disclose to investors that Facebook had been judged guilty on 11 of 11 federal counts of infringing Columbus innovator Leader Technologies' U.S. Patent No. 7,139,761 for social networking—the core technology engine running Facebook. Evidently, Schapiro knew about Facebook Chairman James W. Breyer's intention to exploit Leader's technology in China also, where his father, John P. Breyer, operates IDG-Accel-China.
Fig. 1—Sands Capital Management, LLC injected Chinese influence into Obamacare. Sands Capital, the 7th largest fund investor in the May 2012 Facebook IPO, secretly acquired over $200 million in Athenahealth holdings just as President Obama moved Todd Y. Park, Athenahealth's founder, from HHS to the White House, on Mar. 9, 2012..
Gordon K. Davidson, Fenwick & West LLP; current Facebook securities and patent counsel; Leader Technologies former corp. counsel (c.a., 2001-2004). *Photo: Fenwick & West.*
At the same time, Sands Capital secretly slipped in its holding in Baidu, Inc., sometimes called the Chinese Facebook. Baidu is notoriously controlled by the Chinese Communist Party. Baidu's CEO, Robin Yangong Li, started his job in Jan. 2004—the same month Mark Zuckerberg started Facebook after stealing Leader Technologies' source code via attorney firm Fenwick & West LLP, we believe.

INV400

Facebook also went public during this same time (with Fenwick & West LLP as their lead securities and intellectual property counsel). Again, Sand Capital did not provide proper notice of its Facebook stock acquisition.
The juxtaposition of these three notice failures, combined with HealthCare.gov's claim that its software platform running on Facebook and other "open source" software, signals obvious collusion to deprive Leader Technologies of its private property rights—government confiscation of property.
It also proves Chinese meddling in America's data infrastructure and the Obama White House cabinet.
This picture shows the logo of Baidu on its headquarters. *Photo: AFP/Getty Images/Forbes/via @daylife).*
(Jan. 28, 2014)—Washington DC-based Sands Capital Management, LLC, the seventh largest fund investor in Facebook, failed to file three critical Facebook, Athenahealth, and Baidu-China ("the Chinese Facebook") disclosures with the U.S. Securities and Exchange Commission (S.E.C.) during the period of May-August 2012.

These disclosures would have signaled serious conflicts of interests within the Obama administration, especially the complicity of Wall Street and the White House's Silicon Valley donors with likely undue Chinese influence over Obamacare.
Pres. Obama and Todd Y. Park blatantly violated conflict of interest laws
Todd Y. Park, U.S. CTO; HealthCare.gov architect; Athenahealth, founder; Castlight Health, founder. *Photo: White House.*
AFGHAN-OVERVIEW

These Sands Capital filing failures occurred just as President Obama moved Todd Y. Park as chief technology officer (CTO) of Health and Human Services to the White House on Mar. 9, 2012. By this time, Park had *already* embedded his Athenahealth and Castlight Health technology deeply into HealthCare.gov.
Ann H. Lamont, Director of Todd Y. Park's Castlight Health; former director of Todd Y. Park's Athenahealth; former director of NVCA with James W. Breyer, Accel Partners, among other Facebook cartel principals; Mng. Prtnr. Oak Investment Partners; husband Edward is grandson of JPMorgan Chase & Co. founder Thomas W. Lamont. Lamont is a heavy investor in Goldman Sachs, Morgan Stanely and JPMorgan—Facebook's underwriters. *Photo: Stanford.*
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However, Todd Y. Park was the founder of both Athenahealth and Castlight Health. His brother, Edward Y. Park, is the chief operating officer of Athenahealth. JPMorgan insider and Obama campaign financier, Ann H. Lamont, was an Athenahealth director with Park and his brother.
NVCAAETNA1

NVCA: Cesspool of White Collar Corruption
James W. Breyer, Facebook; Managing Partner. Accel Partners LLP; NVCA Fmr. Chairman (2004). *Photo: Der Spiegel.*
Ann H. Lamont is also an investing partner with Facebook's James W. Breyer. She is also a fellow former director with Breyer at the National Venture Capital Association (NVCA).
Reporting new stock acquisitions to the S.E.C. is routine. "Form SC 13G" reports are an essential tool used by investors to know when funds add new stocks to their portfolios. Without those notices, new acquisitions can easily be missed. Independent stock analysts like Morningstar monitor them and create daily alerts of new acquisitions to the market as well as to

watchdogs.
Frank M. Sands, Sr., Sands Capital Management, LLC. Failed to file timely notices. *Virgina.edu*
Frank M. Sands, Jr., Sands Capital Management, LLC. Failed to file timely notices. *Virgina.edu*
Had Sands Capital filed timely, accountability questions could have been triggered. As it happened, they slipped the holding quietly onto their quarterly reports, thus avoiding transparency. The activities of these companies impact American healthcare and data security priorities. America was not given the opportunity to scrutinize this activity until now, ***after the damage*** has been done.
#1: ATHENAHEALTH, INC.

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Fig. 2—Sands Capital Management, LLC ATHENAHEALTH, INC. holdings—Holdings Reports, SEC EDGAR. Yellow highlighted rows show reporting periods in which no notices of acquisitions were filed by compliance officer, Robert C. Hancock. These notices are important filings for fraud watchdogs.

Fig. 3—Sands Capital Management, LLC ATHENAHEALTH, INC. holdings—Value Reports, SEC EDGAR. The yellow highlighted box shows the periods where no acquisition notices and no-fraud certifications were filed. In short, Sands Capital acquired over $200 million in Athenahealth stock without regulatory oversight. S.E.C. Chairman Mary L. Schapiro had financial holdings in funds invested in Athenahealth, e.g., Vanguard Extended Market (VEXMX).

On May 14, 2010, 506,000 shares of Athenahealth appeared out of thin air on the Sands Capital Management, LLC quarterly report. More and more stock just started appearing each quarter, all without acquisition notices.

Then on May 14, 2012, hundreds of millions more shares appeared out of thin air—214 million more. Just a few weeks earlier, President Obama had appointed Todd Y. Park as U.S. chief technology officer. Park had already deeply embedded Athenahealth's software code into the bowels of HealthCare.gov. In fact, no notices of acquisition were filed for Athenahealth until Feb. 2013.

hands

Why is this S.E.C. irregularity significant?

The public has an interest in insuring that government vendors and officials are trustworthy. HealthCare.gov is making false "open source" intellectual property claims, but since HealthCare.gov is not a transparent development, no public scrutiny is possible.

The federal confiscation of private properties continues unabated. The agenda is very evidently being railroaded.

In addition, the involvement of the Chinese government in U.S. infrastructure raises critical national security questions.

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Todd Y. Park's ethics disclosures are missing

Tellingly, Parks' ethics disclosure is missing from the U.S. Office of Government Ethics website. By contrast, even Hillary R. Clinton's is there. Parks' close relationships with associates of Athenahealth, Castlight Health, Baidu-China and Sands Capital Management, LLC show that any decision he has made involving these players benefits him personally.

Robert Kocher, MD, Director, Castlight Health, founded by U.S. CTO, Todd Y. Park; former member, National Economic Council; special adviser to Barack Obama on Health Policy (chief architect of Obamacare). *Photo: Washington.edu.*

Hindsight being 20-20, it should be noted that Robert Kocher, MD, President Obama's chief healthcare policy adviser on Obamacare, had matriculated by 2011 to: (1) Castlight Health as director along with Ann H. Lamont, Todd Y. Parks' other company, (2) Park's venture capitalist, Venrock, and (3) McKinsey & Co. and the Brookings Institution, who are both Facebook's COO, Sheryl K. Sandberg's former clients.

Lawrence "Larry" Summers. Director, Square; Adviser, Andreessen-Horowitz; mentor to Facebook's Sheryl K. Sandberg, Russian oligarchs Yuri Milner and Alisher Usmanov; former director, Barack Obama's National Economic Council (2008 bailout); believed to be one of the prime movers behind the Facebook cartel. *Photo: Life.*

Kocher's other boss at the White House, National Economic Council chairman Lawrence "Larry" Summers, also works for the Brookings Institution. In short, Kocher's post-administration job hunt appears to have been political revolving door payback.
Events are being coordinated
In addition, the list of funds pouring cash into Athenahealth and Castlight Health is a clone of Facebook's and Baidu's lists. Blackrock, Morgan Stanley, T. Rowe Price, Fidelity, Vanguard, Goldman Sachs, JPMorgan, etc. The evidence is clear. These funds are ***coordinating*** these events while the U.S. Congress and American people are sidelined.
It appears time for Congress to take control, pass legislation to return confiscated properties, impeach and replace many corrupted judges, change the legal discipline procedures by putting lay people in charge, put wrongdoers in jail, establish a Special Prosecutor, and call a Constitutional Convention to change the elements of our system that let this happen.
Our system of government appears to have been badly damaged by unscrupulous people, mostly lawyers, who no longer respect our laws, and clearly do not intend to follow them.
gavel

Silicon Valley Watcher – at the intersection of technology and media: A Top Story..

…the plaintiffs had strengthened and that it was less than a $20m settlement paid by Lucasfilm, Intuit, and Pixar who were also part of the **collusion**. The National Venture Capital Association (**NVCA**) and…
siliconvalleywatcher.com/mt/archives/top_stories/

National Venture Capital Association (NVCA) collusion

AFI researchers have already proven NVCA connections with James W. Breyer, Accel Partners, LLP, Facebook's first chairman and largest shareholder, among six of the ten top mutual fund investors in the Facebook IPO, namely (1) Goldman Sachs, (3) Fidelity, (4) T.Rowe Price, (5) Morgan Stanley, (6) Blackrock and (9) Vanguard.
Sands Capital's association with Todd Y. Park ties Sands Capital to the NVCA as well through Castlight and Athenahealth director, Ann H. Lamont. This now proves that at least seven out of the ten top institutional investors in Facebook were colluding with James W. Breyer to steal Leader Technologies' social networking invention. The Baidu association shows that the collusion also incorporates Breyer's designs for China.
#2: BAIDU, INC.
Fig. 4—Sands Capital Management, LLC BAIDU, INC. holdings, SEC EDGAR. Yellow highlighted rows show reporting periods in which no notices of acquisition were filed by compliance officer, Robert C. Hancock. These notices are important filings for fraud watchdogs.
Fig. 5—Sands Capital Management, LLC BAIDU, INC. holdings, SEC EDGAR. The yellow highlighted box shows that no acquisition notices and no-fraud certifications were filed. In short, Sands Capital acquired over $2 billion in Baidu stock without regulatory oversight. These holdings commenced concurrent to the appointment of Todd Y. Park to U.S. CTO on Mar. 9, 2012, after Park had led the development of HealthCare.gov at Health and Human Services, including the embedding of his Athenahealth and Castlight Health software in the HHS infrastructure.

Jim Breyer – Wikipedia, the free encyclopedia

James W. "Jim" **Breyer** (born 1961) is an American venture capitalist, founder and CEO of **Breyer** Capital, an investment and venture philanthropy firm, and a partner at Accel Partners, a venture capital firm.
en.wikipedia.org/wiki/Jim_Breyer
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americans4innovation.blogspot.com/2013/05/white-house-scandal-spreads-to-le…
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The First: Jim Breyer is speaking at Collision 2015 | COLLISION

The First: Jim **Breyer** is speaking at Collision 2015 Posted by: Hugh Gallagher – Posted at: 4:45 pm on December 4, 2014 Category: News

NVCABREYER

collisionconf.com/news/jim-breyer-collision

The next Sands Capital holding to appear out of nowhere is Baidu, Inc. Closely aligned with China's Communist government, Baidu is sometimes called "the Chinese Facebook." Facebook is rumored to have partnered with Baidu. Baidu notoriously violates human and intellectual property rights. This alliance was concurrent with James W. Breyer's movement of tens of billions of venture capital funds out of the United States and into the control of his reclusive father, John P. Breyer, chairman, IDG-Accel-China.

Not only did Sands Capital fail to file a notice of acquisition, but their quarterly report on Aug. 14, 2013 reveals a whopping 12,539% jump in holdings. ***That is an unregulated $867 million change in value***. To our knowledge, neither the market nor regulators even noticed. This destroys the basic principle of transparency.

These risks certainly deserve serious investigation before permitting these people to get access to America's healthcare and data infrastructure. As Eric Snowden proved, it doesn't take much to copy millions of files into the hands of one's adversaries.

Most notable about the sudden appearance of the Baidu Inc. holding is that it occurs just as Athenahealth's founder, Todd Y. Park, is moving from his position as the chief architect of HealthCare.gov at HHS to Chief Technology Officer for the United States by President Obama, on Mar. 9, 2012. And, it occurred at the same time as Sands Capital's 214 million unregulated share acquisition.

On Mar. 29, 2012, just 20 days after Pres. Obama's appointment of Park, Baidu filed a Form 20-F, which is a financial disclosure equivalent to an S-1 public stock prospectus. The timing is six weeks before the Facebook IPO.

On p. 98, Baidu discloses that its three principal shareholders are:

Baillie Gifford and T. Rowe Price were #2 and #3 behind Goldman Sachs in the Facebook IPO just six weeks later.

Fig. 6—Robin "Handsome Reward" Yangong Li was installed as CEO of Baidu in Jan. 2004, the very same month that Mark Zuckerberg claims to have built Facebook "in one to two weeks" Leader Technologies said it took them $10M and 145,000 man-hours to invent social networking. They finished debugging a critical module on Oct. 28, 2003, the same night Zuckerberg hacked the House sites at Harvard. *Photo: L'Express*.

Evidently, Baidu's Robin Yanhong Li was self-conscious about his newfound wealth, hence the Freudian name he gave for his stock holding—Handsome Reward. Who was doing the rewarding? The evidence is overwhelming. It is James W. Breyer and the Facebook cartel who made Robin Li their front boy in China, just like they made Mark Zuckerberg their front boy in the U.S.

Big Lies

The world cannot hope to advance when its core infrastructures are founded on these Big Lies. Any engineer worth his salt knows that a good building cannot be built upon a corrupt foundation. This is both a law of physics, and a Law of God.

Baidu and Facebook CEOs started the same month—Jan. 2004

NVCABAIDULI

Robin Y. Li, CEO, Baidu, Inc.; appointed Jan. 2004, the same month James W. Breyer, Accel Partners LLP, picked Mark Zuckerberg to start Facebook with stolen code from Columbus innovator Leader Technologies. *Photo: RudeButGood.*

Robin Y. Li became CEO of Baidu in Jan. 2004. Coincidentally, that is the *very same month* Mark Zuckerberg claims he started Facebook ("in one to two weeks") and launched it on Feb. 4, 2004. The name of his British Virgin Islands hide away for his Baidu holdings probably says it all—Handsome Reward.

The common denominator between the Chinese and American Facebooks is James W. Breyer. At that time was chairman of the National Venture Capital Association, managing partner of Accel Partners LLP, soon to be if not already largest Facebook shareholder, and fellow client of Fenwick & West LLP with Columbus innovator Leader Technologies, Inc.—the proven inventor of social networking. Robin Li's handsome reward is his willingness to be Breyer's Chinese front face.

Worried about signaling Chinese involvement

Sands Capital appears to have been worried about the appearance of impropriety? Had they disclosed Baidu in a timely way, eyebrows would have been raised about possible Chinese involvement in the Obama cabinet, as well as in American healthcare and data infrastructure. Something is clearly amiss, otherwise, why would the Baidu nondisclosure be such an outlier in Sands Capital Management, LLC's SEC reporting?

American securities watchdogs were busy chewing on bones Breyer threw their way

Fig. 7—Administration and Judicial Watchdogs were busy chewing on their Facebook cartel bones. The United States top law enforcement officers and regulators, namely Eric H. Holder, Mary L. Schapiro, Rebecca M. Blank and David J. Kappos were ***silent*** during Sands Capital's misconduct. They were busying chewing on the bones that the Facebook cartel had already thrown them.The current Commerce Secretary, Penny S. Pritzker, continues the deafening silence. *Graphic: Clker.com.*

But lest we wonder where our U.S. securities regulators were during this shell game, the Facebook cartel had that covered too. They had already ensured for S.E.C. Chair Mary L. Schapiro, Commerce Secretary #1 Rebecca M. Blank, Commerce Secretary #2 Penny S. Pritzker, Patent Office Director David J. Kappos, Attorney General Eric H. Holder and Chief JusticeJohn G. Roberts, Jr. were well cared for.

Among the five Obama administration senior officials alone, they hold at least 177 Facebook "dark pools" funds. In fact, no one in the Obama administration or judiciary had more Facebook cartel dark pool funds than Chairman Schapiro and Secretary Blank. *See* two previous posts. These dogs won't hunt. The're too well fed.

#3: Facebook, INC.

The next Sands Capital holding to appear out of thin air is Facebook, Inc. Again, they did not file a Form SC 13G acquisition notice in their May 14, 2012 reporting, which is just four days before the May 18, 2012 Facebook IPO. We're taking bets that Sands Capital will blame it on the NASDAQ "glitch." The purpose of the glitch appears to us to be a smoke screen for these sorts of shady activities.

