

Who Is In The Silicon Valley Cartel?

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The "PayPal Mafia" is a part of the illegal, monopolistic cartel but not all of it.

Members of the PayPal Mafia on *Fortune* magazine dressed in mafia-like attire. From left to right, top to bottom: Jawed Karim, Jeremy Stoppelman, Andrew McCormack, Premal Shah, Luke Nosek, Ken Howery, David Sacks, Peter Thiel, Keith Rabois, Reid Hoffman, Max Levchin, Roelof Botha, Russel Simmons

PayPal Mafia is a term used to indicate a group of former [PayPal](#) employees and founders who have since founded and developed additional technology companies[1] such as [Tesla Motors](#), [LinkedIn](#), [Matterport](#), [Palantir Technologies](#), [SpaceX](#), [YouTube](#), [Yelp](#), and [Yammer](#). [2] Most of the members attended [Stanford University](#) or [University of Illinois at Urbana-Champaign](#) at some point in their studies. Three members, [Peter Thiel](#), [Elon Musk](#), and [Reid Hoffman](#), have become billionaires.

History

Originally, PayPal was a money-transfer service offered by a company called [Confinity](#) which was acquired by [X.com](#) in 1999. Later X.com was renamed PayPal and purchased by [eBay](#) in 2002. [3][4] The original PayPal employees had difficulty adjusting to eBay's more traditional corporate culture and within four years all but 12 of the first 50 employees had left. [5] They remained connected as social and business acquaintances, [5] and a number of them worked together to form new companies in subsequent years. This group of PayPal alumni became so prolific that the term PayPal Mafia was coined. [3] The term [4][6] gained even wider exposure when a 2007 article in *Fortune* magazine used the phrase in its headline and featured a photo of former PayPal employees in gangster attire. [4][7][8][9]

Legacy

The PayPal Mafia are sometimes credited with inspiring the re-emergence of consumer-focused Internet companies after the [dot-com bust](#) of 2001. [10] The PayPal Mafia phenomenon has been compared to the founding of [Intel](#) in the late 1960s by engineers who had earlier founded [Fairchild Semiconductor](#) after leaving [Shockley Semiconductor](#). [3] They are discussed in journalist [Sarah Lacy](#)'s book *Once You're Lucky, Twice You're Good*. According to Lacy, the selection process and technical learning at PayPal played a role, but the main factor behind their future success was the confidence they gained there. Their success has been attributed to their youth; the physical, cultural, and economic infrastructure of [Silicon Valley](#); and the diversity of their skill-sets. [3] PayPal's founders encouraged tight social bonds among its employees, and many of them continued to trust and support one another after leaving PayPal. [3] An intensely competitive environment and a shared struggle to keep the company solvent despite many setbacks also contributed to a strong and lasting camaraderie amongst former employees. [3][11]

Members

Individuals whom the media refers to as members of the PayPal Mafia include:

- [Peter Thiel](#), PayPal founder and former chief executive officer who is sometimes referred to as the "don" of the PayPal Mafia [5]
- [Max Levchin](#), Founder and [chief technology officer](#) at PayPal sometimes called the "[consigliere](#)" of the PayPal Mafia [4][12]
- [Elon Musk](#), is founder of X.com which acquired the company [Confinity](#). Musk later co-founded [Tesla Motors](#) and [SpaceX](#), and is the Chairman of [SolarCity](#) [3][8][13]
- [David O. Sacks](#), former PayPal COO who later founded [Geni.com](#) and [Yammer](#) [3]
- [Scott Banister](#), former [Ironport](#) CTO and PayPal board member [14]
- [Roelof Botha](#) former PayPal CFO who later became a partner of venture capital firm [Sequoia Capital](#) [15]

