

WHAT IS THIS ALL ABOUT?:

We are the constituents of Nancy Pelosi and Jared Huffman.

Campaign billionaires (John Doerr, Elon Musk, Eric Schmidt, Steve Jurvetson, etc.) paid bribes in order to get tax credits, rigged government contracts, free real estate, free labor, stock market valuation manipulations, IRS waivers, SEC avoidance, commodity market rigging and monopoly arrangements. They are now under investigation, by multiple law enforcement entities, but that doesn't help us!

We witnessed these crimes and reported them, at the request of federal officers.

For our troubles, we had revenge and retribution attacks placed on us by public elected officials.

We have had hacking, character assassination, blacklisting, threats and other forms of political revenge fired at us by political operatives. The finances and directions, for those attacks, have now been financially, operationally and forensically traced back to specific politicians and their campaign billionaires. At least three people, that we know of, have been killed. At least two of us were poisoned by toxic heavy metal poisoning. The attacks against us are increasing because... Elections!

We reported this to every State and Federal law enforcement agency, that we knew of, and filed lawsuits, but the journalists tell us the investigations and lawsuits are being subjected to lies, stonewalling, document shredding, "missing hard drives", delay tactics, obfuscation, cover-ups and manipulation. Over 15 Senate and public investigations, into this, have been stonewalled. Over 20 top Washington officials have quit over this. This is a very real, very documented matter but we do not have time to wait for the long, drawn out final conclusion. We need results today!

We have hired ex-CIA, Ex-FBI, private investigators, researchers, forensic lawyers and specialists to help with this. Parts of the U.S. Congress, top journalists and other key people, support our cause. Additionally, over 300 million taxpaying voters think these corrupt politicians simply "suck"! There are enough people, on our side, to get every take-down completed, if we need to go that far.

If you bad guys want to keep the fight going: "BRING IT!" You will lose your campaigns, your assets, your party, your tax shelters, your family trusts, your 501 C 3's + 4's, your PAC's, your parties and your stock holdings!

If you want to settle this, we are waiting for your call!

We are DEMANDING that Jared Huffman and Nancy Pelosi, as required by law and policy, take action to help us by ending these attacks and recovering our damages, now!. We are documenting all of the actions that they do take, and don't take, delays, stone-walls, solutions, etc. to the World, Law Enforcement and Investigative Reporters globally using torrents, blogs, email lists, listserves, Tweets, social pages, Drawstrings and other technologies.

We have worked in, and with, Washington DC. We know where "the bodies are buried", the tricks, the tactics and who knows what. Don't screw around any more. Fix this!

Nancy & Jared: Organized crime is still a "bad thing", right?

Nancy & Jared: END THE BLOW OFF!

Nancy & Jared: You can end this with two phone calls. Make the calls!

Nancy & Jared: Some of us were Democrats, before your DNC partners F*cked Them In the As* with their little crime kick-back scheme. Are you like them, or do you have a shred of morality left?

<http://endtheblowoff.weebly.com>

NOTE: At this time, we are not saying that Nancy and Jared, specifically, are crooks. We will base our future comments, about them, on the actions they take in resolving this matter!

USING THEIR OWN "LOOP HOLE LAWS" AGAINST THEM:

In order to rob taxpayers, steal their money, manipulate public policy for personal profit and "rig the game", as Elizabeth Warren says; these dirty politicians create "loop hole laws". Loop hole laws are fake laws that only help themselves, and hurt every American.

We have found that teams of citizens can wipe out even the most billionaire-backed, wealthiest, corrupt politicians on Earth. They can do it using the law. We can turn their crooked laws against them. As far as they stretch the law to do crimes, you can use those same laws to [do good deeds, and shut them down.](#)

Unlike the corrupt politicians, we will never break the law, and we WILL use the law to take them out if they don't solve this problem! We will also use elections, the media, social networks and community alliances.

Our "dead-man switches" are "awesome"; according to one well-known reporter.

The public can now use all of their power and resources to take out the kick-backs, PACS, family trusts, investor portfolios, off-shore tax havens, hookers, credit card expense frauds, junkets, campaign financiers investor pools, kick-back stock warrants, tech company holdings of corrupt billionaires, and other secret scams, and wipe out the political legacy of any criminal politician. The public now has their own X-Key-Score!

Ready to ride?

Together, you can create a tornado!