Then, without filing the stock acquisition notice Form SC 13G subsequently, like they did on all their other stock purchases (except Athenahealth and Baidu), on Aug. 13, 2012 they simply include their Facebook holding of 11.6 million shares valued at $362 million on their quarterly report.

Why such blatant disregard for SEC disclosure rules? Rules that Sands Capital appears to follow otherwise?

AFI researchers have lived with this cartel conduct for years now, and they believe Sands Capital was determined to get in on the HealthCare.gov "Datapalooza" that Todd Y. Park would bring them via Athenahealth. Datapalooza is the actual name Mr. Park gave to his dubious "open government" giveaways of healthcare data while CTO at HHS.

AFI researchers believe it is likely that Sands Capital kept the Baidu transactions below the radar screen in order to avoid awkward questions about Park's role in Baidu, Athenahealth and Facebook financings and business activity, especially surrounding Obamacare and HealthCare.gov.

Notices of stock acquisitions are part of America's securities fraud watchdog infrastructure

Readers should know that independent stock monitoring analysts like Morningstar use automated tools that send alerts/notices when companies file notice of new acquisitions. No such alerts occurred for Athenahealth, Facebook or Baidu***because the notices were never filed***.

Fig. 8—S.E.C. Certifications are legal evidence. When a fund compliance officer signs an S.E.C. filing, he or she is signing an affidavit that is enforcable as evidence in court. If that person lies or in some other way willfully misrepresents the facts, it is the same as lying under oath in a courtroom.The problem for Sands Capital's Robert C. Hancock is that intentional withholding of certifications, with the intent to deceive the public, is illegal since the omission misleads the public who must then rely on inaccurate information.

Sands Capital's compliance officer Robert C. Hancock avoided liability by not signing

NVCAHANCOCK

Sands Capital's chief compliance officer, Robert C. Hancock, may have been trying to avoid personal liability by not signing what would otherwise be fraudulent representations of truthfulness. Corporate officers like Hancock can be personally liable if they sign knowingly false certifications under oath. It's the same thing as knowingly making a false statement in court.

Here's the SC 13G acquisition certification Hancock avoided signing for initial Athenahealth, Baidu and Facebook stock disclosures:

"Item 10. Certification: By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE: After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct."

Here's an example of a later Athenahealth SC 13g acquisition certification that Hancock did sign on Feb.. 13, 2013, so he knows what to do, he just didn't do it when Athenahealth stock was first acquired.

Hancock was probably choking on the clause in red above: "… were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect."

Hancock may have refused to sign the Athenahealth, Baidu and Facebook certifications because he knew that:

1. Athenahealth was an inside job among selected funds, companies and individuals to control certain markets and global events;
2. Baidu, like Facebook, was a fabrication of James W. Breyer, Accel Partners LLP, and Facebook's largest shareholder; therefore, everything about these stock maneuvers was designed to manipulate the cartel's global agenda, which included the creation of a Chinese repository, potentially for exported U.S. healthcare and other data; and
3. Facebook & Baidu were both running on software property stolen from Columbus innovator, Leader Technologies; therefore, these offerings were used to generate funds for the express purpose of misappropriation of patents, copyrights and trade secrets that would cause and effect the manipulation of the U.S. healthcare sector, among others.

Presumably, Hancock would want to stay out of jail by refusing to put his signature on a form where he clearly knew there was ***an intent to influence business and political events***. Tellingly, he signed ***all*** of his other certifications during this period.

What U.S. judge or regulator is complaining?

Who would complain about Sands Capital's failure to file the S.E.C. Form SC 13G notices of acquisition of Facebook, Baidu and Athenahealth stock?

Click Official's Name to view his or her financial disclosure.

NVCASHAPIRO

Not S.E.C Chairman Mary L. Schapiro—she held a boatload of "dark pool" Fidelity, Vanguard, AllianceBern, TIAA-CREF and T. Rowe Price funds.

NVCABLANK

Not Commerce Secretary #1 Rebecca M. Blank—she held TIAA-CREF, Vanguard and Fidelity funds.

Not Commerce Secretary #2 Penny S. Pritzker—she holds up to $23.4 million Morgan Stanley, JPMorgan and Goldman Sachs Facebook dark pools.

NVCAHOLDER

HOLDER_CRAZY_EYES

Not Attorney General Eric H. Holder—he held T. Rowe Price and Fidelity funds. In fact, Holder held Fidelity Contrafund, the largest single Facebook mutual fund stock holder, valued at $413 million.

Photos: Holder–Huffington Post; Pritzker–White House;Blank–U.S. London Embassy; Schapiro–NY Times.

Who in the judiciary would complain?

Click Judge's Name to view his or her financial disclosure.

Not *Leader v. Facebook* Chief Justice John G. Roberts, Jr.—he held Microsoft, T. Rowe Price, Fidelity, Janus, Vanguard and Blackrock funds, including Fidelity Contrafund.

NVCALOURIE

Not *Leader v. Facebook* Federal Circuit Judges Alan D. Lourie, Kimberly A. Moore and Evan J. Wallach—they held Fidelity, Vanguard and T. Rowe Price funds, including Fidelity Contrafund.

NVCASTARK

Not *Leader v. Facebook* District Court Judge Leonard P. Stark—he held Vanguard and Fidelity funds.

NVCAKAPPOS

Not *Leader v. Facebook* Patent Office Director David J. Kappos—he held over a million dollars of Vanguard funds.

Photos: Kappos–Politico; Stark–udel.edu; Wallach–Fed. Cir.; Lourie–Fed. Cir.; Moore–mit.edu; Roberts–sltrib.com.

The victims are complaining

On Nov. 19, 2008, Leader Technologies filed a patent infringement lawsuit against Facebook. Leader proved that Facebook stole the engine that runs Facebook, yet were ruled against anyway by the biased judges mentioned above, based on fabricated evidence.

In May 2012, Facebook IPO investors began filing class action lawsuits, claiming they had been defrauded and damaged by the NASDAQ "glitch."

Complaints have been filed to inspectors general seeking justice.

Others have filed complaints too, like Paul Ceglia and Rembrandt Social Media.

America's regulatory mechanisms are supposed to help prevent waste, fraud and abuse, not aid and abet it. The latter is called state-sponsored terrorism and totalitarianism.

In the case of the HealthCare.gov debacle, and the theft of Leader Technologies' social networking invention, the failure of the S.E.C. to police Sands Capital Management LLC enabled them to press their hidden agenda using fraudulent funds.

That agenda has led to a disastrous HealthCare.gov architecture, corrupted by Athenahealth conflicts of interest, using Leader Technologies' software which has become a mess of hacked pieces and parts. The agenda also threatens America's healthcare data security since Sands Capital took its Facebook IPO winnings and bought $2.2 billion in the Baidu Inc. sometime between Feb-Aug 2013.

NVCAHANCOCK

Fig. 9—Robert C. Hancock, Chief Compliance Officer, Sands Capital Management, LLC. Misled the American public by failing to file stock acquisition reports in a timely manner for

Facebook, Baidu and Athenahealth. These failings concealed substantial Chinese influences regarding Obamacare and American data infrastructure. *Photo: Sands Capital.*
NVCAGOODMAN

Fig. 10—Jonathan Goodman, Chief Counsel, Sands Capital Management, LLC; former partner, Gibson Dunn LLP (Facebook's*Leader v. Facebook* law firm, and also counsel to the Federal Circuit and Federal Circuit Bar Association). *Photo: Sands Capital.*
A solid democratic house cannot be built upon a foundation of regulatory corruption
Questions for Sands Capital's compliance officer Robert C. Hancock would be why he did not submit the notices of new stock acquisition forms with his signed certifications for Athenahealth, Baidu and Facebook. If he had done this, perhaps over six million Americans would not be struggling to replace their cancelled healthcare plans because the program would never have begun.
Thomas G. Hungar, Gibson Dunn LLP. Failed to disclose conflicts of interest in *Leader v. Facebook*; counsel to the Federal Circuit and Microsoft (one of Facebook's largest stockholders); Chief Justice John G. Roberts, Jr. is a personal mentor.Gibson Dunn LLP also represents the U.S. in *U.S. v. Paul Ceglia* (*Ceglia v. Zuckerberg*) where U.S. attorney Preet Bharara was formerly employed by Gibson Dunn—an obvious conflict. *Photo: Gibson Dunn LLP.*
Hancock's ethics counsel is none other than another former Gibson Dunn LLP attorney, Jonathan Goodman. Goodman was at Gibson Dunn LLP with Thomas G. Hungar during the *Leader v. Facebook* case. Goodman's other former firm, Cravath, Swaine & Moore LLP, just received David J. Kappos, former director of the U.S. Patent Office, as a new partner. Kappos only arrived after he had ordered an unprecedented 3rd reexamination of Leader Technologies' patent. Kappos had purchased more than a million dollars of Vanguard "dark pool" funds, all on Oct. 27, 2009, within weeks of his appointment by President Obama.
Robert C. Hancock's ethical lapses have damaged millions of Americans
Apparently, Hancock was advised by Goodman/Gibson Dunn LLP that it was ethically acceptable ***not*** to file the Athenahealth, Baidu and Facebook stock acquisition notices.
Mr. Goodman's former firm, Gibson Dunn LLP, swirls at the center of everything that has gone horribly wrong with this Obama administration, including the *Leader v. Facebook* judicial corruption scandal.
Had Hancock filed in a timely manner, questions about Todd Y. Park's Athenahealth duplicity could have been raised. Athenahealth's close associations with Chinese interests could have been scrutinized. Sands Capital's role in the Facebook pump and dump IPO scheme would have become visible. Hancock's failure to file and certify did not allow regulatory mechanisms to work.

Fig. 10—Pres. Barack H. Obama. *Photo: jeannotramambazafy.overblog.com*
Questions for President Obama
Given the suspicious timing of your appointment of Todd Y. Park to oversee America's healthcare and digital infrastructure:

1. How much do you know about SANDS CAPITAL'S collusion with the Chinese?
2. What are you going to do about it?
3. What assurances can you give us that the tech people you have hand picked are worthy of America's trust?
4. Will the new systems really protect Americans' privacy, property and security?
5. Did you know that your Securities Chair held stock in Facebook and Baidu*before* the Facebook IPO?
6.

Photo: Politico.
Photo: Wikipedia.
Why didn't your personal White House counsels from Perkins Coie LLP, namely Robert F. Bauer and Anita B. Dunn, husband and wife respectively, submit ethics pledges and financial disclosures? Did you know that Facebook was one of their clients?
NVCATODDPARK

7. Where are Todd Y. Park's financial disclosures and written ethics pledges?
8. Did you know that aFlorida judge was ordered to recuse himself from a case where he was Facebook Friends with one of the litigating attorneys? What do your 50 million "likes" say about your appointment of two of the four judges in the*Leader v. Facebook* case, not even counting all their financial holdings in Facebook, or the Patent Office's "likes"?

Summary of ethical standards to which the persons above swore solemn public oaths to uphold
Judges— Code of Conduct for U.S. Judges, Canon 2:
"A judge should avoid impropriety and the appearance of impropriety in all activities."
Judges—U.S. Courts.gov, Guide to Judiciary Policy, Ethics and Judicial Conduct, p. 20-2:
"Canon 3C(3)(c) provides that a financial interest 'means ownership of a legal or equitable interest, however small,' with certain exceptions not applicable to this situation. Ownership of even one share of stock by the judge's spouse would require disqualification." Many types of mutual fund holdings are not exempt from this policy (p. 106-1 thru 4).
"a judge who chooses to invest in such mutual funds should evaluate whether his or her 'interest' in the fund might be affected substantially by the outcome of a particular case, which would require recusal under Canon 3C(1)(c)" (p. 106-3). [If the largest tech IPO in American history—Facebook—does not apply, then this policy is meaningless sophistry.]
Executive Branch Employees—Standards of ethical conduct for employees of the executive branch 5 C.F.R. §2635.501:
"avoid an appearance of loss of impartiality in the performance of his official duties"
Attorneys—Model Rules of Professional Conduct, Preamble [6]:
"a lawyer should further the public's understanding of and confidence in the rule of lawand the justice system because legal institutions in a constitutional democracy depend on popular participation and support to maintain their authority."
Directors—Business Judgment Rule, *Pames v. Bally Entertainment Corp.*, at 1246:
"The business judgment rule 'is a presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company [and was not based on self-dealing].'"
Background: Funwallz.com
* * *
Posted by K. Craine at1:21 PM
Email ThisBlogThis!Share to TwitterShare to FacebookShare to Pinterest

13 comments:

1.
2. CraineJanuary 29, 2014 at 7:42 AM

You may want to read this LAW360 article about Federal Circuit Judge Michel.
I just checked. Fed. Cir. Judge Paul R. Michel is NOT invested in the Facebook cartel, at least according to his financial disclosure.
He did not, however, police the Federal Circuit's conflicts of interest in LEADER V. FACEBOOK since Facebook's attorney, Thomas G. Hungar, Gibson Dunn LLP, had represented the interests of the whole court and the Federal Circuit Bar Association in a 2010 ethics case, ironically.
LAW360 HEADLINE: "Strong Software Patents Crucial, Michel Tells Justices"
"As the U.S. Supreme Court considers how to evaluate when software can be patented, former Federal Circuit Chief Judge Paul Michel warned the justices Monday that adopting a standard that weakens patent protection for software would "cripple, if not destroy, computer-related industries."
http://www.law360.com/ip/articles/504692?nl_pk=3d7de43c-2a83-457b-8e08-511bc28d2aec&utm_source=newsletter&utm_medium=email&utm_campaign=ip
Here's Judge Michel's 2008 financial disclosure:
http://www.judicialwatch.org/wp-content/uploads/2013/11/Paul-R-Michel-Financial-Disclosure-Report-for-2008.pdf?V=1
Rain OnyourparadeJanuary 31, 2014 at 12:24 PM
Check out this FLORIDA RULING. It says a judge must disqualify himself for Facebook-friending one of the attorneys in a case before him. This is kid's play compared to the abuse Leader Technologies has received…
>>>Patent Office's Facebook site to 10,000+ employees,put up before the trial and reexamination.<<<
>>>Barack Obama's tens of millions of likes, probably all of the Facebook attorneys.<<<

>>>Barack Obama's appointment of two of the four judges in LEADER V. FACEBOOK.<<<
>>>HealthCare.gov claiming Leader's invention is open source.<<<
http://m.washingtonpost.com/news/volokh-conspiracy/wp/2014/01/30/the-law-of-friending/