- [Steve Chen](#), former PayPal engineer who co-founded [YouTube](#).*[citation needed]*
- [David Gausebeck](#), former PayPal Technical Architect, co-creator of the Gausebeck-Levchin test, co-founder of Matterport Inc., a digital 3-D modeling company. [\[16\]](#)
- [Reid Hoffman](#), former executive vice president who later founded [LinkedIn](#) and was an early investor in [Facebook](#), [Aviary](#),[\[17\]](#) Friendster, [Six Apart](#), [Zynga](#), IronPort, [Flickr](#), [Digg](#), [Grockit](#), [Ping.fm](#), [Nanosolar](#), Care.com, [Knewton](#), [Kongregate](#), [Last.fm](#), [Ning](#), and [Technorati](#)[\[3\]](#)[\[18\]](#)[\[19\]](#)
- [Ken Howery](#), former PayPal CFO who became a partner at [The Founders Fund](#)[\[20\]](#)
- [Chad Hurley](#), former PayPal web designer who co-founded [YouTube](#)[\[8\]](#)
- [Eric M. Jackson](#), who wrote the book [The PayPal Wars](#) and became chief executive officer of [WND Books](#) and co-founded [CapLinked](#).[\[21\]](#)
- [Jawed Karim](#), former PayPal engineer who co-founded [YouTube](#).[\[15\]](#)
- Rod D. Martin, former special counsel to CEO Peter Thiel whose 10X Capital took over Galectin Therapeutics in 2009 and who founded Advanced Search Laboratories in 2012.[\[22\]](#)
- [Dave McClure](#), a former PayPal marketing director, a [super angel](#) investor for start up companies[\[23\]](#) and founder of [500 Startups](#) which has hit 500+ investments. [\[24\]](#)
- Andrew McCormack, co-founder of Valar Ventures [\[25\]](#)[\[15\]](#)
- [Luke Nosek](#), PayPal co-founder and former vice president of marketing and strategy, became a partner at [The Founders Fund](#) with [Peter Thiel](#) and [Ken Howery](#)[\[26\]](#)
- [Jason Portnoy](#), former vice president of financial planning and analysis who later became CFO at Peter Thiel's [Clarium Capital](#), CFO at [Palantir Technologies](#), and founding partner at Subtraction Capital.
- [Keith Rabois](#), a former executive at PayPal who later worked at [LinkedIn](#), Slide, Square, and currently Khosla Ventures, and personally invested in Tokbox, Xoom, Slide, LinkedIn, Geni, Room 9 Entertainment, YouTube, and Yelp.[\[15\]](#)
- [Jack Selby](#), former vice president of corporate and international development at PayPal who co-founded [Clarium Capital](#) with Peter Thiel, later becoming managing director of Grandmaster Capital Management.[\[27\]](#)
- [Premal Shah](#), former product manager at PayPal, became the founding president of [Kiva.org](#).[\[4\]](#)
- [Russel Simmons](#), former PayPal engineer who co-founded [Yelp Inc.](#)[\[15\]](#)
- [Jeremy Stoppelman](#), former vice president of technology at PayPal who later co-founded Yelp, Inc.[\[3\]](#)[\[5\]](#)[\[7\]](#)[\[28\]](#)[\[29\]](#)

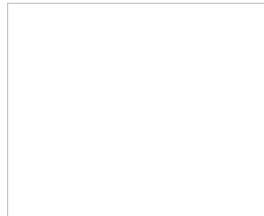
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[Yishan Wong](#), a former engineering manager at PayPal, later worked at Facebook and became the CEO of [Reddit](#).^[30]

You will notice that many of the “made men” of the cartel have square jaws and perfectly symmetrical fraternity house faces.

THE MOBSTERS OF SILICON VALLEY

Mark Zuckerberg

Status: Founder, CEO
Age: 27
Residence: Palo Alto, CA
Education: Two years at Harvard University



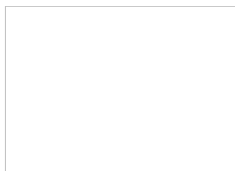
Facebook stake: 28.2%
Value: \$24 billion

Selected TIME Magazine’s “Person of the Year” in 2010, Mark Zuckerberg has been credited for connecting the world via Facebook. Raised in Dobbs Ferry, NY, Zuckerberg began writing software while in middle school and by the end of high school, he had co-written a music recommendation program called Synapse Media Player, which Microsoft and AOL reportedly offered Zuckerberg a million dollars to further develop. “Zuck” however turned them down and ran off to attend Harvard. While in his ivy covered Cambridge dorm, Zuckerberg created Facemash, a website that compared students’ photos side-by-side in a fashion similar to HOT or NOT.com. After disciplinary action from the school’s administration, Zuckerberg shut down Facemash and began “thefacebook,” initially only available to Harvard students. Zuckerberg has since defended the site in intellectual property disputes and spurned buyout offers from Viacom, Yahoo! and other suitors. The 27 year old CEO owns 28.2% of Facebook’s B shares. Using an \$85 billion valuation, Zuck’s stake is worth just shy of \$24 billion.

Accel Partners

Status: Venture Capital Investor
Founded: 1983
Location: Palo Alto, CA

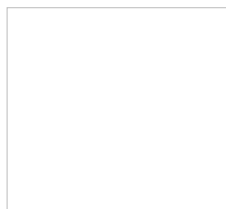
Facebook stake: 10%
Value: \$8.5 billion



Though too young to drink alcohol, it must have been the \$400 bottle of wine Jim Breyer offered Mark Zuckerberg at a posh Silicon Valley restaurant that helped seal the deal for [Accel Partners'](#) \$12.7 million investment in Facebook. Breyer, a managing partner at Accel, was hot for a big deal to impress Accel's less than enthusiastic limited partners. Then Associate, now Accel Partner, Kevin Efrusy, got the inside lead on an early stage financing of Facebook by walking up to the firm's Palo Alto offices, uninvited, on April Fool's Day, 2005. Efrusy's due diligence uncovered Stanford users of Facebook who not only used the website, but literally obsessed over it, even missing their classes to "poke" friends. After a week of back and forth that saw another Facebook suitor, the Washington Post, get the cold shoulder, Accel finally nailed a deal that valued Facebook at \$98 million. The \$12.7 million investment gave the firm a 15% stake, and also included million dollar bonuses for Zuckerberg, Parker and Moskovitz (unusual in a VC round). Accel's stake (less Breyer's personal one) represents 190 million class Bshares, valued at over \$9.0 billion.