THE END OF WASHINGTON CORRUPTION

BACKGROUND ARTICLES & NEWS COVERAGE:

Over 100,000 news articles have been published about this incident

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Dear President Obama:

You are familiar with the fact that your staff, including, Mr. Emanuel, Plouffe, Daly, Strickland, Holder, Chu, Gibbs, Axelrod, Carny, McDonough, Rattner, and others, all of whom, suddenly, quit their federal jobs, when exposed, did a bad thing.

They arranged with campaign financiers, including Mr. Musk, Westly, Jurvetson, Schmidt, Doerr, and others, to exchange government contracts, tax waivers, grants, stock valuation increases, stock holding assets and tax credits for campaign support.

This has come to be known as the “CleanTech Scandal”. It has been deeply documented in numerous lawsuits; the 60 Minutes Episode called: “The CleanTech Crash”; Many published GAO investigations; the in-progress FBI case which began with the FBI Solyndra raid; Over 100,000 news stories which deal with the following keywords: “Corruption, steven chu, department of energy Solyndra”; U.S. Senate ethics investigation documents, and thousands of other published, and broadcast materials. In fact, there is now, so much published evidence, proving that this scandal took place, that it is impossible to deny. There are now millions of pages of evidence, and hours of recordings that provide irrefutable proof.

To date, federal, and news, investigators have documented over a “trillion dollars in losses to taxpayers” from this incident.

We are the victims of this scandal. We are the companies, and individuals, that your Administration invited into the program, so it would look good, in the beginning. Your staff, knew, though, from Day One, that the money had already been set-aside for Mr. Musk, Westly, Jurvetson, Schmidt, Doerr, and others. The money was hard-wired, ahead of time. All of our time and money, spent at the request of your people, was worthless, and your people knew it, and lied to our faces.

While your people knew it all along, we sure hope you didn’t know it. That would just be a very sad situation for The Nation.

So all of us were lied to, and forced to spend our time and money on a federal program that we were never going to be allowed to help with. Bright Automotive, Aptera, Brammo, Zap, XPV, and all of the rest, were just being used as a cover for a game that was already rigged.

You owe us our expenses for the damages your people cost us because of those lies and abuses.

As if that wasn’t bad enough, when we cooperated with federal investigators, who were looking into these abuses of taxpayer resources, your people put hit-jobs on us. Your offices, and campaign financiers, ordered their associates: Media Matters, Gawker Media, In-Q-Tel, New America Foundation, Think Progress, Google, and others, to attack us. Your people tried to wipe us out, in retribution for helping the cops. The attacks were ten times worse than the whole “Lois Lerner”- type attacks.

That was pretty unkind.

You owe us for the losses suffered from these character assassination and employment database attacks. Your people made sure all of us could not work again. We plan to use our free time to prevent these kinds of abuses, starting with the 2016 elections.

On top of all that, you, personally, owe us an apology.

These were your people, on your watch. The buck stops at the Oval Office.

We look forward to your phone call. DOJ has our numbers.

Sincerely,

The Victims, and their families, from the “Cleantech Crash”

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WHO KILLED GARY D. CONLEY, ASK HIS RELATIVES AND FRIENDS?

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(Hornet's Nest will provide all copies of all of the "really juicy" evidence to credentialed journalists today, and the entire world if this does not get settled very soon!)

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McKinsey was paid by the Cartel to flood Washington DC with BS "White Papers" that steered all laws to Kleiner Perkins

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**WANT MORE PROOF? WE CAN
PROVIDE MILLIONS OF PAGES OF
EVIDENCE...BUT... YOU SENATORS**

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HAVE ALREADY SEEN ALL OF IT, ALREADY. FIX THIS NOW! PAY OUR DAMAGES AND SEND US THE APOLOGY LETTER!...



While this recent news item appears to have been authored with a bit of tongue-in-cheek, it fully, and accurately, describes what took place:

“The U.S. Department of Energy (DOE) Corruption and Racketeering Organized Crime Payback Program for Campaign Financiers Calls for More Kick Back Deals

PRESS RELEASE – WASHINGTON, DC- ### The U.S. Department of Energy (DOE) supports campaign financiers, mostly from Silicon Valley, who want to monopolize advanced technology vehicles (ATV) and associated components through its Advanced Technology Vehicle Manufacturing (ATVM) Loan Program administered by the agency's Loan Programs Office (LPO. ATVM is a direct loan program established pursuant to Section 136 of the Energy Independence and Security Act of 2007 so that certain politicians have the biggest slush fund ever created.