dave123January 31, 2014 at 5:56 PM

The 2008 finance crisis was not an accident it was caused by an out of control industry and at the wheel was chief economic advisor Larry Summers, Summers who played a MAJOR role in the Deregulation of Derivatives, And became PRESIDENT of HARVARD in 2001 And New that FACEBOOK was stolen, and new of the THEFT OF Leader Technologies'
when the Winklevoss made a complaint to lawrence larry summers PRESIDENT of HARVARD they where tolled to piss of summers wonted THE FACEBOOK CLUB for him self but summers needed that suck up little shit mark zuckerberg to do it, But the IDEA FACEBOOK was not the Winklevoss nor was it Mark Zuckerberg IDEA,
WAYNE CHANG KNOWS HOW FACEBOOK WAS STOLEN
Wayne Chang filed a lawsuit against the Winklevoss brothers knowing that facebook was stolen, Chang said that the Winklevoss brothers merged their company, called ConnectU, with Chang's web development company to make a new company: The Winklevoss Chang Group (WCG). Chang complained that the Winklevosses "expressly agreed that the litigation between ConnectU and Facebook was an asset of ConnectU and an asset of WCG," according to BusinessInsider. Chang never got any money when the Winklevosses received $65 million as part of the settlement but the $65 million was just a fuck of from mark zuckerberg Larry Summers and James W. Breyer. Even the "like" button was stolen from the family of the late Dutch inventor, Johannes Van Der Meer
More of Larry Summers friends
chief economic advisor Larry Summers Henry Paulson of Goldman Sachs and Geithner to pay Goldman Sachs 100 cents on the dollar Paulson and Bernanke ask congress for $700 billion to bail out the banks. BUT NO BAILOUT FOR LEHMAN BROTHERS GONE AND THE ORDERS CAME FROM GOLDMAN SACHS TO LARRY SUMMERS NOT TO BAIL THEM OUT?? just so Goldman Sachs can be number ONE? IN 1999, at the urging of Summers and Rubin congress passed the Gramm-Leach-Bliley Act and cleared the way for future mergers, in 1998 someone tried to regulate them it was Brooksley Born but Larry Summers kill this, Summers had 13 bankers in his office and directing her to stop Greenspan Rubin and SEC chairman Arthur Levitt issued a joint statement condemning Born
the securities and exchange commission agency conducted no major investigation in to the bank during the bubble and 146 people were gutted from the securities enforcement division? When David contacted securities and exchange commission about LEHMAN BROTHERS GOLDMAN SACHS AND LARRY SUMMERS AND FACEBOOK there were only four people WORKING THERE and then down to just ONE?? and his job was to turn the lights out
OBAMA picked Mary Schapiro the former CEO of FINRA to run the securities and exchange commission who held stock in both Facebook and Baidu (China) before the Facebook IPO via her investment in T. Rowe Price the securities and exchange commission agency also ignored numerous whistleblower warnings of improper "dark pools" activity, (PAY OF)
ReplyDelete
dave123February 2, 2014 at 6:47 PM
Larry Summers + President Barack Obama picked Mary Schapiro the former CEO of FINRA to run the securities and exchange commission who held stock in both Facebook and Baidu (China) before the Facebook IPO via her investment in T. Rowe Price the securities and exchange commission agency also ignored numerous whistleblower warnings of improper "dark pools" activity, (PAY OF)
Larry Summers + President Barack Obama (appointed Leonard P. Stark to the judge's seat in Delaware Federal District Court eight days after Stark's court allowed Facebook to get away with jury and court manipulation of an on-sale bar verdict which was attained without a single piece of hard evidence; Barack and Michelle Obama were evidently protecting their 47 million "likes" on Facebook)
Larry Summers + President Barack Obama new found friends, Facebook cartel had it all covered, They had it all already S.E.C. Chair Mary L. Schapiro, Commerce Secretary #1 Rebecca M. Blank, Commerce Secretary #2 Penny S. Pritzker, Patent Office Director David J. Kappos, Attorney General Eric H. Holder and Chief Justice John G. Roberts, Jr. were well cared for.
Larry Summers + President Barack Obama + Baidu(China) All had back door keys to the NSA then add your healthcare (Obamacare), financial (Wall Street), telephone and online data (NSA) to your Dark Profile, and you have the ultimate Big Brother file on every person on the planet and CHINA HAD THE BACK DOOR KEYS TO THE NSA???? with facebook and their repeated breaches of security and their now ubiquitous intrusions on people's privacy?
Larry Summers + Facebook The 2008 finance crisis was not an accident it was caused by an out of control industry and at the wheel was chief economic advisor Larry Summers, Summers who played a MAJOR role in the Deregulation of Derivatives, And became PRESIDENT of HARVARD in 2001 And New that FACEBOOK was stolen, and new of the THEFT OF Leader Technologies' when the Winklevoss made a complaint to lawrence larry summers PRESIDENT of HARVARD they where tolled to piss of summers wonted THE FACEBOOK CLUB for him self but summers needed that suck up little shit mark zuckerberg to do it, The 2008 finance crisis was not an accident it was caused by LARRY SUMMERS?
ReplyDelete
dave123February 2, 2014 at 6:49 PM
Larry Summers + election manipulation on FB Since that data was not equally available to the opposition, use of this data about you amounts to election manipulation. The fact that so many foreigners are associated with Facebook amounts to foreign influence on U.S. elections, which is illegal. This undue influence hurts every American. Ditto for the sovereign elections in Germany, France or any other country, like fucking Germany ASS-HOLE The Facebook Club run by Larry Summers used the promise of wild Facebook IPO returns as the currency for their plans to install Barack Obama as President and press their global data gathering agenda
Larry Summers + FB + Robin Y. Li Robin Y. Li became CEO of Baidu in Jan. 2004. Coincidentally, that is the very same month Mark Zuckerberg claims he started Facebook ("in one to two weeks") and launched it on Feb. 4, 2004. The name of his British Virgin Islands hide away for his Baidu holdings probably says it all—Handsome Reward. Sands Capital appears to have been worried about the appearance of impropriety? Had they disclosed Baidu in a timely way, eyebrows would have been raised about possible Chinese involvement in the Obama cabinet, as well as in American healthcare and data infrastructure. Something is clearly amiss, Robin Y. Li NEW THAT FB WAS STOLEN and that it was Larry Summers who was running FACEBOOK ow shit?
Larry Summers + friends chief economic advisor Larry Summers Henry Paulson of Goldman Sachs and Geithner to pay Goldman Sachs 100 cents on the dollar Paulson and Bernanke ask congress for $700 billion to bail out the banks. BUT NO BAILOUT FOR LEHMAN BROTHERS GONE AND THE ORDERS CAME FROM GOLDMAN SACHS TO LARRY SUMMERS NOT TO BAIL THEM OUT?? just so Goldman Sachs can be number ONE? Paulson was a dick who did not know how to work out shit if someone stuck a spade up his ass
THIS IS IT VERY ONE GET ON TWITTER
ReplyDelete

6.
7. CraineFebruary 3, 2014 at 12:40 PM

President Obama claimed last night that there was "not even a smidgen of corruption" in the IRS scandal. Really now Mr. President? How can any self-respecting person make such a claim about a sprawling government agency with 106,000 employees? Such a claim telegraphs the massive corruption that we have proved exists within this administration. An administration where Yes is No and wrong is right. Given that, a No from Obama means a Yes.
Here's an excerpt from the New York Times article:
——
Mr. O'Reilly responded that there were "unanswered questions" and asked again if there was corruption in the I.R.S.
"There were some boneheaded decisions," the president said.
"But no mass corruption?" Mr. O'Reilly asked.
"Not even mass corruption — not even a smidgen of corruption," Mr. Obama said.
——
SOURCE: "Obama Is Tackled by O'Reilly in Pre-Game Interview" by Peter Baker, Feb. 22, 2014, The New York Times http://www.nytimes.com/2014/02/03/us/politics/obama-is-tackled-by-oreilly-before-game.html?_r=0
ReplyDelete
DarrenFebruary 3, 2014 at 4:22 PM
A couple of additional items to inform your congressperson about along with the overwhelming conflicts of interest already presented here
David Kappos encouraged his employee's, of whom include the judges that work for the USPTO, to use Facebook. He states on the USPTO website. "I'm confident our Facebook presence will complement the USPTO Web site as a means of communicating and connecting with the public and our stakeholders in the intellectual property community.
On the other hand, Chief Justice Roberts at the Fourth Circuit Court of Appeals Annual Conference in 2011 said that he recommends to the law clerks not to use social media, Facebook and Twitter, because a person could gain insight by stray comments and that would not be good. Justice Breyer, who has a Twitter and Facebook account, stated at a House Appropriations Subcommittee, "Judges wear black robes so that they will resist the temptation to publicize themselves," Breyer said. "Because we speak for the law, and that is to be anonymous. So I wouldn't want to have followers on the tweeter or the Facebook page but for my children, and I can get in touch with them anyway."
So the question is, If Chief Justice Roberts discourages law clerks from using Facebook and Justice Breyer is against using it publicly, then why in the world would Kappos open a Facebook account for the USPTO, and encourage the patent office employees, which includes 50-100 patent judges, to use it and then open a Directors reexam at the same time against Leader?
His conduct appears suspect and corrupt!
ReplyDelete
Rain OnyourparadeFebruary 4, 2014 at 7:31 AM
Check out this Russian (OK, Ukrainian) risk to HealthCare.org.
Belarus link to HealthCare.gov raises concerns over possible cyber attack,
http://fxn.ws/1gJ1auQ
The Ukrainian software official, Valery Tsepkalo told a local radio station in Minsk that U.S. Health & Human Services is "one of our clients" and that "we are helping Obama complete his insurance reform."
HHS was run by Todd Park, the guy with the Chinese connections also. What's wrong with American programmers for American healthcare. This breach of U.S. sovereignty by this President is just criminal.
ReplyDelete
Mark GoeingsFebruary 4, 2014 at 2:10 PM

There is no information missing here. Form 13g is only used when a fund acquires more than 5% of a publicly traded company. That's why you don't see these disclosures here. No conspiracy afoot; this is just basic SEC procedure.
And I am pretty shocked that you have explicitly accused Fenwick and West of providing source code to Mr. Zuckerberg? Fenwick is a very well regarded firm and I cannot even begin to imagine something like that ever happened. But in any event I think you are setting yourself up for a very nasty libel lawsuit.
ReplyDelete
Replies

10.
11. CraineFebruary 4, 2014 at 6:30 PM

Mark. The 5% rule is SC 13G/A, 13d-1(a). However, your conclusion is misleading, hopefully not knowingly so. The rule for investment companies is much more strict. The rule (a) you cite mainly applies to corporations and their holders, which can include an investment company's holdings. But, an investment company has stricter reporting rules for its portfolio investments. It must report everything, not just more than 5% holdings. Rule 13 has four main sections, you cited only (a). It also has Rule 13d-1(b), Rule 13d-1(c) and Rule 13d-1(c).
http://www.law.cornell.edu/cfr/text/17/240.13d-1
Easier to follow regarding investment companies is 15 U.S. CODE § 80A–8 – REGISTRATION OF INVESTMENT COMPANIES
http://www.law.cornell.edu/uscode/text/15/80a-8
We'll use Sands Capital's other filings to disprove your statement. Sands Capital has filed many reports for investments of less than 5%.
Here are some examples:
CREE, INC. on Feb. 14, 2012 – 249,600 shares representing ***0.22% ownership***. http://www.sec.gov/Archives/edgar/data/895419/000102006612000004/cree0212.txt
FMC TECHNOLOGIES, INC. on Feb. 14, 2012 – 11,144,206 shares representing ***4.68% ownership***.
http://www.sec.gov/Archives/edgar/data/1020066/000102006612000007/fti0212.txt
VARIAN MEDICAL SYSTEMS, INC. on Feb. 13 – 56,650 shares representing ***0.05% ownership***
http://www.sec.gov/Archives/edgar/data/203527/000102006612000002/var0212.txt
We could go on. Bottom line. Investment companies must report "in the public interest or for the protection of investors." 15 U.S. CODE § 80A–8(b).
Delete

11. Reply
12.
13. CraineFebruary 4, 2014 at 4:05 PM

This is an OPINION blog, Mark. It is a citizen's right to express his or her opinion. Inform yourself of the facts and express your opinion.
We have covered Fenwick's misconduct thoroughly in past posts. Take note of such things as "Christopher P. King" and his shadow self, "Christopher-Charles King" for starters. The opinion is well founded. Those who have encountered Fenwick's treachery have another view than your "well regarded" caricature.
ReplyDelete

13.
14. CraineFebruary 5, 2014 at 7:17 AM

Almost forgot to mention. Feb. 4 (yesterday) was the 10th anniversary of Mark Zuckerberg's, James W. Breyer's, Accel Partners LLP's, Fenwick & West LLP's theft of Leader Technologies' U.S. Patent No. 7,139,761 invention.
ReplyDelete
ANTI-CORRUPTION GROUP AGAINST GREEN-WASHING BY CAR SCAM CORPORATION ASKS YOU TO PRINT AND PUT THESE FLIERS UNDER THE WINDSHIELD WIPER OF ANY TESLA'S YOU SEE, AND SEND THEM TO YOUR ELECTED OFFICIALS AND ASK THEM WHAT THEY ARE DOING ABOUT THIS SCANDAL:
GLOBAL ANTI-CORRUPTION ADVOCACY GROUP SAYS:
"Lithium ion batteries, when they burn, cause brain cancer, liver cancer and other, potentially lethal, toxic poisoning. Certain regulators are told to "ignore these issues" because certain lithium ion investors donated cash to certain campaigns. The chemicals for lithium ion batteries come from countries which needed to be invaded in order to monopolize the mining of those chemicals. Certain politicians are told to "ignore these issues" because certain lithium ion investors engaged in war profiteering in order to control those minerals.
The FAA has issued numerous warnings and videos showing that lithium ion batteries do spontaneously self-ignite and crash airplanes. Numerous people have been killed in lithium ion plane crashes. Certain regulators are told to "ignore these issues" because certain lithium ion investors donated cash to certain campaigns. Flight MH370 was carrying tons of lithium ion batteries in it's cargo hold.
Lithium ion batteries have self-ignited and set numerous children and senior citizens on fire. They have set homes on fire. They have set offices on fire. They have set Apple Stores on fire. You constantly hear about passenger airlines being forced to land because passengers "smell smoke in the cabin". This is almost always a lithium ion battery going off in the cabin and exposing all of the passengers to it's carcinogenic ignition vapors. There have been multiple recalls of Tesla for fires including the battery charger cord setting homes on fire and the need for an entire titanium add-on plate to cover the whole underside of the Tesla. Tesla's have now been involved in many deaths.
Silicon Valley investors took over the lithium ion battery market, along with Goldman Sachs (recently called before Congress for this very same "commodity manipulation"), because they knew they were getting large government hand-outs from the Department of Energy in exchange for campaign contributions.
Lithium ion batteries lose their power and memory over a relatively short time. Lithium ion batteries blow up when they get wet or bumped. Fisker Motors went out of business when millions of dollars of Fisker cars, using lithium ion batteries, got wet and all blew up. Tesla battery packs have blown up, on multiple occasions, from simply hitting bumps in the road. Manufacturing these kinds of batteries is so toxic that even China, a country known for the most minimal regulations, has closed a huge number of battery factories because of the massive numbers of deaths they caused to workers and nearby residents.
Journalists have published a glut of articles exposing cover-ups about the dangers and corruption involved with lithium ion batteries. The U.S. Government and numerous groups have filed charges against Panasonic, and similar battery companies for bribery, corruption, dumping, price fixing and other unethical tactics.
Every key investor in lithium ion was also a campaign donor who also received huge federal cash from the Department of Energy in the same funding cycle in which they paid campaign contributions. By driving a Tesla, in addition to the common public perception that it is a "douche-bag car", there is something far worse about driving it. You are making a public statement to the world that you support organized crime by driving this car. Here is why: Investigators say that, political operatives David Plouffe, Rahm Emanual, Steven Rattner, Bill Daly, David Axelrod and Robert Gibbs arranged with Silicon Valley investors to take over the lithium battery industry in order to monopolize the trillions of dollars of lithium, and related mining deals, in Afghanistan. The Afghan war has now cost American's over 6 trillion dollars, with almost nothing to show for it.
They say that they traded federal funding for campaign support assisted by Harry Reid and Dianne Feinstein, who received numerous stock and cash kickbacks in the scheme. They say they used the money to fund political campaigns. They used the Silicon Valley investors internet companies, (mostly Google), to manipulate voter perceptions and web searches in favor of their agenda. The Silicon Valley investors received favorable federal laws, tax gifts, free federal loans, stock bumps and other perks. The Silicon Valley investors companies that used the Afghan minerals: Abound, Solyndra, Fisker, Ener1, Tesla, and many, many more, that received the Department of Energy kickback funds, managed by Steven Chu, have all either failed, been raided, been charged with fraud or otherwise turned out to be disasters because they were based on a financial fraud skimming scheme instead of a good business plan. Anyone who spoke out about details of the scam, particularly journalists, had a character assassination hit-job ordered on them by Axelrod, Gibbs and Carney; using tabloid fronts that they controlled.
All of these facts are known, in great detail, by many investigators. Nearly a million pages of evidence exist. A Special Prosecutor is required to perform proper prosecutions. No matter what political party you belong to: This is organized crime against the public and you are supporting it if you drive a Tesla. All of this information can now be validated, and confirmed, on any law enforcement or investigative news database."
Rain OnyourparadeFebruary 5, 2014 at 9:35 AM
By my tally, these Facebook loving criminals, sorry attorneys, only know how to misquote the law. The jig is up boys and girls. How do you know an attorney is lying?
His/her lips are moving.
Our beloved Harvard-bred President brags about teaching Constitutional law for a decade. Hmmmm.