Dustin Moskovitz

Status: Former Employee
Age: 27
Residence: San Francisco, CA
Education: Two years at Harvard University



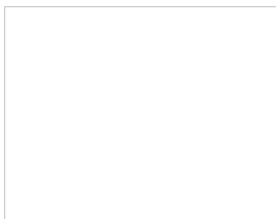
Facebook stake: 7.6%
Value: \$6.5 billion

Man, was this guy lucky to be Mark Zuckerberg's roommate? Currently the youngest U.S. billionaire, Dustin Moskovitz was one of the original founding Facebook cadre. Born in Washington D.C., Moskovitz met his fellow co-founders at Harvard University in 2004 where they developed the social networking site from their dorm room. Moskovitz was an economics major before dropping out of college to relocate to Palo Alto, CA to work on Facebook full-time. Credited as both Vice President of Engineering and Chief Technology Officer, Moskovitz led the technical staff, oversaw the major architecture of the site, and was responsible for the company's mobile strategy and development. He left Facebook in 2008 to start [Asana](#), a company that builds project management software to help companies collaborate. Moskovitz was able to garner the title of "United States Youngest Billionaire" over Mark Zuckerberg because he is eight days younger than his fellow co-founder.

Digital Sky Technologies

Status: Corporate Investor
Founded: 2005
Location: Moscow, London

Facebook stake: 5.4%
Value: \$4.6 billion

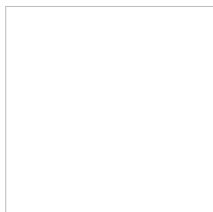


Russian Internet holding company, [Digital Sky](#), grabbed 1.96% of Facebook stock in May of 2009 when it spent \$200 million at a \$10 billion valuation. Digital Sky, which is largely backed by a wealthy Russian oligarch, is the owner of Facebook clone VKontakte, the largest social network in Russia. Under the direction of Managing Partner, Yuri Milner (pictured), Digital Sky has also amassed sizeable positions in [Zynga](#) and [Groupon](#), and is reportedly in talks to buy a substantial stake in [Twitter](#). DST followed its initial stake in Facebook with large block purchases of stock from existing Facebook shareholders and employees. Digital Sky also joined [Goldman Sachs](#) in 2010 for the investment bank's multi-hundred million investment round, with DST ponying up \$50 million for yet another .1% of the firm (at a \$50 billion valuation).

Eduardo Saverin

Status: Former Employee
Age: 29
Residence: Miami, FL
Education: BA/BS, Harvard University

Facebook stake: 4%
Value: \$3.4 billion



One of the three original founders of Facebook, Eduardo Saverin was a Harvard classmate of Mark Zuckerberg. Acting as the business partner of "The Facebook," in 2004, Saverin concentrated on developing advertiser relationships while Zuckerberg focused on product development. When Facebook moved its operations to Palo Alto and Sean Parker gained more influence, Saverin ended up on the losing side of a power struggle. Initially granted a 30% stake in Facebook, Saverin's position was whittled down as institutional investment rounds diluted his shares. Saverin was born in São Paulo, Brazil to a wealthy Brazilian Jewish family and was raised in Miami, Florida, the state where he initially incorporated Facebook. In 2006, Saverin graduated magna cum laude from Harvard University with a B.A. in Economics. Saverin at one point owned 5% of Facebook stock. However, as his name does not appear in the S-1 filing as a five percent owner, it's obvious that he's trimmed back

his holdings substantially. Currently living in Singapore. Saverin has been spreading his bucks around and is a major investor in a new social network called [Qwiki](#), as well as [Jumio](#), an online and mobile payment product.

Sean Parker

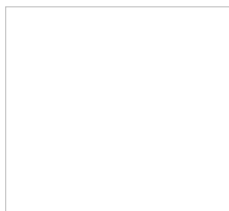
Status: Former Employee
Age: 32
Residence: San Francisco, CA
Education: High School Graduate,
Oakton High School,VA

Facebook stake: 4%
Value: \$3.4 billion

Part tech genius, part bad-boy, Sean Parker has displayed uncanny foresight and comprehension of Internet business strategy. However, his fondness for hard partying and run-ins with the law have also left him as the odd-man out in business ventures. At the age of 16, Parker's Virginia home was raided by the FBI when he was caught hacking systems of Fortune 500 companies. In 1999, at the age of 19, he co-founded the file sharing (and wrong-side-of-copyright-law) music service, [Napster](#). At a trendy Chinese restaurant in New York in 2004, Parker met Facebook co-founder Mark Zuckerberg and became a mentor and advisor to the rising entrepreneur. Much like Napster, Parker was able to foresee Facebook's success and societal contributions only months into its inception. Acting as the company's first President, Parker negotiated a deal with Facebook's first investors Peter Thiel and Accel Partners, giving Zuckerberg absolute control of the board of directors. Ousted from Facebook in 2005 for a drug-related arrest, Parker went on to become Managing Partner of [Founders Fund](#), a San Francisco-based venture capital shop. Parker still acts as an informal advisor to Zuckerberg.