Under the ATVM Program, Kleiner Perkin's, and the Silicon Valley Cartel campaign financiers for the Obama, Reid and Feinstein campaigns, who suddenly decide they are automobile manufacturers, or advanced vehicle automobile component manufacturers, are eligible to obtain give-away free direct taxpayer cash, from DOE, for projects that the “SAY” will reequip, expand, or establish manufacturing facilities in the United States that greenwash a load of BS about saying they will produce "ultra-efficient vehicles," passenger automobiles, light duty trucks, or associated components that meet DOE's emission and fuel economy standards for "advanced technology vehicles", When, in fact, they are just using those statements to befuddle taxpayers as a cover-story to get tax credits and kickbacks from the White House.

To date, DOE has funded five of their friend's loans under the ATVM program totalling \$8.4 billion, approximately one third of its \$25 million loan authority. To prove the corruption, DOE kicked out every single applicant that competed with the campaign financiers stock portfolios.

The ATVM Program is not subject to an expiration date, and despite previous Congressional efforts to rescind ATVM's funding, because it is the most corrupt program in the history of America, the program and its remaining \$16.6 billion in loan authority is being actively promoted for new kick-back programs, to pay for Hillary's campaign, by the DOE and LPO leadership and staff. DOE staff feel that “Those Republican pigs tried to shut the DOE scam down, but we, at DOE, said “Screw You” and just kept on doing it because Holder was covering our butts”.

ATVM is pretending to “actively solicit quality applications” from anybody, when in fact they plan to, as usual, reject anybody who is not a campaign financier, or funded by one. Program officials are vocal in promoting the use of DOE's capital for industry scale-up and improvement projects exclusively for their campaign moneybags.

For campaign investors, particularly John Doerr, seeking to expand materials, component, or manufacturing lines, ATVM offers an attractive opportunity for low-interest capital, with less fees than other DOE loan programs, and a precedent for both high-value loans and the program office's willingness to interpret its legislative mandate as broadly as possible (e.g. loans in support of companies beyond

established automakers, such as Tesla and Fisker, clearly prove that 100% of the cash gets kicked back to those who pay for our bosses political campaigns and give our families stock in their Cartel operations). This is the very program that funded the Obama campaign and it will, again be the very program to fund the next President.

*In addition to meeting technology and commercial eligibility criteria, each applicant must be determined, by the White House controlled DOE, to be a favoured campaign financier, without receipt of additional federal scrutiny associated with the proposed project. Specifically, these rigorous terms specify that the principal amount of the loan may not exceed 80 percent of reasonably anticipated total project costs (But we never check), and the term of the loan may not exceed the lesser of the projected life of the proposed project or 25 years, but we always fudge the numbers, and manipulate the applications, with financial hyperbole and bullsh*t, if you are a campaign financier, so you will get in, and your competitors will get sabotaged.*

*Solyndra was one of our biggest corruption disasters. With Vehicle Production Group's and Fisker Automotive's loans auctioned off following defaults, because our partners: Goldman Sachs and Richard Blum had already skimmed their fees off the top, the loans from Ford and Nissan in the process of repayment, and Tesla's loan fraudulently "paid back" (Except they didn't and then we gave Musk billions more to pass back to the White House), ATVM has a pathetic record across its five loan portfolio but a less than 2% default rate by dollar value. We are proud to have created the greatest taxpayer loss in U.S. history by destroying more domestic companies, in the shortest time-span, by spending the largest amount of taxpayer dollars, on kick-backs, than any other agency has ever had the audacity to do. F*cking Issa still hasn't rattled our cage!*

Accordingly, we expect the program to continue to push cash to our payola buddies John Doerr, Elon Musk, Eric Schmidt, Steve Jurvetson and Goldman Sachs, as those are our priorities. Things such as strategic and creditworthy partnerships, on the part of applicants, are never considered if you pay to get Google to steer all the search results to elect Hillary; advanced vehicle technologies in the consumer vehicle category (under 8,500 pounds) rather than fleet or commercial vehicles are not relevant; and a strong focus on electric vehicle technology so that the public won't pay too much attention to our scam (e.g. advanced lithium battery components which we all own the monopoly controlling stock interest in, charging infrastructure, and vehicle lightweighting to offset heavy battery systems).