IF YOU HAVE A START-UP THEN WILL BE FORCED TO DEAL WITH THE VC "MOB"!
LET'S END THE ABUSE OF AMERICA'S CREATORS!
Almost every bank in the U.S. has now been charged with criminal activity. Almost every investment broker has been charged with criminal activity. The VC's are connected to every one of them. Let's look deeper:
The VC's always try to retort, in numerous blogs,:*"Oh but if we did things like that we couldn't stay in business, so it couldn't possibly be true"*
But,
That is what the banks said and they got caught and prosecuted and continue to get caught and prosecuted every month.
That is what the mortgage companies said and they got caught and prosecuted and continue to get caught and prosecuted every month.
That is what the investment bankers said and they got caught and prosecuted and continue to get caught and prosecuted every month.
That is what the corrupt politicians said and they got caught and prosecuted and continue to get caught and prosecuted every month.
The VC's are the tools for **technology suppression**. If it competes with their bigger investments, they will kill it by coordinated consensus.
The BIG LIES that the VC's tell you about how they *"won't share your information", "you can trust us", "we are only here to help you"* and *"we never conspire to rig valuations, control markets, wipe out our friends competitors and blockade funding for people who didn't go to our Frat house"*... is totally false!
TO THE START-UP CEO: They **will** lie to you. If your idea is any good they **will** steal it, give to their friends at another VC group and have them start a clone of your idea. You are only valuable to them when you first act all eager and enthused so they can use you to sell deals to pension funds but as soon as you realize what is really up and become aware you will be out on your ass like the actual original founders of Twitter, Tesla, Facebook, and thousands of others. If you are from India: They want you for your good education and engineering skills and low rate but they know you can't go after them after you return to India. They will use your H1B like a leash. If you do not look, and act, like a Yale Frat Boy, you will always be treated like their tool. Even in VC meetings they ask: "Who is your Indian and how long do we need him?"
They are NOT honorable. They are in it for yuppie ego, escorts, cash and "good 'ole boy" power. They only care about impressing their Frat house bro's on the other side of Sandhill Road

or Park Avenue. They do not care about improving anything but their bank accounts.
If you are in a start-up and you encountered VC rigging or manipulation of your company or industry, Then demand a Justice Department investigation at:
askdoj@usdoj.gov
and
antitrust.complaints@usdoj.gov
and
Your State Attorney General
and
Write a demand for **VC reform laws and investigations** in the blog of every newspaper and technical site.
Here is a small sample of a quite vast set of evidence that exists to prove that they do this. Please blog additional reports of such actions in all of the blogs and social media postings you can.
Articles from across the web:
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So A Blogger Walks Into A Bar…
Michael Arrington
Tuesday, September 21st, 2010
Yesterday I was tipped off about a "secret meeting" between a group of "Super Angels" being held at Bin 38, a restaurant and bar in San Francisco. "Do not come, you will not be welcome," I was told.
So I did what any self respecting blogger would do – I drove over to Bin 38, parked my car and walked in. In the back of the restaurant in a private room was a long oval table. Sitting around the table, Godfather style, were ten or so of the highest profile angel investors in Silicon Valley. These investors, known as "super angels" because they have mostly moved on to launch small venture funds of their own, are all friends of mine. I knew each person in the room very, very well.
I certainly didn't think anything was amiss and I expected a friendly hello and an invitation to sit down for a drink or two before being shooed off while they talked about whatever they thought should be kept off record. But instead it went something like this:
Me: Hey!
Person who was talking: oh, oh no.
Me: Hi. I heard you guys were here and I wanted to stop by and say hi.
Them: dead silence.
Me: so….
Them: Deafening silence.
Me: This is usually where you guys say "sit down, have a drink."
Them: not one sound
Me: This is awkward. I guess I'll be leaving now.
I've never seen a more guilty looking group of people. But that alone isn't that big of a deal. Lively conversations often die quickly when I arrive, and I've learned not to take it personally. But I did sniff around a little afterwards, and have spoken to three people who were at that meeting. And that's where things got interesting.
This group of investors, which together account for nearly 100% of early stage startup deals in Silicon Valley, have been meeting regularly to compare notes. Early on it was mostly to complain about a variety of things. But the conversation has evolved to the point where these super angels are actually colluding (and I don't use that word lightly) to solve a number of problems, say multiple sources who are part of the group and were at the dinner. According to these souces, the ongoing agenda includes:
Complaints about Y Combinator's growing power, and how to counteract competitiveness in Y Combinator deals
Complaints about rising deal valuations and they can act as a group to reduce those valuations
How the group can act together to keep traditional venture capitalists out of deals entirely
How the group can act together to keep out new angel investors invading the market and driving up valuations.
More mundane things, like agreeing as a group not to accept convertible notes in deals (an entrepreneur-friendly type of deal).
One source has also said that there is a wiki of some sort that the group has that explicitly talks about how the group should act as one to keep deal valuations down.
At least two people attending were extremely uneasy about the meetings, and have said that they are only there to gather information, not participate.
So what's wrong with this?
Collusion and price fixing, that's what. It is absolutely unlawful for competitors to act together to keep other competitors out of the market, or to discuss ways to keep prices under control. And that appears to be exactly what this group is doing.
This isn't minor league stuff. We're talking about federal crimes and civil prosecutions if in fact that's what they're doing. I had a quick call with an attorney this morning, and he confirmed that these types of meetings are exactly what these laws were designed to prevent.
I'm not going to say who was at the meeting since at least a couple of the attendees are saying they were extremely uncomfortable with the direction the conversation was going. But like I said, it included just about every major angel investor in Silicon Valley.
On a side note, this is a difficult post to write, because I call nearly every person in that room a friend. But these actions are so completely inappropriate it has to be called out.
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Not sure what your sources are, but courts have ruled that parallel action can be sufficient evidence of conspiracy under Section 2 of the Sherman Act. See e.g. American Tobacco v. United States (1946), available here:
http://supreme.vlex.com/vid/american-tobacco-v-united-states…
The Supreme Court wrote: "[The conspiracy's] existence was established, not through the presentation of a formal written agreement, but
through the evidence of widespread and effective conduct on the part of petitioners in relation to their existing or potential competitors."
If I remember correctly from my anti-trust class last year, the American Tobacco precedent still stands. You don't need written or audio evidence to get a conviction; anti-competitive behavior in the marketplace is sufficient.
****

dandelany 774 days ago | link
Interesting questions… IANAL, but I imagine they're colluding to bring down the valuations of startups, therefore essentially fixing the "price" of their money, to be paid for in startup equity. If I, and others, say your company is worth a million dollars, then I'm fixing the price of my $500,000 at 50% of
your company.
****

blueben 774 days ago | link
"Look, you and I both know your company is worth $50 million. But I only want to pay $10 million, and I've already worked out a deal with my competitors so they won't bid any more than that either. We own the market for investment, so you can take it or your company can die for lack of funding."
You don't see a problem with this kind of artificial market manipulation? This is no longer a market; it short circuits true capitalism and only serves to siphon gains from the seller (in this case, the company's founders) to the buyer, who will turn around and effectively try to resell (or otherwise exit) the company for profit. Everyone seems to be convinced that price fixing only applies to sellers. That's wrong. It firmly applies to both selling and buying. It's fundamentally about market manipulation; taking steps to undermine the economy of the system for direct personal gain. That kind of behavior destroys wealth and erodes confidence in the marketplace.
****

grellas 774 days ago | link
That comment was made out of ignorance. Antitrust laws are by no means limited to sellers only.
****

SkyMarshal 774 days ago | link
Interesting, thanks.
****

invisible 774 days ago | link
I know this was pointed at grellas, but I think this is a misunderstanding when we look at price fixing and collusion. The illegality of collusion is secretly forming agreements to benefit competitors at the expense of other parties. Words like defraud can succinctly help you understand whether it is illegal or not when looking at these agreements.
****

dctoedt 774 days ago | link
The Wikipedia summary of Section 1 of the Sherman Act is a decent read:
http://en.wikipedia.org/wiki/Sherman_Antitrust_Act#Violation…
****

jon_dahl 774 days ago | link
Grellas, would there have to be evidence that the participants were acting anti-competitively, or is being in the room enough? Arrington says that a few of the folks there were uncomfortable with what was going on, and were maybe there just to see what was happening.
****

grellas 774 days ago | link
Assuming the meeting had an illegal purpose (which is a major assumption at this point), one might infer that anyone present was complicit in that illegal purpose. In my view, that by itself would not normally be enough to subject someone to liability, especially if the participant disclaims affiliation with the group and thereafter does not act in concert with it.

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From the ATVMDOE WIKI:
Did Venture Capital groups run a cartel to try to control the energy and new auto industry?
Posted on October 29, 2012
The venture capitalists are from the same few schools, are males with similar appearances and only fund companies with senior staff from the same schools and with similar appearances and fraternity connections. They put their offices on the same road: Sandhill Road. If you, or your team did not go to Stanford, it is not likely you will get funded by them.
They meet at Bucks restaurant in Woodside (now recorded by Iphone carrying entrepreneurs and posted on YouTube) and in conference rooms on Sandhill road and decide which companies to blockade and which companies to let through. Isn't that a monopoly? Isn't that against the law? These people should be prosecuted under the Sherman, FTC and RICO Acts!
****
grellas 774 days ago | link
It is not required that the participants have monopoly power for them to transgress the law on this point. I agree with you that the "nearly 100% of the early stage deals in Silicon Valley" statement is wildly overstated but this should not affect the fundamental legal analysis here.
****
tc 774 days ago | link
Congratulations to PG & company. When I first met Paul years ago, he was musing about spam filters and the finer points of a well-designed lisp. Now he apparently has the top 10 angels in Silicon Valley running scared of him.
****
jeromec 774 days ago | link
The interesting thing is unlike that group of Angels apparently in the bar PG's interests are less about helping himself, and more about helping entrepreneurs. From an essay by PG entitled "Why YC":
The real reason we started Y Combinator is one probably only a hacker would understand. We did it because it seems such a great hack. There are thousands of smart people who could start companies and don't, and with a relatively small amount of force applied at just the right place, we can spring on the world a stream of new startups that might otherwise not have existed.
In a way this is virtuous, because I think startups are a good thing. But really what motivates us is the completely amoral desire that would motivate any hacker who looked at some complex device and realized that with a tiny tweak he could make it run more efficiently. In this case, the device is the world's economy, which fortunately happens to be open source.
http://paulgraham.com/whyyc.html
****
wensing 774 days ago | link
YC's greatest hack is identifying founder material based on technical rather than social proof (the YC app asks for an example of the coolest thing you've ever built, not an example of a cool person that thinks you are cool). This hack is possible thanks to a judges panel full of real nerds. How many super angels or VC's can claim to have the same?
****
gruseom 774 days ago | link
I agree that YC are able to identify great hackers and great founders more easily because they are these things themselves. What's little recognized is how big a difference this is between YC and the other YC-like funds.
****
brendonjason 774 days ago | link
Yes. They are running scared of the growing threat of the Ylluminati. But since they have 100% of all the deals, they also seem to co-invest(?!?).
These anxious (yet all-powerful) group of angels and this unstoppable new seed-stage prominence. They form a closed loop. A loop closed off to venture capitalists and angels not at that meeting … which is basically everybody.
Except Michael. He got away with his life intact and lived to warn us all.
Actually, I don't know what's scarier – the supposed collusion or the subtle dread that Y Combinator is supposed to evoke in my mind as I ponder the possibility of this event being true.
If it is true – maybe we should be side with these poor angels and help them before it's too late.
To paraphrase Woodrow Wilson, "Since I entered (angel investing), I have chiefly had (angel investor's) views confided to me privately. Some of the biggest men in the (Valley), in the Field of (IT) and (Venture Capital), are afraid of something. They know that there is a power somewhere so organized, so subtle, so watchful, so interlocked, so complete, so pervasive, that they better not speak above their breath when they speak in condemnation of it."
That something … is Y Combinator.
Um … no. The dark side doesn't suit you, Y Combinator.
Please stop.
I'm sorry. Maybe I've had too many beers tonight. But this is the kind of scenario that only comes out of the mind of a silicon valley PR firm.
(please don't downvote me too much … I'd like to get above 100 karma points just once for a change! Noooo!)
****
mattmaroon 774 days ago | link
This goes well beyond sensationalism. I'm inclined to believe him for three reasons:
1. Mike's not known for boldly lying. He might publish rumors that Facebook is building a phone too liberally, but I've not heard of him saying "I saw x happen" and it wasn't true. Assuming the account of what he himself saw was accurate it's hard to imagine collusion wouldn't be the purpose.
2. This sounds like something that would happen. VCs do this crap all the time, why not angels?
3. Publishing this might be bad for him, and if it were untrue, it would definitely be really bad for him.
****
cletus 774 days ago | link
I believe it too. You succinctly enumerate the reasons. The biggest for me was that (he claims) he saw it happen. That puts his personal reputation at stake, which I think will have to meet a far higher standard than the rumour publishing "go tos" of "an anonymous source".
The FB phone was (imho) classic Arrington (the bad side). Posted on the weekend (in the hopes that FB PR would be slow to respond and debunk it), quoting anonymous sources and no substance at all. Basically, link bait. That sort of story does him (or rather his credibility) no favours.
****
swombat 774 days ago | link
Add to that that there is no convincing reasons why this group of angels would manufacture this story to lead him on. Unlike with some other TC stories which turned out to be manufactured to discredit TC, in this one, the sources themselves would risk a lot by leaking this – true or false.
****
Alex3917 774 days ago | link
In Arrington's defense his claims are laid out clearly without any weasel words. Either this is happening or it isn't. So while I'm pretty meh about TC as a whole, I'm giving him the benefit of the doubt on this one.
****
swombat 774 days ago | link
He doesn't need to expose himself to lawsuits by naming names. The names are pretty obvious to anyone in the field.
****
chc 774 days ago | link
Yes, but that's the thing — you can't get sued for "obvious names." Even if he's completely making this up, if one of the obvious suspects sues him, he can just say, "Oh, no, I didn't mean him."
The comment I was replying to said, "his claims are laid out clearly without any weasel words. Either this is happening or it isn't." I disagree with that — Arrington is not laying it all out here as a black-and-white truth. He's consciously omitting facts in a way that happens to shield him from repercussions if this is false. As a traditional dead-tree newspaper guy, I'm very familiar with the ways reporters fudge their claims to avoid being responsible if it turns out to be crap. That's what this sounds like to me.

****
eavc 773 days ago | link
If he calls them felons and they wind up being acquitted for whatever reason, however technical or stupid, then he would be liable for libel.
He clearly wanted to avoid using weasel words. The only way to do that without being reckless is to not refer directly to the objects of the post.
****
techiferous 774 days ago | link
“the only reason”
He did mention that they were his friends. Perhaps he wants to nip the illegal activity in the bud with as little collateral damage as possible.
****
origoterra 774 days ago | link
Arrington is smart, a lawyer himself, and already know he is headed straight to the witness stand. Thanks for blowing this whistle Mike. That’s the TC we like.
****
danielnicollet 774 days ago | link
If you read the full post, take in account that he was present and saw who was there, and assume he has not chosen to reveal everything about the sources through TC at this time (that’s highly understandable – protecting his sources and only disclosing what he feels is verifiable), there is definitely a lot here and absolutely enough for a climb to the witness stand!
****
lsternlicht 774 days ago | link
I think your statement was clear. However, I find it hard to believe Arrington would put some of his best sources at risk if his claims were completely unfounded.
****
jexe 774 days ago | link
Well, at least one investor seems to have accidentally included himself in the mess (from TC’s comments)
http://twitter.com/speechu/status/25083299594
****
jakevoytko 774 days ago | link
This link is now a 404. Thankfully Google has the text of the tweet!
speechu: Bin 38 is like heaven right now, chock-full of angels.
Not explicitly incriminating, but it sounds pretty bad
****
dzlobin 774 days ago | link
Strangely, it’s still on the feed. http://twitter.com/speechu
But the status link is deleted
****
nostromo 774 days ago | link
I just put “forming a cartel” on my list of things not to tweet.
****
mrduncan 774 days ago | link
The original tweet was removed in the past few minutes (others have dug it up again). His latest tweet doesn’t seem to be taking Arrington too seriously:
Thanks Mike for techcrunching me for no reason. Note to self: hold next secret meeting in underground bunker to get the feds off my trail.
Sundeep Peechu@speechu
Thanks Mike for techcrunching me for no reason. Note to self: hold next secret meeting in underground bunker to get the feds off my trail.
21 Sep 10 Reply
Retweet
Favorite
****
dannyr 774 days ago | link
The tweet has been erased but somebody did an old-school retweet of it.
“Timestamp is 8p yesterday. RT @speechu: Bin 38 is like heaven right now, chock-full of angels. #superevil #evidence cc @arrington”
Matt Mireles@mattmireles
Timestamp is 8p yesterday. RT @speechu: Bin 38 is like heaven right now, chock-full of angels. #superevil #evidence cc @arrington
21 Sep 10 Reply
Retweet
Favorite
****
hanskuder 774 days ago | link
Tweet’s now deleted. That’s not suspicious at all.
****
joshu 774 days ago | link
i’ve never heard of this guy before, and he isn’t a coinvestor on any deal i’ve been on…
****
bl4k 774 days ago | link
he works with Aydin at Felicis
****
dannyr 774 days ago | link
Cached version:
http://cc.bingj.com/cache.aspx?q=http://twitter.com/speechu/…
****
danilocampos 774 days ago | link
IANAL, but as I understand it…
Any time individuals or businesses get together to collaborate on a strategy that restrains trade or supply, thus artificially skewing prices, this runs afoul of antitrust law.
Collusion between angels to keep valuations low and prevent newcomers from participating sounds like a textbook case. In this case, they’re artificially inflating their cost of capital by reducing the overall valuations of the businesses they fund. They artificially reduce the supply of capital by conspiring to keep out new participants.
Similarly, the Department of Justice is looking into Valley hiring, since companies have a gentlemen’s agreement not to poach from one another:
http://www.forbes.com/feeds/ap/2010/09/17/technology-special…
In this case, the argument would go that the companies are artificially constraining the supply of paying work for qualified applicants, while reducing the competitive landscape that would drive up their salaries.
****
nostromo 774 days ago | link
It sounds like price fixing, even though they are buying and not selling. Check out Wikipedia for a good write-up:
“Price fixing is an agreement between participants on the same side in a market to buy or sell a product, service, or commodity only at a fixed price, or maintain the market conditions such that the price is maintained at a given level by controlling supply and demand. The group of market makers involved in price fixing is sometimes referred to as a cartel.
The intent of price fixing may be to push the price of a product as high as possible, leading to profits for all sellers, but it may also have the goal to fix, peg, discount, or stabilize prices. The defining characteristic of price fixing is any agreement regarding price, whether expressed or implied.
Colluding on price amongst competitors is viewed as a per se violation of the Sherman Act regardless of the market impact.”