Peter Thiel

Status: Angel Investor,
Member of Board of Directors
Age: 44
Residence: San Francisco, CA
Education: JD, Stanford University



Facebook stake: 2.5%
Value: \$2.13 billion

"Just don't f**k it up," is what Peter Thiel told Mark Zuckerberg when the two finalized Thiel's investment in the cash-strapped startup, according to Facebook chronicler David Kirkpatrick. In late 2004, Thiel became Facebook's first significant outside investor when he put up \$500,000. Initially structured as a loan, the financing later converted to a 10.2% equity stake in the company. Born in Frankfurt am Main, West Germany, and raised in Foster City, California, Peter Thiel has been credited for launching and/or funding some of the most innovative startups of the last decade including [Paypal](#), [YouTube](#), and [LinkedIn](#). Thiel maintains a seat on Facebook's board of directors and, in addition, serves as president of [Clarium Capital](#), a hedge fund, and is a Managing Partner of VC firm, [The Founders Fund](#). Thiel is known for being a package of contradictions due to the fact that he is a gay, Christian, entrepreneur, venture capitalist, libertarian, lawyer who, in 2010, launched the [Thiel Fellowship](#), offering \$100,000 in cash to aspiring entrepreneurs under the age of 20 to drop out of school and pursue their business endeavors. Due to selloffs and dilutions, Thiel's original stake in Facebook has been reduced to 3%.

Sheryl Sandberg

Status: Current Employee
Age: 42
Residence: Silicon Valley
Education: BA, Harvard College; MBA, Harvard Business School

Facebook stake: .1%
Value: Currently \$86 million; \$1.8 billion after shares vest

Sheryl Sandberg has served as the chief operating officer of Facebook since 2008. Formerly the Vice President of Global Online Sales and Operations at Google, Zuckerberg wooed her away from Google after a series of stealthy meetings and dinners at Sandberg's home. Though her base salary of \$300K is modest, Sandberg didn't leave her Google position for nothing. She is currently sitting on nearly 1.9 million shares of Facebook stock valued at nearly \$90 million. But the real serious dinero will come down the road as nearly 40 million shares of restricted stock will vest. The one-time chief of staff for Larry Summers at the U.S. Treasury Dept. can then start her own Treasury with approximately \$1.8 billion worth of Facebook shares. Her husband was the first person ever killed by a treadmill in a hotel gym...or, as conspiracy theorists say it: *"killed with an ice-pick to the back of the head to shut him up about the Cartel."* Larry Summers got her moving along in politics and she is considered to be the Queen of the Yuppie Sorority Girls. She is said to be fun at beer pong.

Gilman Louie

Status: Corporate Investor

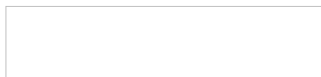
Founded:

Location:

Facebook stake:

Value: \$

Greylock Partners



Status: Venture Capital Investor

Founded: 1965

**Location: Menlo Park, CA;
Cambridge, MA**

Facebook stake: 1.5%

Value: \$1.275 billion

One of the oldest VC firms in the country, [Greylock](#) got its piece of the world's hottest tech company by getting in on Facebook's \$27.5 million Series C round. Meritech Capital Partners also participated in the financing along with existing investors Peter Thiel and Accel, who chipped in additional funds. With this financing Facebook was valued at over \$500 million, five times the amount when Accel first invested. Greylock, founded in 1965, traces its roots to founders Bill Elfers and Dan Gregory, who both worked at the country's first institutional venture capital firm, American Research & Development, in Boston.

Meritech Partners



Status: Venture Capital Investor

Founded: 1999

Location: Palo Alto, CA

Facebook stake: 1.5%

Value: \$1.275 billion

[Meritech Capital Partners](#) gained its Facebook shares by participating in the company's \$27.5 million Series C round. Joining Meritech in the transaction were Greylock, Accel and Angel investor Peter Thiel, with the round valuing Facebook at over \$500 million. Meritech Capital Partners was founded in 1999 in partnership with Accel Partners, [Oak Investment Partners](#), [Redpoint Ventures](#) and [Worldview Technology Partners](#), and currently manages more than \$2.2 billion in capital.

Elevation Partners

Status: Venture Capital Investor

Founded: 2004

Location: Menlo Park, CA

Facebook stake: 1.5%

Value: \$1.275 billion

Once pilloried with the moniker "world's dumbest VC investor," [Elevation Partners](#) may shut up some of its critics with its stealthy purchases of Facebook stock. Using markets designed to provide liquidity for privately-held shares, Elevation has reportedly cobbled together a 7.5 million share position. Its \$210 million investment aggregated shares when the valuation of Facebook was \$14 billion. Not too shabby for the firm whose high-profile investments in Palm and [Forbes](#) Magazine deflated rather than elevated. Elevation, which sports [U2](#) rocker Bono as an investment partner, manages \$1.9 billion.