In March 2015, the Department of Energy announced a conditional commitment for a \$259 million loan to Alcoa Inc because the world's largest metal factory was so broke. They had already spent the money and we owed them so much quid-pro-quo to pay for Obama's bus. The conditional commitment is the first issued by the Department under the ATVM loan program since Secretary Moniz (Known as Steven Chu 2.0) announced a number of oversight reduction improvements to the program in 2014, and is the first step toward issuing a final loan to Alcoa. If finalized, the loan would support the company's Alcoa, Tennessee, manufacturing facility, where the company will produce high-strength aluminium for North American automakers to lightweight their vehicles because Alcoa executives ONLY can afford two private jets apiece. This jet inequality is horrific in a day and age where Eric Schmidt and John Doerr have all the Gulfstreams's, and private NASA airfields we can give them.

Unlike the DOE's Title XVII Loan Guarantee Program, the ATVM Program is not subject to an expiration date, application fees, or excessive diligence (We can just hand out taxpayer cash, to our friends, like it is water) and project negotiation fees. Indeed, with ATVM, the DOE covers both the credit subsidy costs and its own counsel fees because you Silicon Valley types are spending billions on mood manipulation and search engine rigging to make sure our guys get elected). While private financing is not broadly available because the Silicon Valley Cartel controls it, via their Cartel and the NVCA Cartel that they own, and blacklists competitors, and we give DOE cash to our VC buddies at attractive, comparable rates exclusive to Silicon Valley VC's who only get low-interest federal loans, automotive and automotive components; materials for vehicles, engines, batteries, and electronics; and integrated new vehicle technologies remain

challenging to finance at a rate comparable to this program from us. Taken together, these factors make this program the most attractive government Corruption and Racketeering Organized Crime Payback Program financing available in history.

For More Information, Contact Secretary Moniz at the U.S. Department of Energy Headquarters in Washington, DC.”

**OVER ONE MILLION PAGES OF
EVIDENTIAL EVIDENCE DOCUMENTS,
NOW ON FILE WITH FEDERAL COURTS,
STATE AND FEDERAL LAW ENFORCEMENT
AGENCIES AND NATIONAL JOURNALISTS,
PROVE, BEYOND A SHADOW OF A DOUBT,
THAT ORGANIZED CRIME ACTIVITIES
WERE CONDUCTED WITH TAXPAYER
DOLLARS INSIDE OF FEDERAL OFFICES BY
FEDERAL EMPLOYEES**

**WHY POLITICIANS DO REVENGE, RETRIBUTION,
ECONOMIC MURDER AND CHARACTER ASSASSINATION
TO KEEP THEIR KICKBACKS FROM BILLIONAIRES:**

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:

So A Blogger Walks Into A Bar...

By Michael Arrington

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 sources, 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.

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.

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! Nooooo!)

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!

lsterlicht 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.

tpacek 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 tentatively 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.

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 grouching 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.

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

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 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 FISHER 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 Fisher Automotive received to build its high-end, hybrid sports coupe, Fisher Karma — to be manufactured in Finland and sold for \$89,000. Fisher 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 CONNECTION

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.”

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 of their Technology Review and Advisory Committee.
- In October 2009 Florida Power & Electric was awarded \$200 million 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 MiaSolé "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>

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.

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.

<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 entrepreneurs and watching them learn and succeed.

I am honored that entrepreneurs 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 entrepreneurs and we focus our business to help entrepreneurs 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 entrepreneurs build their companies.

The Free Enterprise system is very efficientwhy 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 entrepreneurs 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 know he was uncomfortable with both gatherings....where no one was there to speak up for the interests of the entrepreneurs.

By now you 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 entrepreneurs I invest are...

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

What do you think the entrepreneurs 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 know that will be hard since two of you let your egos take over and show Arrington how important 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 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 how you 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 how he covers so much ground and how he manages to be so responsive and perform so much service for others. When you are with Ron, you know he 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 know Ron 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 grew up 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 allow for 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 know you would also love to be able to continue

to invest in companies beyond their seed round, and you also know this is only ever helpful to your founders.

3) The futility of VCs blocking company sales. We also discussed how pointless it was for VCs to put clauses in deals that would prevent companies from selling and how the 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 how to 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 how the 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 knew they could serve the company better than I could.

I know that 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 know will help. They call in favors to get costs down. They spend political capital to bring in the best hires and they lose sleep brainstorming how to 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 new place 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 knew I 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 know that goes for everyone on this list.

Kopelman bids his kids farewell every few weeks 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 how you may judge his writing style. They know they 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 fellow pioneers in a new way 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.