****

tptacek 774 days ago | link
Would it still be price fixing if all of them got up from the table and announced the formation of Super Angel Capital Partners? I can't see how; there's tons of VC firms already. If that's not unlawful, how is a joint venture among them unlawful?
Are we just stuck on the fact that they're "angel investors"? The law doesn't recognize any such sector of the venture capital business.
****

j_baker 774 days ago | link
"Would it still be price fixing if all of them got up from the table and announced the formation of Super Angel Capital Partners?"
Yes. That would effectively make SACP a cartel. Price fixing is price fixing if it was done by a group of entities or one entity.
****

InclinedPlane 774 days ago | link
If they create a single super angel corporation then they could run afoul of anti-monopoly laws.
****

dschobel 774 days ago | link
You're referring to the Edge Act [1][2] and that only applies to US banks' foreign operations (their subsidiaries, to be specific).
It is still very much illegal for them to collude against US customers.
[1] http://en.wikipedia.org/wiki/Edge_Act
[2] http://www.answers.com/topic/edge-act-corporation
****

jnoller 774 days ago | link
I'd like to know the laws too, this could be construed as collusion, conspiracy and probably a few other things.
****

tptacek 774 days ago | link
Before I turn into "the guy on the thread arguing that the Evil Angels are just peachy", banding together for the sole purpose of pushing back YC and making life harder for founder is a total dick move, and I'm happy Arrington is shaming them for it.
But it is a much more ambitious claim to say that they're breaking federal laws by doing it.
****

Federal funds flow to clean-energy firms with Obama administration ties
By Carol D. Leonnig and Joe Stephens, Washington Post
Sanjay Wagle was a venture capitalist and Barack Obama fundraiser in 2008, rallying support through a group he headed known as Clean Tech for Obama.
Shortly after Obama's election, he left his California firm to join the Energy Department, just as the administration embarked on a massive program to stimulate the economy with federal investments in clean-technology firms.
Following an enduring Washington tradition, Wagle shifted from the private sector, where his firm hoped to profit from federal investments, to an insider's seat in the administration's $80 billion clean-energy investment program.
He was one of several players in venture capital, which was providing financial backing to start-up clean-tech companies, who moved into the Energy Department at a time when the agency was seeking outside expertise in the field. At the same time, their industry had a huge stake in decisions about which companies would receive government loans, grants and support.
During the next three years, the department provided $2.4 billion in public funding to clean-energy companies in which Wagle's former firm, Vantage Point Venture Partners, had invested, a Washington Post analysis found. Overall, the Post found that $3.9 billion in federal grants and financing flowed to 21 companies backed by firms with connections to five Obama administration staffers and advisers.
Obama's program to invest federal funds in start-up companies — and the failure of some of those companies — is becoming a rallying cry for opponents in the presidential race. Mitt Romney has promised to focus on Obama's "record" as a "venture capitalist." And in ads and speeches, conservative groups and the Republican candidates are zeroing in on the administration's decision to extend $535 million to the now-shuttered solar firm Solyndra and billions of dollars more to clean-tech start-ups backed by the president's political allies.
White House officials stress that staffers and advisers with venture capital ties did not make funding decisions related to these companies. But e-mails released in a congressional probe of Obama's clean-tech program show that staff and advisers with links to venture firms informally advocated for some of those companies.
David Gold, a venture capitalist and critic of Obama's investments in clean tech, said that even if staffers had been removed from the final decision-making, they had the kind of inside access to exert subtle influence.
"To believe those quiet conversations don't happen in the hallways — about a project being in a certain congressman's district or being associated with a significant presidential donor, is naive," said Gold, who once worked at the Office of Management and Budget. "When you're putting this kind of pressure on an organization to make decisions on very big dollars, there's increased likelihood that political connections will influence things."
Energy Department spokesman Damien LaVera said the companies won awards based on merit, not political connections. He said the staffers and advisory board members reviewed by the Post had no role in funding decisions, nor did they have any personal financial stake in the companies. One of those administration advisers had first been appointed to his position by the Bush administration, LaVera said.
"As is evident from the 10-month long congressional investigation into Solyndra, Energy Department loans and grants are decided on the merits," White House spokesman Eric Schultz said. "What's more, these are all professionals with expertise in clean-energy science, finance or both — but none of them play a decisional role in DOE awards and none of them are in positions of regulating the industry."
Venture capitalists arrive
During the 2008 campaign, the venture capital industry lined up behind Obama as he vowed to spur clean-technology development. Obama raised more than twice the venture capital contributions of his opponent, Republican candidate John McCain.
Known for making billions of dollars in the 1990s on Internet startups, venture firms in 2006 were rapidly switching to invest in clean tech. Legendary venture partner John Doerr, a leading early investor in Google and Amazon, that year called the clean-energy sector the next great profit center, "the mother of all markets."
With the 2008 economic crisis, new private investment in fledgling clean-tech companies withered. But passage of the $787 billion stimulus package offered new opportunities to launch and grow those firms, with $80 billion set aside for clean energy and energy-efficiency efforts.
Suddenly flush with cash, the Energy Department was under orders to ramp up quickly and get money out to promising companies. The administration tapped industry players to take on key Energy Department roles, both as agency staffers and outside advisers on agency boards.
Wagle, then 38, took a job as a stimulus adviser in the agency's recovery act office. Officials say his role did not involve making funding decisions for companies tied to Vantage Point.
Private investors cheered the administration for hiring industry colleagues. In a 2009 article, venture firm leader Jim Matheson said Wagle, along with another Washington-bound venture capitalist, David Danielson, would help ensure commercial successes from "the steady flow of dollars coming out of D.C."
Wagle's former employer had invested in several companies that received federal money: Brightsource, which won a $1.6 billion federal loan for a solar-generating plant; Tesla Motors, which won a $465 million loan to build electric cars; and biofuels firm Mascoma, which in 2011 received $80 million for a Michigan ethanol plant.
Wagle recently returned to the California venture capital industry to work as an investor and clean-tech adviser. Reached at his home, he declined to comment. Vantage Point Venture Partners, renamed Vantage Point Capital Partners, did not respond to requests for comment.
Danielson, formerly of General Catalyst, joined an Energy Department office whose mission was to fund breakthrough energy technologies. Officials say he had no role in arranging $105 million in funding for three General Catalyst portfolio firms.
David Sandalow, a former Clinton administration official and Brookings Institution fellow, had been paid $239,000 for consulting work for a venture capital firm, Good Energies, in 2008 before joining the Energy Department as assistant secretary for policy and international affairs, his disclosure form shows.
A Good Energies-backed firm, SolarReserve, won a $737 million agency loan. Officials say Sandalow played no role in arranging it and LaVera, speaking on behalf of Sandalow, said the assistant secretary had no financial interest in Good Energies or SolarReserve.
The Energy Department came under criticism from Republicans earlier this year when agency e-mails raised questions about a possible conflict of interest involving Steven J. Spinner, a former department loan adviser who disclosed that his wife worked for Wilson Sonsini, a Silicon Valley law firm that handled funding applications for several clean-tech companies.
Wilson Sonsini's clean-tech clients reaped $2.75 billion in Department of Energy grants and financing, the Post analysis found.
One of the firm's clients was Solyndra. Republicans have accused the Obama administration of favoring the risky company because its leading investor was tied to a major Obama donor.
Wilson Sonsini had its own connection to the White House: the firm's chief executive, John Roos, was a top bundler for Obama's 2008 campaign.
Before joining the administration, Spinner, a venture investor and start-up adviser, also helped raise $500,000 for Obama as a member of his national campaign finance committee. He has pledged to raise a half-million dollars or more for Obama's reelection effort.
Once inside the agency, Spinner agreed not to discuss loan matters involving Wilson Sonsini clients. But e-mails show he urged career officials to resolve delays in the Solyndra loan, and also defended the financial prospects of Solyndra to a White House deputy before its federal loan was approved.
Spinner left the Energy Department in the fall of 2010. He did not respond to requests for comment. The department said Spinner was not involved in the company's application review or loan approval.
A Wilson Sonsini spokesman said the firm does not believe its employment of Spinner's wife influenced Energy Department decisions.
Investors as advisers
Thousands of agency and White House e-mails released as part of the Solyndra investigation show that venture capitalists who held advisory roles with the Energy Department were given access to Obama's top advisers.
Steve Westly, an Obama fundraising bundler for both his 2008 and 2012 campaigns, is a founder of the venture firm Westly Group and served part time on Energy Secretary Steven Chu's

advisory board.
The e-mails show that Westly communicated with senior White House officials, including Obama adviser Valerie Jarrett, voicing concerns about the president's planned appearance at Solyndra.
Westly's firm also fared well in the agency's distribution of loans and grants. Its portfolio companies received $600 million in funding. LaVera said Westly had no role in the funding decisions.
David Prend also surfaces in the e-mails as a venture capital investor who had White House access.
His firm, Rockport Capital Partners in Boston, was among the investors in Solyndra, with a 7.5 percent stake. The e-mails show him asking a White House aide to "help get the word out" about Solyndra and asking for help on another Rockport portfolio company. They show he and a group of venture capital investors met with new White House climate czar Carol Browner before Solyndra's loan was tenatively approved, and the White House confirmed that the subject of the company came up briefly.
Prend had worked closely with the Energy Department since the Bush administration, when he was first appointed to an advisory panel for the National Renewable Energy Laboratory. He continued to advise the Obama administration, while also chairing a panel that helps advise the department on solar technologies.
The agency provided $550 million to several firms in which Rockport had invested at the time. The department gave an additional $118 million grant to an electric-car battery company, Ener1, that was partnered with Rockport portfolio car company Think. (Rockport soon after invested in Ener1.) Ener1 filed for bankruptcy protection last month.
LaVera and Chad Kolton, a Rockport spokesman, said that Prend's advisory role was separate from stimulus programs and had no bearing on agency decisions about companies backed by Rockport.
Research editor Alice Crites contributed to this story.
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POTOMAC WATCH
May 24, 2012, 7:24 p.m. ET
Vulture Capitalism? Try Obama's Version. A profit-driven economy is preferable to one run by political favoritism.
President Obama is no fan of Mitt Romney-style "vulture" capitalism. So what's his alternative?
All those Republicans grousing about the president's attacks on private equity might instead be seizing on this beautiful point of contrast. Mr. Obama, after all, is no mere mortal president. Even as he's been busy with the day job, he's found time to moonlight as CEO-in-Chief of half the nation's industry. Detroit, the energy sector, health care—he's all over these guys like a cheap spreadsheet. Like Mr. Romney, Mr. Obama has presided over bankruptcies, layoffs, lost pensions, run-ups in debt. Yet unlike Mr. Romney, Mr. Obama's C-suite required billions in taxpayer dollars and subsidies, as well as mandates, regulations, union payoffs and moral hazard. Don't like "vulture" capitalism? Check out the form the president's had on offer these past
three years: "crony" capitalism. The case study is the solar-panel maker Solyndra, which was part of a green-energy sector that even by 2009 was flailing. The president took one look at the industry's utter lack of both profits and sellable products, and yelled "that's my baby!" The stimulus bill shipped tens of billions of dollars to the Energy Department to pour into green companies via grants and loans. It promised five million jobs.
The Energy Department's nuclear physicists were admittedly a bit flummoxed by the whole P&L thing, but they got their venture-capitalism groove on and in 2009 handed Solyndra a $535 million loan guarantee. Even prior to disbursement, government accountants were warning that Solyndra was a lemon, but the White House didn't worry. After all, the IRS had only recently and conveniently tripled the tax credit (to 30%) for buyers of Solyndra products, which the government figured would help grease their start-up's skids.
Unfortunately, the physicist-CFOs overlooked that whole "global energy market" factor—easy mistake! Foreign competitors were already piling into
Solyndra's niche. Unable to compete, the firm went bankrupt last year. And, oh, the carnage! It was kind of like . . . GST Steel! Only worse. Solyndra laid off 1,100 employees. It provided no severance, not even back pay due for vacation credits. But a bankruptcy judge would later approve $370,000 in bonuses for 20 employees. Mr. Obama railed against the high-dollar Silicon Valley investors who lined up in front of government to "suck" the remaining "life" out of the bankrupt firm, even as employees were left to . . . Oh, wait. He said no such thing. He was probably too busy doing damage control on his other government subsidized energy bankruptcies, from Beacon to Ener1. Or running down the latest report of a government-funded, instantaneously combusting electric car. (Karma, anyone? Now at the low, low price of $103,000. Fire extinguisher included.) Speaking of cars, Detroit is the business venture Mr. Obama's team has been most flogging as a success. True, General Motors and Chrysler are still turning their lights on, though they'd have arguably been doing the same had they been left to go through normal, orderly bankruptcies like those that helped the steel and airline industries
restructure to become more competitive. To get to the same place, Mr. Obama's crony capitalism handed $82 billion in taxpayer dollars to the two firms. That bailout money went to make sure the unions that helped drive GM to bankruptcy (and helped elect Mr. Obama) did not have to give up pay or
pension benefits for current workers. They were instead rewarded with a share of the new firm. The UAW at GM meanwhile used the government-run bankruptcy to bar some 2,500 nonunion workers who had been laid off from transferring to other plants. How truly vulture-like.
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TESLA_MOTORS_CORRUPTION

TESLA-SCAMOPTION-2

Contract law was shredded, as unions were given preference over other creditors, such as pension funds for retired teachers and police officers. Congressmen used political sway to keep open their weak auto dealerships, forcing layoffs at stronger ones (vulture . . . vulture . . . vulture). Political masters obliged the industry to pour resources into unpopular green cars. The political masters were obliged to offer $10,000 tax credits to
convince Americans to buy them. (They still won't.) And the message to every big industry? Go ahead, run your business into the ground. The Capitalist-in-Chief has your back (especially if you are unionized). So, take your pick. Mr. Obama's knock on free enterprise is that it is driven by "profit," and
that this experience makes Mr. Romney too heartless to be president. The alternative is an Obama capitalism that is driven by political favoritism, government subsidies, mandates, and billions in taxpayer underwriting—and that really is a path to bankruptcies and layoffs. If the president wants to put all 3,545 green stimulus jobs he's created up against Bain's record, he should feel free. Mr. Romney could make the comparison himself. Ronald Reagan ran against Jimmy Carter's own industrial policy, and to great success. Viewed in isolation, "vulture" capitalism has some PR downsides. Viewed against the alternative, it's a flat-out winner. Write to
kim@wsj.com
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Political Payback: Green Corruption — Part One
Author: Christine Lakatos — Published: Jul 30, 2010
Alarmingly, our environment has been hijacked by uber-rich individuals, crooked politicians, and an assortment of left-wing extremists that are fueled by greed and power attached to a radical agenda to bring about "global governance," "redistribute the wealth," and put the progressive movement — big government, social justice and the death of capitalism — on the fast track. Under the guise of "saving the planet," these "players," who are all interconnected in a variety of ways, are transforming our climate into something more sinister — a scam of epic proportions. Due to its magnitude and the potential dire consequences to our economy, our freedoms, and the voices of the honorable environmentalists — this "Climate Scam" will be confronted in three parts
Green Corruption, Part One

TROXLER AND BROWN PREDICTIONS OF GREEN CORRUPTION CONFIRMED

This year, Lee Troxler and Floyd Brown in their newly released hit book, Killing Wealth, Freeing Wealth How to Save America's Economy and Your Own, chapter ten — The Biggest Financial Bubble in US History, is where the authors' predicted that the veteran Silicon Valley venture-capital firm Kleiner Perkins Caufield & Byers (KPCB) — multi-millionaire Al Gore and billionaire John Doerr are both partners — would get government contracts from the Obama administration unfairly. In developing this story, which took months of research, backed up with extensive resources, we learned through an anonymous source that there are multiple federal investigations from different agencies and senators underway against the Department of Energy (DOE), in particular, the Loan Guarantee Program (LGP) and possibly others. Our source, who is close to the some of the ongoing investigations — "guarantees there was corruption and bad ethics involved" and that at this time "a number of the investigations are getting stonewalled." Our findings, along with this recent inside information, confirms Troxler and Browns' predictions — corruption on the "green front." As we learn more, we will share the details.
At this time we do know that the U.S. Government Accountability Office (GAO) has been in the process of reviewing — in response to Congress' mandate — the DOE's execution of the Loan Guarantee Program (LGP), which was established as part of the Energy Policy Act of 2005 and set up for innovative energy projects. About two weeks ago (July 12, 2010), the GAO released their findings and recommendations, noting that the "LGP scope has expanded both in the types of projects it can support and in the amount of loan guarantee authority available. DOE currently has loan guarantee authority estimated at about $77 billion and is seeking additional authority."
At issue, the DOE's lack of "comprehensive performance goals," particularly in relation to the DOE's "broad policy goal of helping to mitigate climate change and create jobs." The GAO concludes, "Without comprehensive performance goals, DOE lacks the foundation to assess the program's progress and, more specifically, to determine whether the projects selected for loan guarantees help achieve the desired results." Predictably, the GAO also found that the "DOE's implementation of the LGP has treated applicants inconsistently, favoring some and disadvantaging others, as well as the fact that the "DOE lacks systematic mechanisms for LGP applicants to administratively appeal its decisions or to provide feedback to DOE on its process for issuing loan guarantees."