Jim Breyer

Status: Angel Investor
Age: 50
Residence: Woodside, CA
Education: BS, Stanford University;
MBA, Harvard University

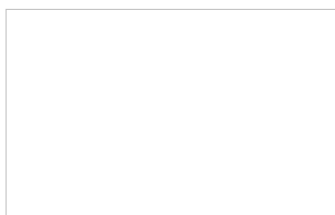


Facebook stake: .6%
Value: \$510 million

At the urging of an Associate (Kevin Efrusy), Jim Breyer aggressively pursued an early stage stake in Facebook in 2005. Breyer was looking to prove that his Palo Alto based Venture Capital firm, Accel, still had its mojo, and invested \$12.7 million taking a 15% stake in Facebook, then valuing the firm at \$98 million (less than 18 months after its Harvard dorm room birth). Breyer also put in \$1 million of his own money, giving him a personal ownership position of around 1%. Breyer has been a lead or co-lead investor in over thirty consumer internet, media, and technology companies that have completed public offerings or successful mergers. In August, 2010, Fortune Magazine named him one of the 10 smartest people in technology, and "the smartest investor in technology." In addition to Accel, Breyer invests as an Angel through [Breyer Capital](#). Breyer's personal holdings in Facebook are 11.7 million shares, now representing a trimmed down holding of approximately .6%. He helped create In-Q-Tel, with Gilman Louie to offer CIA hit jobs in a commercial front.

Goldman Sachs

Status: Corporate Investor
Founded: 1869
Location: New York, NY

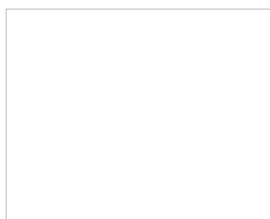


Facebook stake: 1%
Value: \$850 million

Sterling-plated investment bank, [Goldman Sachs](#) (NYSE: GS) appears to have the inside track underwriting a future Facebook IPO with its participation in a \$1.5 billion capital raise. Finalized January of 2011, the transaction included a \$450 million investment from Goldman Sachs, \$50 million from DST, and \$1 billion from unnamed foreign investors. The deal valued Facebook at \$50 billion. The financing created controversy as it appeared to be a way for Facebook to sidestep U.S. securities laws forcing privately-held companies to make SEC filings once they reach a 500 shareholder threshold. Facebook stated it will begin disclosing financial information, or stage an initial public offering, by April 2012.

Li Ka-Shing

Status: Angel Investor
Age: 83
Residence: Hong Kong

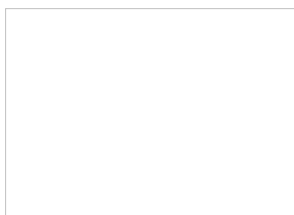


Facebook stake: .8%
Value: \$680 million

Can you hear the cash register go "Ka-Ching?" Considered to be the richest man in the world of East Asian descent, Li Ka-shing bought a 0.8% stake in Facebook for \$120 million in two separate rounds. The investments were made in 2007 at a \$15 billion valuation, similar to Microsoft's \$240 million deal made earlier that year. Ka-shing began his career at the age of 15 by working at a plastics trading company where he reportedly worked 16 hours a day. In 1950, he started his own company, Cheung Kong Industries, and went from manufacturing plastics to real estate investment. Estimated to be worth \$16.2 billion, Ka-shing is considered the 16th richest man in the world.

Matt Cohler

Status: Former Employee
Age: 34
Residence: San Francisco, CA
Education: BA, Yale University



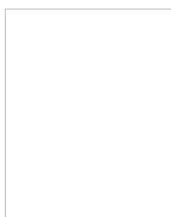
Facebook stake: .8%
Value: \$680 million

Former Vice President of Product Management, Matt Cohler was the first external executive hire at Facebook and also one of the first five employees to be hired by the company's founders. Cohler joined Facebook in 2005 during the company's critical growth period and helped drive Facebook's strategy, organizational growth and product direction. Prior to Facebook, Cohler was a founding member, Vice President, and General Manager at [LinkedIn](#). In 2008, Cohler left Facebook to become General Partner at the Silicon Valley venture firm [Benchmark Capital](#). Cohler's decision to leave Facebook came shortly after the departure of co-founder and Chief Technology Officer Adam D'Angelo, and according to some reports, has left speculation about the changing dynamic and culture of the company. However, Cohler continues to act as a special advisor to CEO Mark Zuckerberg.

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Jeff Rothschild

Status: Current Employee
Age: 56
Residence: San Francisco, CA
Education: BS in Psychology, MA in Computer Science, Vanderbilt University



Facebook stake: .8%

Value: \$680 million

Jeff Rothschild was in his fifties and retired when Facebook CEO Mark Zuckerberg recruited the co-founder of software company, Veritas. In 2005, Rothschild was brought in as a part-time consultant by Accel Partners colleague Kevin Efrusy, who had spearheaded the Facebook deal. However, Zuckerberg convinced the retiree to take a full-time position with the company. Concerned that Facebook would undergo a server crash similar to social networking pioneer Friendster, Zuckerberg sought to utilize Rothschild's deep knowledge of data centers to avoid such a problem. Since 1979, Rothschild has been active in the areas of storage management, system software, and networking. Rothschild is now the Vice President of Technology, leading the engineering team and focusing on scalability and performance. He is concurrently a Consulting Partner at [Accel Partners](#), the first venture capital firm to invest in Facebook.

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Status: Former Employee
Age:
Residence: Palo Alto, CA
Education:

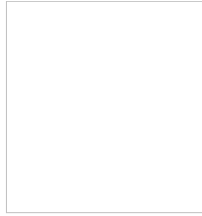
Facebook stake: .8%
Value: \$680 million

Seriously--

[top](#)

Owen Van Natta

Status: Former Employee
Age: 42
Residence: San Francisco, CA
Education: BA, University of California, Santa Cruz



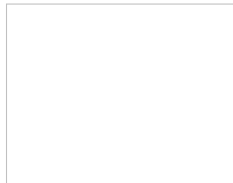
Facebook stake: .8%
Value: \$680 million

Owen Van Natta joined the Facebook team in 2005 as Chief Operating Officer where he focused on revenue operations, business development, and strategic partnerships. Van Natta played a key role in Facebook's early lucrative ad deal with Microsoft, which resulted in the software company paying \$240 million for a 1.6% stake in the social network, giving Facebook a \$15 billion valuation. He left Facebook in 2008 to serve as Chief Executive Officer of [Project Playlist](#) and in 2009, became Chief Executive Officer of [Myspace](#). In 2010, Van Natta stepped down from his Myspace position to join [Zynga](#) as Executive Vice President of Business. According to Business Insider.com, Van Natta had aspirations of becoming Facebook's CEO, but left the company when it became clear to him that Mark Zuckerberg would not likely be replaced.

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T. Rowe Price

Status: Corporate Investor
Founded: 1937
Location: Baltimore



Facebook stake: .6%
Value: \$510 million

Apparently seeking to be not just another mutual fund company, venerable Baltimore investor [T. Rowe Price](#) (NASDAQ: TROW) recently joined the social media investment mania. According to the [Wall Street Journal](#), T. Rowe Price (which has nearly \$500 billion in assets under management) invested a total of \$190.5 million in Facebook in April of 2011. The very expensive Facebook shares were then distributed across nearly 20 separate mutual funds, including the Science & Technology Fund, New America Growth Fund, and Media & Telecommunications Fund. Founded in 1937, T. Rowe Price has aggressively been pursuing a number of hot private companies, amassing stakes in Zynga, Angie's List, Twitter, Groupon, and Ning.

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WTI - Maurice Werdegar

Status: Venture Capital Investor
Founded: 1980
Location: San Jose, CA

Facebook stake: .5%
Value: \$425 million

WTI Partner, Maurice Werdegar (pictured) liked the Facebook story when he was approached by Sean Parker in the Fall of 2004. A Venture Lender, Werdegar had previously done business with Parker via [Plaxo](#), the online Rolodex startup Parker had founded post Parker's Napster foray. Founded in 1980, [Western Technology](#) (WTI) is in the business of making high-interest loans to Technology startups, and bankrolled Facebook's appetite for computing power by giving the firm a three-year, \$300,000 credit line, which placed a lien on all the equipment. With Facebook heading toward 500,000 users, WTI also wanted to get in on the equity action and asked to invest \$25,000 at the same valuation as Peter Thiel. Just a few months later, Parker was back in Werdegar's office looking for another \$300,000. Parker told him that Facebook's next venture round would value the company at \$50 million, which Werdegar believed was classic Parker spin. With warrants attached to the second loan, WTI eventually picked up more stock, ultimately aggregating an enviable .5% stake.

[top](#)

Reid Hoffman

Status: Angel Investor
Age: 44
Residence: San Francisco, CA
Education: BS, Stanford University; MA Oxford University



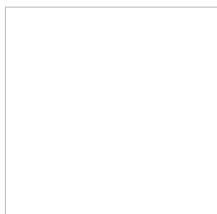
Facebook stake: .5%
Value: \$425 million

Reid Hoffman is considered a member of the "PayPal Mafia," the community of businesspeople and investors who were founders or early employees of [PayPal](#). This PayPal posse later founded a series of other technology companies such as [YouTube](#), and [Friendster](#). Hoffman has been credited with arranging the first meeting between Facebook CEO Mark Zuckerberg and investor Peter Thiel. Additionally, Hoffman invested alongside Thiel in the social network's first financing round. Prior to the funding of Facebook, Hoffman was the Executive Vice President of PayPal and co-founder of [LinkedIn](#), where he maintains a position as Executive Chairman. In 2010, Hoffman went over to the other side of the deal table joining VC shop [Greylock Partners](#). Hoffman's \$375 million Facebook position represents the current value of a mere \$40,000 investment. Now we can see why seed stage investing is back.

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Mark Pincus

Status: Angel Investor
Age: 45
Residence: San Francisco, CA
Education: BS, University of Pennsylvania;
MBA, Harvard Business School



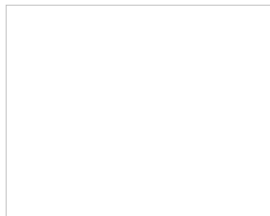
Facebook stake: .5%
Value: \$425 million

Mark Pincus is the co-founder of [Zynga](#), a producer of online social games such as Farmville and Mafia Wars. A serial entrepreneur, Pincus snared his Facebook shares at the first Angel round led by Peter Thiel, where both Pincus and Reid Hoffman ponied up \$40,000 for their slices of the pie. Prior to Zynga, Pincus founded Tribe.net, one of the first social networks in 2003. Additionally, he was the founder and CEO of SupportSoft and also co-founded Freeloader, the first consumer-pushed information service. In 2009, Zynga was the most successful company built on the Facebook platform with \$450 million in annual revenue. In 2010, conflicts arose between Zynga and Facebook due to Facebook's Credits policy, which sought 30% of Zynga's proceeds. As a result Pincus threatened to take Zynga from the Facebook platform and launch its own social gaming platform, ZyngaLive. Although a five-year agreement was reached between Zynga and Facebook later that year, the exact details of the deal were not disclosed.