OBAMA'S GREEN STIMULUS

In February 2009 Congress passed the American Recovery and Reinvestment Act (ARRA), the $862 billion stimulus package, for which $86 billion was earmarked for "green," of which the Apollo Alliance — a left-wing organization who exerts a powerful influence on the views and policies of the Obama administration — was also involved in drafting. More on Apollo later, but Kleiner Perkins are like ants at a picnic; they're everywhere that's green, including on the Apollo board, where they have placed one of their partners, Ellen Pao. Furthermore, Obama was a candidate that both Gore and Doerr had strenuously campaigned for, including financial donations, and early on, Doerr had his hand in shaping ARRA, "urging" Obama's transition team and leaders in Congress "to use the new economic stimulus package to modernize the electric grid and offer new incentives to help clean energy startups get off the ground." Doerr also sits on Obama's Economic Recovery Advisory Board (PERAB), who President Obama appointed as one of the "chosen" back in January 2009. In following the ARRA, meant to stimulate the economy and create jobs, it is clear that the Obama administration is circuitously funneling government contracts to their favored companies — "stimulating" the "green" pockets of Kleiner Perkins. This screams corruption and it's time to call in a special prosecutor!

FOLLOW THE "GREEN" MONEY: KPCB GREENTECH PORTFOLIO

Since last summer when the Department of Energy (DOE) starting handing out the $86 billion "green stimulus" money, Gore and Doerr's "green companies" have been cashing in big time — billions of taxpayer dollars! Keep in mind, this doesn't account for funds not yet allocated, or hidden contracts, nor the mass amount of money KPCB and others in the Climate Scam will generate if the U.S. climate legislation becomes law — "Obama Climate," more specifically cap-and-trade, which will be covered in more detail later. So far over fifty percent of the companies listed on the Kleiner Perkins Caufield & Byers Greentech Portfolio, of which KPCB partners are positioned on the board of many, have — directly and indirectly — received money from the "Obama Green Stimulus" package as well as through other government programs approved by the Obama administration.

AL GORE'S FISKER AUTOMOTIVE $529 MILLION DOE LOAN IGNITES RED FLAGS

One of the most blatant government favoritism, catching headlines in the Wall Street Journal back in September 2009 — Gore-Backed Car Firm Gets Large U.S. Loan — was the $529 million dollar government loan guarantee (which was cinched in May 2010) that Fisker Automotive received to build its high-end, hybrid sports coupe, Fisker Karma — to be manufactured in Finland and sold for $89,000. Fisker Automotive was a 2008 investment for Kleiner Perkins and it was "confirmed" that Gore has already purchased his "Karma."
In June 2009 the DOE announced three other large government loans that included $5.9 billion to Ford Motor Company, $1.6 billion to Nissan Motors, and $465 million to Tesla Motors. Although the four loans came out of the DOE's $25-billion Advanced Technologies Vehicle Manufacturing (ATVM) Loan Program, it was approved by the Obama administration and it did ignite some red flags.
As reported by the Wall Street Journal, "the awards to Fisker and Tesla prompted criticism from groups that question why vehicles aimed at the wealthiest customers are getting loans subsidized by taxpayers" and "concern from companies that had their bids for loans rejected," Included in the reaction was Leslie Paige, a spokeswoman for Citizens Against Government

Waste, "This is not for average Americans." "It's status symbol thing," Ms. Paige added. More gripping is the fact that this "favoritism" didn't sit well with some of the firms that were turned down for loans from the DOE — stating "they did not get much feedback from the department about their applications" and "were unable to get a full explanation as to why their loan request was turned down."

THE VINOD KHOLSA CONNCECTION

The CEO of EcoMotors John Colettie, whose $20 million ATVM loan from the DOE was denied, didn't have an "issue" with the winners. Probably because EcoMotors' lead investor is Vinod Khosla, an affiliated partner of Kleiner Perkins, whose firm Khosla Ventures has also invested in some of the same companies as Kleiner Perkins, which have received government funding including Obama Green Stimulus cash. Those companies include; AltaRock Energy Inc., $25 million grant from the stimulus; Amyris Biotechnologies, $25 million grant from the stimulus; and Mascoma Corporation has received state and federal grants from the DOE since 2006, totaling over $170 million and as recent as 2008, received another $49.5 million in funding from the DOE and the state of Michigan.

SILVER SPRING NETWORKS SCORES OVER $700 MILLION IN SMART-GRID GREEN STIMULUS FUNDS — RIGGING THE BIDDING PROCESS?

One of the most contentious of Obama Green Stimulus money awards comes out of the ashes of the $4 billion smart-grid grants, with some of the nation's largest providers of electricity meters "crying foul" over the smart-grid standards in the stimulus bill, according to a report by USA TODAY in February 2009. Additionally, they said that the economic stimulus bill "could put them out of business and wreak havoc in the new market for smart-grid technology by favoring certain computer network standards."

Itron, Landis+Gyr, Elster and Aclara even wrote a letter to U.S. Senators to voice their concerns regarding the "protocols and standards" that were placed into the House version of the legislation for all smart-grid projects, which states that "utilities receiving funding must use Internet-based or other open protocols and standards if available and appropriate." Ed Gray, vice president of regulatory affairs for smart-meter provider Elster, said "the bill gives a leg up to Silver Spring at the expense of other providers."

corruption-11

Interestingly, in March 2009, a month after the stimulus bill had already passed, Jeff St. John from GreenTechMedia.com, quoted a statement made by Stuart Bush, an alternative energy analyst for RBC Capital Markets, "both Trilliant and Silver Spring (both smart-grid communications companies) could benefit from the way the stimulus plan was structured to require open standards." Bush also added, "Clearly the West Coast VC guys had a lot of lobby pull getting that in there."

Clearly the "West Coast VC guys" — Kleiner Perkins (Gore and Doerr), have more than "lobby pull." In fact, Silver Spring Networks, as revealed in Troxler and Browns book, is one of Kleiner Perkins shining "green" companies — their 2008, $75-million investment has scored over $700 million! Since August of 2009 when the DOE started dishing out the $4-billion from the Smart Grid Investment Grant Program (part of the stimulus plan) — awarded to selected utility companies for particular smart-grid projects — close to sixty percent of Silver Spring "customers" were winners.

• American Electric Power (AEP) received $75 million for AEP Ohio gridSMARTSM Demonstration Project, announces earth2tech.com in August 2009. It should be noted here that Richard Sandor is on the AEP board. Sandor, Chairman and founder of the Chicago Climate Exchange, who is connected to President Obama and Al Gore, is another key "player" in this Climate Scan, which will be exposed later.

• Bluebonnet Electric Cooperative got $18.8 million for a general smart- grid build out in Texas as reported in August 2009 by earth2tech.com. Additionally, in November 2009 Austin's Pecan Street Project won $10.4 million in federal stimulus money to create a smart-grid demonstration project, which includes Bluebonnet as part or their Technology Review and Advisory Committee.

• In October 2009 Florida Power & Electric was awarded $200 milllion for Energy Smart Florida — posted by earth2tech.com.

• In April 2010 Pepco Holdings Inc. signed contracts for three ARRA grants totaling $168.1 million to advance smart-grid projects, reported by the Washington Business Journal. Additionally in April 2010, Secretary of Energy Steven Chu announced $100 million from the stimulus will go for Smart Grid Workforce Training and Development, of which Florida Power & Light got $5 million and Pepco got just over $4.3 million.

• In October 2009, "the U.S. Department of Energy announced that Modesto Irrigation District (MID) was one of only six California utilities selected to receive a $1.5 million federal stimulus grant to support MID's efforts to install smart control equipment throughout its electric infrastructure" — published in an Oracle Press Release.

• Oklahoma Gas and Electric Co. received a $130 million stimulus grant for a 771,000 smart meter deployment, as reported in October 2009 by GreenTechGrid.com.

• Sacramento Municipal Utility District got a $127.5 million stimulus grant for a comprehensive regional smart-grid system, announced in October 2009 by GreenTechGrid.com.

• According to an August 2009 article by earth2tech.com, Pacific Gas and Electric (PG&E) — another Silver Spring customer — "applied for $42.5 million government grant for home area networks in conjunction with the city of San Jose and Stanford University," yet it is unclear whether or not they received it. However, in May 2010, the DOE awarded PG&E a $25 million stimulus grant to develop compressed air storage for electricity" — writes the San Francisco Business Times.

But the "government bucks" don't stop at Silver Spring Networks…

Ausra Inc.

Ausra Inc. — a KPCP investment that "develops and deploys utility-scale solar technologies," was acquired by AREVA Inc. in March 2010. Then in July 2010 "AREVA accepted the U.S. Department of Energy's (DOE) offer of a conditional commitment to issue a $2 billion loan guarantee to support construction of the Eagle Rock Enrichment Facility, AREVA's $3 billion state-of-the-art gas centrifuge enrichment plant in Bonneville County, Idaho."

Bloom Energy

Bloom Energy — Kleiner Perkins is listed as a primary investor and John Doerr as a board member — in February 2010 launched its Bloom Box. The real name is the "Bloom Energy Server" and is marketed as "a stand-alone electric generator that requires no connection to any centralized power generating plant and no coal-based or oil-based fuel to operate it" (translation: cheap, clean energy flows almost magically from a refrigerator-sized box). The Bloom Box debuted in a "big scoop" segment on 60 Minutes on February 21, 2010, followed with a star-studded (Governor Arnold Schwarzenegger and Colin Powell) Bloom Energy Press Conference attended and filmed by TheAutoChannel.com. Marc J. Rauch Executive Vice President/Co-Publisher of The Auto Channel noted "our contact [at the National Renewable Energy Labs (NREL) in Colorado] had known of the Bloom technology and revealed that the government had actually provided a $5 million grant to the company during its development stage. There are also rumors (and news) of "an enormous government contract to order the Bloom Box" and Bloom Energy "is due for a verdict on their DOE stimulus funds shortly," as reported by GreenTechMedia.com, February 19, 2010.

Harvest Power Inc.

Harvest Power Inc., backed by Kleiner Perkins, is basically a company that "turns trash into fertilizer and fuel," and according to a June 2009 article by GreenEnergyNews.com and a City of San Jose Press Release, "GreenWaste Recovery would partner with Harvest Power Inc. on a project (if approved by the city council) known as the Zanker Road Biogas facility." Mayor Chuck Reed said in a statement, "This project not only demonstrates San Jose's leadership in the production of renewable energy but will help us meet the economic development, zero waste and energy goals of our city's Green Vision,"

Evidently, the Green Vision is raking in big bucks from the Obama Green Stimulus, as reflected in their 2009 Annual Report — "In 2009 over $50 million in federal and state grant money, including federal stimulus dollars were allocated or awarded towards projects that will advance Green Vision goals." Additionally, "local companies received over $80 million in federal tax credits that will spur expansions and hiring in sectors such as renewable energy," and as of May 2010, the City of San Jose — Capitol of Silicon Valley — "is estimated to receive nearly $108 million in Recovery Act funds."

MiaSolé

MiaSolé Thin-film Solar, part of the KPCB Greentech Portfolio, with "more than 500 applications that were submitted for the tax credits," in January 2010 MiaSole "received two Advanced Energy Manufacturing tax credits totaling $101.8 million from the Obama administration for the manufacture of low-cost thin-film cells and modules."

RecycleBank

RecycleBank — another Kleiner Perkins green investment — works with municipalities and haulers to measure and reward residents for recycling. As reported by RecycleBank, "in April 2009 $2.8 billion were allocated to cities with 14 uses that include recycle projects." It turns out that Philadelphia, Pennsylvania; Houston, Texas; and Hartford, Connecticut were the first cities to "take advantage of stimulus funds and work with RecycleBank to improve their waste diversion rates." Also, in August 2009, Chicago became the first Illinois city to partner with RecycleBank, then there are the cities in between, and recently in February 2010, Los Angeles became the largest city to partner with RecycleBank.

While it is obvious that the folks at Kleiner Perkins have strategically positioned their investments to profit from "green," including the massive influx of taxpayer money, placing them ahead of the competition — still others need government mandates and regulations to really make them fly. One company in particular is Hara Software, "a company that sells software to help businesses measure and reduce their greenhouse gas emissions," where three KPCB partners sit on the Hara board. In a June 2009 article by Reuters — Gore-Backed Hara Sees Profit From Low-carbon Economy — Hara Chief Executive Amit Chatterjee, who in July 2009 was part of a group of "innovative energy leaders" that "advised Obama," stated that [cap-and-trade] "will force companies to act, as opposed to seeing the business benefit of acting." "The debate alone of 'cap and trade' is a driver for our product," Chatterjee added.

Considering the magnitude of this Climate Scam — its scope; cost and paybacks; "players" and agendas — these findings may only scratch the surface. This Climate Scam goes beyond the billions of taxpayer dollars that Gore and Doerr, via Kleiner Perkins, have already unfairly snagged from the Obama Green Stimulus and huge DOE grants and loans. More disturbing is the fact that these "players" — and others that will be exposed in Green Corruption parts two and three — have direct ties to the Obama White House, strong influence over government policy, and are connected to the rest of those caught up in this scam, including the hard-core-left-wing radicals

Moreover, most of "the players" have helped create, shape, facilitate, lobby, testify, sell, and even if the planet blows up, will get their cap-and-trade, which despite reports that it's dead in the Senate, will soon to be on the Obama agenda — the real pot of gold at the end of the "climate rainbow."

Article Author: Christine Lakatos

Mom, author, blogger — Fitness Flash, politics, culture, and more; ACE Certified Fitness Trainer since 1980; retired bodybuilder and fitness competitor; and American Gladiator contestant back in 1990. MY DIVA DIET: Fitness Book Series for women of all ages at www.MyDivaDiet.com.

Read more: http://blogcritics.org/politics/article/obamas-political-payback-green-corruption-part/page-7/#ixzz0vD7iSp5n

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The Greentech VC Influence Over Washington

By Katie Fehrenbacher Aug. 18, 2010, 8:28am PDT

There've been a couple articles in the past few weeks pointing to President Obama as the " clean tech investor in chief" and the presidential VC with bets on clean energy. The real trend is that venture capitalists focusing on greentech seem to have had an unprecedented influence on U.S. federal policy and allocations of the stimulus package. When I attended the Department of Energy's (DOE) first ARPA-E conference (Advanced Research

Projects Agency-Energy) earlier this year in Washington D.C., I was struck by how many venture capitalists were there. I shared a cab back to the airport with some familiar Silicon Valley faces, and was told if your firm didn't have a dedicated person in Washington — in some circles they call them
lobbyists — maneuvering grant and loan programs, you weren't able to be competitive. Just look at the figures from the stimulus package (which I am fully in support of): somewhere between $50 billion and $80 billion into clean power and energy efficiency initiatives (depending on how you slice it). The Obama administration has gone out of its way to seek the advice of greenleaning venture capitalists and entrepreneurs in the Valley on how to spend that
colossal amount and what programs would be the most affective. Kleiner Perkins managing partner John Doerr is on President Obama's
Economic Recovery Advisory Board, and was able to convince Vice President Al Gore to join Kleiner, in addition to former Secretary of State Colin Powell. Kleiner's investments have had some successful government bids, most notably the $529 million loan to Kleiner portfolio company Fisker Automotive out of the DOE's highly competitive Advanced Technology Vehicles Manufacturing, or ATVM, program. Fisker plans to use the loan to build its factory and launch its electric vehicle in 2011. If you remember, another winner of the $25 billion ATVM program was Tesla Motors, which, as most of us know, was backed by venture capitalists from Draper Fisher Jurvetson, Technology Partners, and Vantage Point among others. I attended Khosla Venture's LP meeting earlier this year where the firm announced that former UK Prime Minister Tony Blair would be joining the firm as Senior Advisor. Several of my journalism peers were comparing the political influence Blair could wield to what Kleiner was doing with Gore. The Obama administration appointed former venture capitalist Jonathan Silver as its loan chief to lead both the DOE's loan guarantee and ATVM loan programs. About a third of the DOE's loan guarantee commitments went to venture-backed startups, including thin film solar maker Solyndra and solar thermal company BrightSource. I wondered earlier this year if the loan guarantee for Solyndra wasn't a mistake, given the company has one of the highest manufacturing costs out of its competitors. The company withdrew its IPO plans, citing poor market conditions. The Government Accountability Office also found that the loan guarantee process treated some companies unfairly in their bids and risked "excluding some potential applicants unnecessarily." There's nothing inherently wrong with venture-backed companies getting government support, and the energy sector needs even more federal funding to create innovation. I support Doerr and Bill Gates' calls for boosting federal government investing to $16 billion per year into energy innovation. All I'm saying is that this level of influence should be watched.
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This is how VC's and DOE Staff work together as reported by one of Tesla Motors senior executives:
In Role as Kingmaker, the Energy Department
Stifles Innovation
By Darryl Siry of Tesla Motors December 1, 2009
Of all of the Department of Energy programs intended to advance the green agenda while stimulating the economy, the Advanced Technology Vehicle Manufacturing incentive to spur the development of cleaner, greener automobiles is perhaps the most ambitious. But it has a downside.
The energy department has approved direct loans to Nissan, Ford, Tesla Motors and Fisker Automotive totaling about $8 billion out of a budget of $25 billion. The magnitude of this program dwarfs other DOE campaigns like the $2.4 billion given to battery and electric vehicle component
manufacturers and the $4 billion disbursed for "smart grid" projects. To the recipients the support is a vital and welcome boost. But this massive government intervention in private capital markets may have the unintended consequence of stifling innovation by reducing the
flow of private capital into ventures that are not anointed by the DOE.To understand this apparent contradiction, you have to look at the market from the perspective of venture capitalists looking to deploy investors' capital and startups looking to attract it. Venture capitalists evaluate a company on the basis of whether they think it will succeed and generate returns for their portfolios. While this evaluation is a function of many things, one key question is
how much more capital the company will need to get its product to market or a liquidity event so that the venture capitalist can see a return. The more capital it needs, the more dilutive it will be to the early investors. In cleantech, and in particular alternative fuel vehicles, the capital requirements for companies bringing a car to market in significant numbers can be extraordinarily high, reaching into the hundreds of millions of dollars if the company wants to build its own manufacturing facilities. To a venture capitalist, this capital requirement can be daunting. This is why government financing is
so attractive. In the case of the advanced technology manufacturing loans, the DOE steps up for 80 percent of the total amount needed. Private sources fund the other 20 percent. This amounts to free leverage for the venture capitalist's bet, with no downside. Hedge funds historically used massive
leverage to generate outsized returns, but if the trade turns against them, that same leverage multiplies their downside and can lead to financial ruin. In the case of the DOE loans or grants, the upside is multiplied and the downside remains the same since the most the equity investor can lose is the
original investment. The proposition is so irresistible that any reasonable person would prefer to back a company that has
received a DOE loan or grant than a company that has not. It is this distortion of the market for private capital that will have a stifling effect on innovation, as private capital chases fewer deals and companies that do not have government backing have a harder time attracting private capital. This
doesn't mean deals won't get done outside of the energy department's umbrella, but it means fewer deals will be done and at worse terms.
According to Earth2Tech, venture capitalist John Doerr commented on this at the GreenBeat conference earlier this month, saying "If we'd been able to foresee the crash of the market we wouldn't probably have launched a green initiative. Because these ventures really need capital. The
only way in which we were lucky I think is that the government stepped in, particularly the Department of Energy. Led by this great administration that put in place these loan guarantees."
Several sources within startup companies seeking DOE loans or grants have admitted that private fundraising is complicated by investor expectations of government support. None would speak publicly due to the sensitivity of the issue and the ongoing application process.
Aptera Motors has struggled this year to raise money to fund production of the Aptera 2e, its innovative aerodynamic electric 3-wheeler, recently laying off 25 percent of its staff to focus on pursuing a DOE loan. According to a source close to the company, "all of the engineers are working
on documentation for the DOE loan. Not on the vehicle itself." Another highly placed source at Aptera told Wired.com many potential investors wanted to see approval of the DOE loan before committing to invest. Startup companies that enjoy DOE support, most notably Tesla Motors and Fisker Automotive, have an extraordinary advantage over potential competitors since they have secured access to capital on very cheap terms. The magnitude of this advantage puts the DOE in the role of kingmaker with the power to vault a small startup with no product on the market — as is the case with Fisker — into a
potential global player on the back of government financial support.As a result, the vibrant and competitive market for ideas chasing venture capital that has been the engine of innovation for decades in the United States is being subordinated to the judgments and political inclinations of a government bureaucracy that has never before wielded such market power. A potential solution to this problem may seem counter-intuitive. The best way to avoid market distortion would be for the DOE to cast the net more broadly and provide loans and grants to a larger number of companies — which ironically means being less selective. Subject to the existing equity matching requirement, this would allow the private markets to function more effectively in funding a broader range of companies and driving more innovation. Several innovative companies with great potential have been in the DOE pipeline for many months. Perhaps it is time for the DOE to stop playing favorites and start spreading the love. Wired.com contacted the Department of Energy for comment but did not receive a reply. Disclosure: Darryl Siry was the chief marketing officer of Tesla Motors from December 2006 until December 2008 and is a special advisor to Coda Automotive, which has not sought an Advanced Technology Vehicle Manufacturing loan. Photo: Ford Motor Co. Energy Secretary Steven Chu addresses Ford employees on June 23, 2009, after announcing the automaker will receive a $5.9 billion loan.
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Venture Capital Racketeering & AngelGate	VC monopoly and industry suppression

http://www.growvc.com/blog/2010/09/venture-capital-conspiracy-theory-in-the-free-world/
Venture Capital Conspiracy Theory In The Free World
by: neil
Wow! Really? No Way! Wow!….this was my reaction to the 'revelation' of a post by Michael Arrington's "So a Blogger Walks Into A Bar…"
This true account of what happens when Tech Crunch's Mike Arrington walks into a Silicon Valley bar has all the trappings of a gangster movie. For starters, the bar, a group of powerful early stage investors meeting, colluding, plotting against any competition, an agenda on how to control the industry and monopolize and this is NOT a movie! Here is an extract of Mike's account:
I've never seen a more guilty looking group of people. But that alone isn't that big of a deal. Lively conversations often die quickly when I arrive, and I've learned not to take it personally. But I did sniff around a little afterwards, and have spoken to three people who were at that meeting. And that's where things got interesting.
This group of investors, which together account for nearly 100% of early stage startup deals in Silicon Valley, have been meeting regularly to compare notes. Early on it was mostly to complain about a variety of things. But the conversation has evolved to the point where these super angels are actually colluding (and I don't use that word lightly) to solve a number of problems, say multiple sources who are part of the group and were at the dinner.
Is there room for price fixing, total control and a greed based structure in the free market world? Is this really best for startups? For entrepreneurs? For Silicon Valley which is a renowned culture known for promoting innovation and talent in startups?
This entire scenario is wrong on so many different levels but knowing this is what can happen within closed doors here are some changes critical to a culture which reflects the values of a entrepreneurial community and a better future for startups:
1. We need transparency. This is very evident from what we've just witnessed.
2. Do things in the open and on the record. Why can't investors, entrepreneurs and other stakeholders work in a transparent environment online where there is automatic accountability and governance through open interactions and a community that can see what's going on?
3. The system has to benefit all parties involved. Entrepreneurs, investors and others. It needs to be fair and favor innovation. Bring up the best. Mystique, lack of transparency, complex rules are not benefit of anything but greed
4. There is no room for protectionism in a free market. We don't need early stage capital markets to be exclusive to a select few who control everything. We need to make it more inclusive and involve as many as possible. The more support, the more investors, more and better companies will be born.
****
http://techcrunch.com/2010/09/23/ron-conway-angel-email/
Ron Conway Drops A Nuclear Bomb On The Super Angels [Email]
Mg Siegler
Thursday, September 23rd, 2010
As we just stated in our previous post, there was clearly an email sent by angel investor Ron Conway to a group of super angels who were likely involved in the Bin 38 "AngelGate" meeting

that Mike stumbled into a couple days ago. We've now received a copy of the email that Conway sent from an anonymous tipster. And we've confirmed it is authentic from one of the recipients.
It's a bombshell. No, it's a nuclear bomb. It speaks for itself. Read it below.
Subject: Super Angels Gathering

I want to share my views on the two gatherings you had in June and this week and what they represent in my opinion.

So that I would not be influenced by any outside inputs I am writing this without sharing my thoughts with anyone including David Lee and the other SV Angel Partners.

I want to clarify once and for all my total disagreement with your values and motives for being investors.

I have stated consistently for year that I invest because I love helping entrepenuers and watching them learn and succeed.

I am honored that entrepenuers share their crystal ball views of the future of innovation and technology with us and respect the guts it takes to start a company.

At SV Angel we try to reciprocate by adding value any way we can.

I think that actions speak louder than words and SV Angel has always been a friend of entrepenuers and we focus our business to help entrepenuers achieve success.

The world of startups would be a better place if you spent less time complaining about deal structures, terms, vc's, and valuations etc and the cars you drive, and just helped entrepenuers build their companies.

The Free Enterprise system is very efficient …..why not let the marketplace demands decide on these issues, its worked for many many years. These startups are binary …they succeed or fail so why waste time on deal structures, terms, vc's, and valuations etc and just help entrepenuers build their companies.

In my opinion your motives are driven by self serving factors around ego satisfaction and "making a buck".

My motives and values are very different.

They are so different I want to be up front with you and recognize this and disengage from any involvement with you. I will not be a hypocrite.

I am tired of seeing you and engaging in idle chit chat and not sharing my true feelings.

I think you have a different value set and lets agree to disagree and not have to even engage in any idle chit chat or discussion of any sort….ever.

Furhermore, I regret David Lee was involved in the gatherings. I am sure he does too.

We talked about the first dinner and I encouraged him to write the email above and withdraw….I knowhe was uncomfortable with both gatherings….where no one was there to speak up for the interests of the entrepenuers.

By nowyou are rolling your eyes and saying "Ron's a ___________(fill in the blank) ….and who is he to pass judgement…..

We are all entitled to our opinions.

I am just being honest and transparent….the way most of the entrepenuers I invest are…

I wish the Angel community could have the same integrity and values of the entrepenuer community, but unfortunately I nowbelieve that is hopeless and your actions prove that.

What do you think the entrepenuers you have funded are thinking right now.

This is despicable and embarrassing for the tech community in my opinion.

Can you learn from this ?

Please keep this confidential even though I knowthat will be hard since two of you let your egos take over and showArrington howimportant you are by telling him you were headed to a "secret" angel gathering.

Dave McCLure…pls try not to blog about this and cause silicon valley more embarrassment with your unprofessional classless writings
Note: I did not include those who were at the gatherings who I don't know well enough to form an opinion around their motives or values.
Tags: angelgate, Ron Conway
****
Mnaficy> David Hornik•2 years ago−
David,
Sorry to disagree, but from an entrepreneur's perspective collusion is alive and well among VCs. If you're ever interested, I can give you the names of VCs who colluded to try to bring down the valuation of my first company. Several witnesses to this event, including a very well known lawyer in the valley.
— Mariam Naficy, CEO & Founder, Minted.com
****
From Wikipedia: Collusion> Bruno Morency•
Collusion is an agreement between two or more persons, sometimes illegal and therefore secretive, to limit open competition by deceiving, misleading, or defrauding others of their legal rights, or to obtain an objective forbidden by law typically by defrauding or gaining an unfair advantage.[citation needed] It is an agreement among firms to divide the market, set prices, or limit production.[1] It can involve "wage fixing, kickbacks, or misrepresenting the independence of the relationship between the colluding parties".[2] In legal terms, all acts effected by collusion are considered void.[
****
peter_voland@yahoo.com> Dave McClure•
I have a company that could not get any funding and we have been hurt exactly by such nepotistic and jerk style actions. The valley is now the NEW VERSAILLES of crony investment INCEST where you get the money most likley if you have buddies in such f***** circles. Otherwise, they will invest in ANY CRAP without merit as long as they have a BUDDY there. This is DETRIMENTAL to innovation and fair level plane for EVERYONE and all they do is CROSS deal and NOT invest in the best company according to the tech/ideas merits. collusion, nepotistic crony based intellectual incest. This SUCKS. I could give tangible examples where 2 SAME companies get once 8million(just cos crony buddies despite doing inferior job) and another gets nothing despite doing superb job.
****
On Self Importance and VC Arrogance. Read the extreme rationalizations of of of of the cartel members below:
http://techcrunch.com/2010/09/26/angelgate-chris-sacca-responds-to-ron-conway/
AngelGate: Chris Sacca Responds To Ron Conway
Michael Arrington
Sunday, September 26th, 2010
As I said the other day, there would be more private emails getting published. This one is from Chris Sacca, a prominent "super angel" who was not at the meeting I stumbled into but was at a previous meeting. He wrote a response to the Ron Conway email. It's worth pointing out that this email is time stamped a good half hour before our story broke, meaning he wrote it thinking it would all still stay private.
This is also the first leaked email we've received that actually includes names in the header of some of the people who are involved in this mess. Presumably these were the people Ron Conway emailed, but the header was stripped out of that email when we received it. Like the Ron Conway email, we have separately confirmed this email is authentic, although Sacca will not comment on it.
I've removed one sentence from the email that was highly sensitive. Nothing that material to the overall message, but it was very personal and not appropriate to print publicly.
The email:
From: Christopher Sacca
Date: Thu, Sep 23, 2010 at 7:05 PM
Subject: Re: Super Angels Gathering
To: Ron Conway
Cc: Josh Kopelman, Steve Anderson, Jeff Clavier, Mike Maples, Dave McClure, David Lee

Ron,

I agree with you that we all owe it to each other to be candid.

In that spirit, I will say that I will always be grateful for the opportunities you have given me in this business. You have shared deals with me, introduced me to colleagues, and invited me to events for years. Your philanthropy knows no bounds and has definitely inspired my work with charity:water and Livestrong. In fact, I have great respect for howyou took my introducing you to will.i.am as an opportunity to become the single most important benefactor to his foundation. As I wrote last year before the Crunchies when I endorsed you for Angel of the Year:

I mention Ron last only because this one gets a little emotional for me. It goes without saying, his prolific reach is legendary. He is the Zelig of the startup world in that there isn't a liquidity event in our industry in which he isn't involved and a closing dinner to which he isn't invited. Of course, he isn't just invited as an investor, but usually as the guy who made the introduction, helped negotiate the terms, and saved it from the brink of disaster along the way. It gets emotional for me because no one in this business has been more generous, more selfless, or more caring with me. We all learn from Ron, and none of us could be here without him. I will never understand howhe covers so much ground and howhe manages to be so responsive and perform so much service for others. When you are with Ron, you knowhe will go to any length to help you. When guys with his success might otherwise take time to rest, Ron then redoubles his efforts for his charitable causes, not just giving money, but raising funds and awareness and doing hard work on non-profit boards. I feel lucky to knowRon and to have the chance to work with him virtually every day as I am sure many of you do too.

That said, I am having a hard time resolving the person I quite literally grewup with in this business, with the person who sent the email to which I am replying. Your anger and personal accusations hurt, and it is clear they are intended to.

I wasn't in town for the second meeting, but I went to the first dinner. I wish you would've been there. Not only would your input have been valuable, but if you had attended, you would have seen firsthand these topics of discussion:

1) Standard docs to make financings cheaper for startups. The group talked about who would be willing to pitch in our own money and time to help draft a set of financing documents that would allowfor priced rounds to cost the same as convertible notes. As you know, it usually costs 10-15 thousand dollars more to sell stock than issue a note. Entrepreneurs would directly benefit from that work by lower costs and less bullshit legal process to get a financing done. In fact, it is exactly what YCombinator did in building a model convertible note. I am sure you agree that would be a good thing for founders everywhere if we were able to publish docs like this to the public to be used as open source.

2) Pro-rata rights. At the first dinner, we heard, from guys who have been doing this for a long time, about the importance of securing pro-rata rights for future rounds. This would allow them to continue to invest alongside other investors at the new, higher, market price in future rounds. I have no doubt you would agree that entrepreneurs also benefit from having their early investors continue to stay involved and demonstrate their renewed commitment to the company. I knowyou would also love to be able to continue to invest in companies beyond their seed round, and you also knowthis is only ever helpful to your founders.

3) The futility of VCs blocking company sales. We also discussed howpointless it was for VCs to put clauses in deals that would prevent companies from selling and howthe guys in the room had never invoked such a clause because doing so would create misalignment with their founders. We identified that as one way in which many traditional VCs were just missing the boat as to howto work with founders as peers and collaborators and not put them on the opposite side of the table. Each of us felt better knowing we weren't alone in pushing back on this term that very directly harms founders.

4) Earliest stage founder cash-outs. Among efforts from others, we talked about my recent projects to get very early stage founders some liquidity. Traditional VCs have rarely been inclined to give founders any ability to cash out claiming it makes them less "hungry". As someone who, just five years ago, had net worth of exactly zero dollars, I remember the difference between being "panicked" and "hungry". As I have invested in more and more companies, I have learned that many founders would benefit dramatically from even the smallest amounts of cash (compared to the overall deal size). I have worked hard to get my founders as little as $25,000 to pay off credit cards and student loans. Or, in a small deal that closed this week, I was able to get a founder the money so he can pay for his wedding and not have to worry about taking on debt. I, and the other investors in this group who do the same thing, feel good about helping our founders in this way.