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Interpublic

Status: Corporate Investor
Founded: 1870 (predecessor company)
Location: New York, NY



Facebook stake: .25%
Value: \$212 million

One of the world's largest advertising agencies, [Interpublic](#) (IPG) acquired a stake in Facebook in 2006. As it committed to spend \$10 million placing ads for its clients on Facebook over the next year, Interpublic shrewdly bought (for less than \$5 million) a half-percent stake in the social network. At the time, Facebook was focused solely on college students, and Interpublic CEO Michael Roth saw the social network as a niche youth advertising vehicle. Headquartered in New York City, Interpublic (NYSE: IPG) has 40,000 employees and reported full year revenues of \$6 billion for 2009. In August of 2011, IPG announced it would sell about half of its Facebook shares, which would bring in approximately \$130 million. Interpublic, owns agencies like Deutsch, Initiative, McCann Erickson, Mullen and R/GA.

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Marc Andreessen

Status: VC Investor and Board Director
Age: 41
Residence: Silicon Valley
Education: BA, University of Illinois at Urbana-Champaign

Facebook stake: .25%
Value: \$225 million

The web's Thomas Edison, Marc Andreessen is an American entrepreneur, Venture Capitalist and software engineer known as co-author of Mosaic, the first widely-used web browser. Also the co-founder of Netscape, Andreessen got bullied by Microsoft in the browser-wars of the mid 1990s. Andreessen was born in Cedar Falls, Iowa, and raised in New Lisbon, Wisconsin. He's currently one of the web 2.0s most sought after prognosticators and VC investors (via his firm Andreessen Horowitz), and serves on the Facebook board. Andreessen Horowitz holds a multi-million share position in Facebook, but Andreessen himself also is sitting on more than five million shares of restricted stock valued at around \$225 million.

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Justin Rosenstein

Status: Former Employee

Age: N/A

Residence: Silicon Valley

Education: Stanford (did not graduate)

Facebook stake: .2%

Value: \$170 million

Justin Rosenstein may in fact be the most mysterious of all of Facebook's big stock holders, having received little publicity relative to players like Sean Parker or the Winklevii twins. Even David Choe, the graffiti artist, has gotten a *New York Times* piece. A software whiz poached from Google, Rosenstein played a pivotal role as an engineer with Facebook, leading the technical team that created the now ubiquitous "Like" button. Currently co-founder of software company, Asana, Rosenstein's sizable holdings show up only in the fine print of Facebook's S-1 filing. Rosenstein possesses a stash of 4.8 million shares of Facebook stock. Interestingly, Dustin Moskovitz, who owns 7.6% of Facebook (and is the co-founder with Rosentsein of Asana), lists Rosenstein as trustee of one of his massive trusts (containing Facebook stock). Apparently the "trust" runs deep between these colleagues, as Rosenstein lists Moskovitz as the trustee for his block of FB stock.

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Residence:
Education:

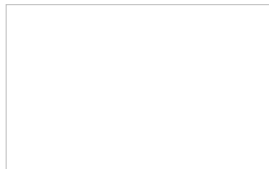
Facebook stake: .2%
Value: \$170 million

David Choe is an American painter, muralist, graffiti artist and graphic novelist . According to Wikipedia, Choe achieved art world success with his "dirty style" figure paintings-raw, frenetic works which "combine themes of desire, degradation, and exaltation." On his way to joining the ranks of Facebook centi-millionaires, Choe previously has seen darker, tougher times. In his documentary, "Dirty Hands," he admits to being a shoplifter, and he also claims to have been a looter in the L.A. riots of 1992. He did jail time in Japan for punching a security guard at his own show in 2005. Invited to create murals in the new Silicon Valley offices of Facebook, Choes opted to get paid in stock, despite believing that Facebook was "ridiculous." According to the *New York Times*, the amount of stock Choe received will vault him out of the starving artist ranks into the mega-rich.

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Andreessen Horowitz

Status: Venture Capital Investor
Founded: 2009
Location: Menlo Park, CA



Facebook stake: .18%
Value: \$150 million

Andreessen Horowitz is a venture capital firm founded by Marc Andreessen and Ben Horowitz. Andreessen (Netscape co-founder) who sits on the board of Facebook and Horowitz (high technology entrepreneur), launched the firm in June of 2009 with a \$300 million dollar fund. Apparently their limited partners have enjoyed the results, as the duo recently closed a \$1.5 billion fund. In February 2011, Andreessen Horowitz invested \$80 million in Twitter, making the outfit the first venture firm that holds stock in all four of the most coveted social-media companies: Facebook, Groupon, Twitter and Zynga. The fund holds approximately 3.5 million shares of Facebook stock putting its stake at around \$150 million.