I hope you can really pause to consider who is on this list you mailed, as well as the others in the room you didn't, and the way they do business. All of us have considered you a mentor along the way, and you have recognized that by collaboration with each of us. Inspired by your service, we have seen each of our firms evolve to continually try to always put founders first. Guys like Kopelman are so painfully pro-entrepreneur, and so service-oriented to the community of founders, one topic of discussion at our dinner was understanding all of the different founder perks on which he has spent his fund's money. From the venture concierge and his hiring services, to his CRM software and CEO summits, I haven't seen anyone add as much value to founders as First Round. I wish you could have been there to experience firsthand the discussion about howthe rest of us could emulate more and more of that model. And, like typical Josh, he was certainly willing to teach us his best practices. I was so blown away, that I actually asked FR to lead a deal I sourced recently because I knewthey could serve the company better than I could.

I knowthat each of the guys on this list coaches entrepreneurs they aren't even invested with and continue to take time to help the entire startup ecosystem. They work to get founders access to early betas that they knowwill help. They call in favors to get costs down. They spend political capital to bring in the best hires and they lose sleep brainstorming howto solve problems. Each of the guys here takes phone calls and sends emails at all hours of the day and night. Everyone here hustles. Frankly, I find it hard to keep up with them, just like I can't keep up with you.

I told you last night that I think some of this issue is worth discussing, even on stage. But, this message, and the ferocity and ad hominem attacks that you include, hurt. Both what you wrote to me before (calling this group "dirtbags") and in this message above. I am not sure why it needed to get personal. In sharp contrast to your stereotyping about what you say is obsession with talking about cars, I actually drive a piece of shit truck with 115k miles, despite having been frequently encouraged to visit Franz to buy a Mercedes. I fly coach and I stay on friends' couches in NYC and LA, not out of Signature Aviation and at the Peninsula. That said, though I haven't yet made a buck, I sincerely hope I will. As I post clearly on my website:

"We don't think of ourselves as money managers. That isn't to say we aren't tireless and competitive. In fact, we are ruthless negotiators, aggressive businesspeople, and have no allergy to disproportionately large returns. However, frankly, capital just isn't that important to the early triumph of a company anymore."

My founders will tell you, as will the founders of everyone listed here, that I/we sweat with these guys just like you do, bleed with them just like you do, and try as hard as we can to put their interests first. My founders stay at my house for team retreats. In fact, I just bought an entirely newplace for them to be able to come to the woods, exercise, relax, focus, unwind, and bond with each other. That came out of my pocket. They get overweight? I buy them a mountain bike. They look skinny? I pick up groceries. Just talk to them and I am sure you will see that, though each of us investors adds value to our founders' lives in different ways, everyone on this thread adds value, Ron. Everyone. To claim that SV Angel has a monopoly on adding value is disingenuous.

When I started angel investing, my first deal was paid for with a credit card check. It was a dumb idea, but I was so drawn to the notion that I could be helpful to the team and I relished the chance to be building something again. You and I were in that deal together and we both made out pretty well. As you know, at Google, I didn't get rich by Silicon Valley standards. I left there worth less than a million dollars. I started doing angel investing in part because you and others like Coach Campbell encouraged me to and you knewI would be good at it. I wrote checks to companies when it was financially irresponsible for me to do so, then I went in there and busted my ass to make those things succeed. My days have been driven by a passion that makes it impossible for me to avoid the opportunity to help. Right now, 94% of my net worth is tied up in startups and I [REMOVED BY TECHCRUNCH]. I have every shred of my money alongside my founders, often buying their same common stock. No one but an obsessive idiot would ever allocate their money that way. But, I love what I do. And I knowthat goes for everyone on this list.

Kopelman bids his kids farewell every fewweeks to fly the redeye here and back to be with his companies. I have watched Maples, Clavier, and Steve all drop what they are doing to be supremely helpful to their founders and to their peers. Each of them shares opportunities and leverages their network to try to offer the best possible service to their companies' teams. Sure, McClure is loud and swears like a drunken sailor, but he takes bullets for his guys, and his service to entrepreneurs through Geeks on a Plane and his Startup 2 Startup dinners series is unparalleled. His followings among founders make that clear. They love and respect him, no matter howyou may judge his writing style. They knowthey have an ally in Dave.

I have seen guys on this list, and in the larger group of all dinner attendees, repeatedly back off terms or convince other investors to take haircuts alongside them so deals can get done. Ask any single one of the companies who has met with me and they'll tell you that I always negotiate against myself. To a fault. I have given back shares to make room for hiring and I have talked other angels into waiving any fiduciary arguments so our teams could stretch a small deal farther. Everyone here has done that knowing we will get to work with those entrepreneurs again in better times.

This group of guys could all take a much easier path if they were just out to make a buck. Everyone here could raise megafunds, bilk them for fees, jam too much money into deals and repeat that process all over again just mooching off the system. Instead, the folks you listed are all your fellowpioneers in a newway of doing business, a way that admits the structural change the industry has undergone. This is a different era, and each of these guys knows that means greater accountability than ever before.

I described on my Lowercase site characteristics that I think apply to everyone on this thread, and especially you, Ron:

We dive in to work with teams that obsess over user experiences, customer happiness, and that, to quote Paul Graham, "make something people want." Along with relatively small amounts of money, we give them the time, attention, and the empathy that catalyze winning outcomes for all involved. Rolling up our sleeves, we help design front pages, invent new services, prioritize product features, negotiate partnerships, and deal with the everyday professional and personal challenges of startup life. We are grateful for the companies who have chosen us, and feel lucky for the chance to collaborate with such brilliant minds. The dealflow that comes to us is flattering, and we are beyond thankful for the other individuals and firms with whom we partner and learn from along the way.

It makes me sad to hear you don't think that is actually the case, because I actually don't doubt for a second that the guys on this list all exceed the standard above. You know they do. You have worked alongside them for years. You have broken bread with them. You know who these people are and you know what their values are. You have referred deals to all of them because you know the positive impact they have on this industry. Now you are willing to throw that away over second-hand accounts of what transpired at a dinner you didn't attend. I think you owe this group more than that. I also think you owe the press and the founders who are reading the accounts you have prompted more than that.

Ron, we live in the age of Twitter. If we ever fucked an entrepreneur, or if an entrepreneur even hinted we had fucked them, it would be broadcast immediately and the resulting blog posts would be permanently attached to a search on our names. Founders have never been better educated or more empowered than they are today. We aren't giving them money; they are giving us the right to invest in their companies. Our founders hire us and they do so after consulting a rich network of datapoints confirming whether we are or are not helpful. Slackers don't get deal flow. Jerks don't get deal flow. Poseurs get left aside. Abuse the system once and you are tattooed with shame.

Entrepreneurs outnumber us and they talk more than we do. The good opportunities are more than any of us can handle. There are legions of investors at the gates hucking checks at today's founders. The only possible way any of us can stay in business is by serving. If we are not demonstrably and materially helpful to entrepreneurs, we are dead.

Pausing now to look back and re-read what you wrote, it just makes me sad and your rush to judgment of people you called your friends is disappointing. All of this goodwill burned with guys you have loved. All of this time spent on an issue when we should be helping our companies. (I am writing to you when I should be calling a founder to help him weigh the demands of his VCs and a potential acquirer.) All of this anger directed at people with whom you didn't even have a discussion to understand what was or wasn't going on. I wish you had been at those dinners. First, I am sure you would have had helpful input. But, more importantly,you would have instead seen your peers working, as they have always done, to cut through the bullshit in this industry and continue to restore the purity and honor a decade of misaligned interests has left here.

I hope you will find some time over the next couple of days to chew on all this, some time to reflect on who we all are and what we all do. I hope you will spend a little time with our founders and ask them how they feel about working with all of us. I hope you will work to clear the air about what did or didn't happen. You have such an important voice. But, with that voice comes the responsibility to investigate, know, and share the whole truth.

All told, I know that the gratitude that this group has for your work in this business can't be undone with one vitriolic email. So, I am optimistic that after you have a chance to chat with each of us, you will remember the passion and selflessness that underpin the work all of us do. While I deeply believe none of us could have gotten here without you, I also ask that you respect that we have all worked our asses off to be here. We all care, we all help, and we all serve. We all learned much of that from you.

I hope in time that will be clear once again and we can all get back to helping our founders and each other.

Thank you,
****
http://37signals.com/svn/posts/1927-the-next-generation-bends-over
The next generation bends over
Jason Fried wrote this on Sep 18 2009/
Mint's sale to Intuit really pissed me off.
Why should I care? Because I think it's indicative of a VC-induced cancer that's infecting our industry and killing off the next generation. I don't know the full backstory, but I'd bet this sale was encouraged by a Mint investor.
Here's a fresh new company that was gunning for an aging incumbent. And not only gunning, but gaining. They had a great product, great design, and great potential. They were growing rapidly and figured out the revenue game. They were on their way to redefining an industry — one that was left for dead by the current custodians.
They were everything their main competitor, Intuit, was not. While Mint was inventing, Intuit was out of it. People used Quickbooks/Quicken out of habit and legacy. People used Mint because they loved it. Intuit was disgruntled, Mint was disruptive.
But here's what happened: Intuit, last decade's leader in personal finance, just became the next decade's leader in personal finance. Mint had their number, but they sold it for $170 million. A big payday for sure, and if that was their two-year goal then they nailed it, but I can't believe that was the point behind Mint. It had too much potential.
Mint was a key leader of the next generation of game changers. And now it's property of Intuit — the poster-child for the last generation. What a loss. Is that the best the next generation can do? Become part of the old generation? How about kicking the shit out of the old guys? What ever happened to that?
As more great new companies are absorbed into big old companies, a whole new generation of change is lost. They can issue press releases saying how excited they are to be able to bring their product to a whole new world of customers, and how their new suitor will bring enormous resources to bear, but we know that's usually not really what happens. Development slows, products stall, the staff that built the great stuff leaves, and mediocrity creeps in. Not always, but usually.
Thomas Jefferson said "Periodic revolution, 'at least once every 20 years,' was 'a medicine necessary for the sound health of government.'" That may be even truer for business. We need new blood, new companies, new methods, new ideas, new applications, and new leaders to regenerate stale industries. The old must be plowed under by the new.
But today it seems like the old is doing the plowing. Let's stop that. Let's build great companies that are here to fight, here to win, and here to stay until the next generation after us comes along and kicks all our asses. And again and again and again. That's how better happens.
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THE "ANGELGATE" CONSPIRACY-
VC'S RIGGING INDUSTRIES

Crooked Angels: Blogger Accuses Top Tech Investors of …**Arrington** says his sources told him the angels also discussed "how they can act as a group" to reduce deal valuations, exclude traditional VCs from deals, and shut new angel investors out.dailyfinance.com/2010/09/22/angelgate-arrington-top-tech-i…More results
sfgate.com/technology/businessinsider/article/Angelg…More resultsLiminal states :: "**Angelgate**": Collusion is so hot right nowUpdate, September 7: Or maybe not! Arianna Huffington stepped in things got messy. In TechCrunch, **Arrington** argued that what was really at stake was "editorial independence", and demanded that AOL sell TechCrunch back to the original owners.talesfromthe.net/jon/?p=1795&cpage=1More results
Did **Goldman Sachs** rig the commodities **markets**? – Nov. 20, 2014 **Goldman Sachs** has been trying to distance itself from the "vampire squid" image it developed during the financial crisis. The findings of a Senate investigation into commodities **market rigging** probably won't help. According to the report, Wall Street banks may have manipulated …money.cnn.com/2014/11/20/investing/goldman-commodity-ma…More results
seekingalpha.com/article/226644-angelgateMore resultsAttend the secret super angel meetup at Bin 38 with everyone ..Attend the secret super angel meetup at Bin 38 with everyone but

@Arrington  #**angelgate**. bin 38 · Wednesday, September 22, 2010 at 8:00 PMplancast.com/p/2dmj/attend-secret-super-angel-meetup-b…More results
AngelGate dispute among Valley investors cracks wide open …When TechCrunch editor Mike **Arrington** barged in on a secret meeting of super angels, the wealthy individuals who are taking an increasingly prominent role in startup investing, the facts were open to interpretation. **Arrington** alleged that he heard the meeting was about illegal collusion.venturebeat.com/2010/09/24/angelgate-cracks-wide-open-as-…More results

Michael **Arrington**: Persona non Grata?
Behold **'AngelGate** Super Angels rely on positive media coverage incorporating buzz words and talking about growth opportunities, but instead we're out there talking about how they wanted to fix valuations and stunt growth for their competitors….huffingtonpost.com/pedro-l-rodriguez/michael-arrington-perso…More results

'AngelGate' disrupts TechCrunch conference but no 'Jerry …**'AngelGate'** disrupts TechCrunch conference but no 'Jerry Springer' moment. September 27, … **Arrington** fired off the initial bombshell blog post after he tried to crash a private meeting of prominent angel investors at a San Francisco restaurant called Bin … "**Angelgate**" saturated social media …latimesblogs.latimes.com/technology/2010/09/angelgate-disrupts-tec…More results

How Michael **Arrington's** School of Friendship Journalism Led ..How **Arrington's** insider info led him to **AngelGate**. I never develop friendships with people I don't actually like. For instance, I write about digital music a lot. And the music labels are notorious for working the press. They'll leak stuff and develop relationships, and it can actually be prettynymag.com/daily/intelligencer/2010/09/techcrunchs_m…More results
Angelgate – Wikipedia, the free encyclopedia **Angelgate** is a controversy surrounding allegations of price fixing and collusion among a group of ten angel investors in the San Francisco Bay Area.en.wikipedia.org/wiki/AngelgateMore results
AngelGate: Chris Sacca Responds To Ron Conway | TechCrunch Quick summary of "**AngelGate**" to date: A Blogger Walks Into A Bar; Dave McClure Gets Mad; Dave McClure Gets

Really Mad; Ron Conway Goes Nuclear; Ron Conway Clarifiestechcrunch.com/2010/09/26/angelgate-chris-sacca-responds…More results
‘AngelGate’ Players Come Face To Face, But Fireworks Are ..A face-to-face meeting between angel investors who had a highly publicized public spat didn’t lead to the fireworks some expected.blogs.wsj.com/venturecapital/2010/09/27/angelgate-playe…More results
AngelGate Is “100 Percent Accurate,” Says Michael **Arrington** Last night, TechCrunch’s Michael **Arrington** reported that on Monday night, a group of high-profile Silicon Valley angels met at a San Francisco restaurant, where, **Arrington** said he later learned, “collusion” and “price fixing” were on the menu.pehub.com/2010/09/angelgate-is-“100-percent-accurat…More results
Michael-Arrington-investor-journalistMore resultsFinger-Pointing, Emails, Deleted Tweets, Rage. **AngelGate** Is …On the surface, it seemed like the situation that has come to be known as **AngelGate** was dying down. Since we broke the news about the secret meetings between angel investors where they supposedly agree to agree on things, a lot has been said on both sides. Mike said what he knew, and …techcrunch.com/2010/09/23/angelgate/More results
When you catch a VC rigging, fixing, disclosing your IP, colluding and blacklisting report them, in a copy-to-all email to:
1. The editors at: The New York Times, The LA Times, Fox, MSNBC, 60 Minutes, all of your local news editors, all of your local independent media.
2. The contact email for your top 10 industry technology blogs.
3. The Securities and Exchange Commission
4. The Federal Bureau of Investigation
5. Their competitors.
6. The U.S. attorney general.
7. Your State attorney general.
8. Your lawyer.
Create WIKI’s, BLOGS and WEBSITES where you log all of the deal proposals. term sheets and valuations in an online excel spreadsheet so everyone can see what is going on.
Use your phone. You have an HD broadcast studio in your pocket on any current phone. Record and post crimes and unethical behaviors.
Write articles and post them to disclose cartels.

Who Conspires:
1. “Angel Investor ‘clubs’ ”
2. Tier 1 VC groups
3. VC’s and bankers
4. VC’s and real estate companies
5. VC’s and politicians
6. VC organizations, ie:
7. VC’s and their Frat house “business club” friends
ROGUES GALLERY:

NVCAGOODMAN

NVCAHANCOCK

NVCAKAPPOS

NVCASTARK

NVCAMOORE

NVCALOURIE

NVCAHOLDER

NVCABLANK

NVCA DOGS

NVCABAIDULI

NVCABAIDUPARK

NVCABAIDU3

NVCABAIDU2DROP

NVCABAIDU2

NVCASUMMERS

NVCAKOCKER

NVCAAETNA1

NVCASANDSJR

NVCASANDS

NVCABREYER

NVCALAMONT

NVCATODDPARK

NVCA DAVIDSON

NVCABAIDU

NVCASHAPIRO