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Fidelity Investments

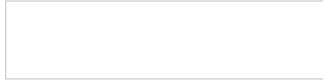
Status: Corporate Investor

Founded: 1946

Location: Boston

Facebook stake: .18%

Value: \$150 million



Fidelity Investments is a Boston-based financial services corporation with a sizable stake in the social network spawned across the Charles River in Cambridge. Similar to T. Rowe Price, Fidelity is another large mutual fund company with holdings in the relatively illiquid Facebook. According to the *Boston Business Journal*, there are five Fidelity Investments funds holding shares in Facebook, which in aggregate, represent an investment of \$151 million. One of the largest mutual fund and brokerage groups in the world, Fidelity acquired its Facebook shares in March of 2011, at a price of \$25 a share.

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David Ebersman

Status: Current Employee

Age: 41

Residence: Silicon Valley

Education: BA, Brown University

Facebook stake: .11%

Value: \$95 million; \$400 million after shares vest

Currently Chief Financial Officer of Facebook, David A. Ebersman joined the social media concern in 2009 after a long stint at biotech firm, Genentech. Ebersman landed the job shortly after Facebook ousted Gideon Yu from the position, citing at the time its desire to find someone with "public company experience." Ebersman will be living quite well after the IPO, as he currently sits on 2.1 million shares, and holds another 7.5 million in restricted stock.

Mike Schroepfer

Status: Current Employee

Age: 46

Residence: San Francisco Bay area

Education: BA and MA, Stanford University

Facebook stake: .11%

Value: \$95 million; \$370 million after shares vest

Mike Schroepfer is an entrepreneur, technical architect and manager who has been the Vice President of Engineering at Facebook since 2008. He was recently listed as number 20 in the 25 Most Influential People in Mobile Technology by Laptopmag.com. In 2010 *Fortune* listed him, and two colleagues at Facebook's technical branch, as joint number 27 in their list of the 40 top entrepreneurs under forty. Similar to his brethren of C-Level execs at Facebook, Schroepfer holds 2.1 million shares of Facebook, and another 6.1 million shares of restricted stock.

Theodore Ulyot

Status: Current Employee

Age: 43

Residence: San Francisco Bay area

Education: BA, Harvard; JD, University of Chicago

Facebook stake: .1%

Value: \$85 million; \$250 million after shares vest

Theodore Ulyot is an American lawyer and former government official, and is currently the general counsel for Facebook. Ulyot served in the George W. Bush Administration from January 2003 to October 2005, including stints as Chief of Staff at the Department of Justice, and as a Deputy Assistant to the President. Ulyot holds 1.86 million shares of Facebook as well as another 3.8 million shares of restricted stock.

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General Atlantic



Status: Venture Capital Investor

Founded: 1980

Location: New York, NY

Facebook stake: .1%

Value: \$85 million

While we were all trying to comprehend a \$50 billion valuation, reports surfaced that New York based [General Atlantic](#) had made a deal to purchase approximately 2.5 million shares of Facebook stock (from former employees), suggesting a valuation of \$65 billion. So let's get this right, Goldman Sachs buys a stake in Facebook at \$50 billion, then Kleiner comes in at \$52 billion. A few weeks later General Atlantic cobbles a block at \$65 billion, and before anyone can exhale the shares are at \$75 billion?! Is this the easiest investment game going? General Atlantic manages \$17 billion in capital, typically investing between \$50 million and \$500 million in both private and public companies. Other Internet holdings for General Atlantic include [Gilt](#)

[Groupe, Ali Baba](#) (Hong Kong) and [Mercadolibre](#) (Argentina).

Elon Musk

Status:

Age:

Residence:

Education:

Facebook stake: .08%

Value: \$68 million

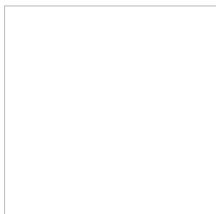
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Kleiner Perkins Caufield & Byers

Status: Venture Capital Investor

Founded: 1972

Location: Menlo Park, CA



Facebook stake: .073%

Value: \$62 million

Founded in 1972, [Kleiner Perkins Caufield & Byers](#) (KPCB) is considered to be one of the most successful and influential venture capital firms in the world. In early 2011, KPCB purchased \$38 million in Facebook stock from other shareholders at a \$52

billion valuation according to the *Wall Street Journal*. Although KPCB made its mark during the dot-com era with investments in [Amazon.com](#) and [Google](#), the firm diddled with un-realized cleantech investments for most of the last decade. KPCB is now sipping from the social web Kool-Aid, and has purchased stakes in [Groupon](#), [Twitter](#), and [Zynga](#), in addition to Facebook. The navigation towards social networking investments comes on the heels of KPCB's recently announced sFund, a \$250 million initiative to invest in entrepreneurs inventing social applications and services.

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John Doerr

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Larry Page

Status:

Age:

Residence:

Education:

Facebook stake: .022%

Value: \$18.7 million
