Adult Ed

The Jewish Dot Com Entrepreneurs

(Or "Jews on the Internet Part II)

Usually, I begin classes by talking about why the topic being discussed should matter to you. In the past 30 years, give or take, we have seen a revolution in how we communicate, in how we learn, in how we interact socially and in how we conduct business. I am of course referring to the Internet. Many Jews have been on the forefront of this technology revolution. The creators of Google, Facebook, Buy.com, PayPal and many other internet businesses are Jewish. I offer that the success of these Jewish entrepreneurs is out of proportion to the numbers of Jews as an ethnic group and is due, at least in part, to contemporary American Jewish culture. I believe this topic speaks to who we are, to what being Jewish, and most especially culturally Jewish, means in the modern world. We'll look at how these entrepreneurs became successful, what qualities they share in common and what they have done after achieving success.

Jews have also been drawn to certain occupations, either because of circumstance or because of some factor in our culture. Examples abound through history. In 1488, Vasco de Gama opens up a route between Portugal and India, facilitating a trade in diamonds. Portuguese Sephardic Jews open up diamond cutting houses. When these Jews are forced to flee because of the Inquisition, they take their skills with them to Antwerp in Belgium. Antwerp will later become a center of Hasidic Judaism. In the late 1800's Hasidic families pool their resources to buy diamonds. In the modern era, 500 years after the first Jewish diamond houses open up, Jews in general, and Hasidic Jews in particular, are a dominant force in the diamond industry[1].

During the Middle Ages, Christians were forbidden from charging interest for loans. Without interest, there is no incentive to make the loans. The Jews of Europe, exempted from the usury laws, step in to fill the need[2]. A thousand years later, there are still banking houses run by Jewish families like the Schiffs, the Loebs, the Seligmans, the Lehman brothers and, of course, the Rothchilds[3].

Since the Diaspora, Jews have dominated medical science. During the Middle Ages, basically all the chief physicians for the rulers of Europe were Jews. Although Jews composed less than 1% of the population, more than half the physicians of medieval Europe were Jewish and a much higher percentage of the top positions, those serving the royal courts, were Jewish. Even countries that had expelled their Jewish populations would admit Jewish physicians.[4]

In the cases of the diamond trade and banking, it was an external circumstance that initially led Jews into these fields; but subsequently Jewish participation in these occupations becomes reinforced culturally. This cultural reinforcement plays a key part in the continued participation in these occupations. The diamond business is good; banking is good; medicine is even better. Crime however, was not so good in Jewish culture. In my paper on the Jewish gangsters of the early twentieth century, we saw how Jews initially formed gangs as a response to the ghettoes in

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[1] http://www.allaboutgemstones.com/diamond_trade_history.html
[2] http://en.wikipedia.org/wiki/Loans_and_interest_in_Judaism#In_rabbinical_literature_of_the_Middle_Ages
[3] http://www.raken.com/american_wealth/bankers_gilded_age/Bankers_index3.asp
[4] http://www.jinfo.org/Biomedical_Research.html

which they found themselves, first in Europe and then in America; and to protect themselves from the predations of the Irish and Italian gangs on the Lower East Side. During this time the Jewish criminal was tolerated, although often denied. But as success was achieved in America, the gangs would be condemned by the culture of the American Jewish community and would begin to wither away by the 1950s. This did not happen with other ethnic gangs whose cultures were more accepting of criminal enterprise.

The attraction of other occupations for Jews and the success that they find in these occupations is harder to explain. When we discussed the *Men Who Made the Atomic Bomb*, we talked about how so many of the scientists of that time were Jewish. That only tells part of the story. 25% of all Nobel Prize winners in physics are Jewish; 48% of the winners of the Wolf Prize in physics are Jewish; 28% of the Max Planck Medaille; 52% of the recipients of the Enrico Fermi Award. Yet this is a 20th Century phenomenon. Before the 20th century, almost no major physicists were Jewish. There was Carl Jacobi, Heinrich Hertz, and Albert A. Michelson and that was about it[5]. Why did so many Jews enter the field? Was there a change in the admissions policies of European schools? Was there a pent-up desire to study physics, only requiring one or two role models? I don't know.

Jewish success in professions is not always taken as a positive by non-Jews. Sometimes it is regarded as a threat. Until the 1950s, American Universities imposed a quota on the number of Jewish students and professors. Economist Milton Friedman, for example, was denied tenure at the University of Wisconsin-Madison because he was Jewish. Historically, there has been a concern that Jews not be too successful.

Let me be careful here to emphasize what I am NOT saying. I don't think that Jews have a "natural" talent for either the internet or for business in general. Such ideas smack of the eugenics doctrines of the early twentieth century and we know where that leads. I don't think that there are such things as "natural" talents for things as complex as business. I do think that we can talk about culture and values as leading to success. That seems a fairly innocuous idea to me. But let me tell you about what happened when I first published something on this topic.

Jews On the Internet

 On July 29th, 2007, I wrote a blog article entitled "Jews on the Internet" which I intended as a light-hearted look at this topic. I wrote half in jest, tongue-in-cheek so to speak. The reaction that I received was very different than what I expected. For one thing, the article was viewed almost 17,000 times. It elicited 155 comments, including my responses. I should explain that many of the comments, after an initial wave of friendly one, took the form of accusations of egotism, of "ego by association" to quote one respondent. Interestingly enough, some of the criticisms came from other Jews. One Jewish blogger wrote to me privately to suggest that I was going to create a backlash of anti-Semitism.

Not that I am not egotistical, but I was shocked. The article was, to me, as controversial as observing that a lot of NBA basketball players are African American. As for being prideful, is it wrong to take pride in the accomplishments of others with whom we identify? If that is the case, then I don't understand why we celebrate Hispanic History month or Black History month.

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[5] http://www.jinfo.org/Physics.html

My sense was that a different standard was being applied because I was writing about Jews. You can read my article and the comments and judge for yourselves by visiting my old blog site at: http://kupe.joeuser.com/article/158970/Jews_On_The_Internet/ But the story doesn't end there.

Not long ago I mentioned the article to a friend and instead of providing a direct link, I suggested that he just "Google" the topic, Jews on the Internet. The next time that I saw him, he asked me how I felt about being cited on the Radio Islam website. At first I had no idea what he was talking about, and then I found that the Radio Islam website had done a roundup of what they called "The Jewish hand behind Internet." In the introduction to the article Radio Islam explains that the intent is to offer a "document we will give an insight into the Jewish penetration of the Internet and also show the level of cooperation between leading Jewish Internet entrepreneurs and the racist Jewish Apartheid state of Israel." There are a number of articles linked, some of which I found very edifying. My article made their list, being introduced as "And finally yet another Jewish boasting article on the same topic." See the Radio Islam site at: http://radioislam.org/islam/english/jewishp/internet/jews_behind_internet.htm

It is really worth reading the whole article on the Radio Islam site. The owners of that site chose to include people like Wikipedia founder Jimmy Wales, even though he isn't Jewish, because Jimmy is "the darling of the Jewish crowd at Harvard, being a fellow at the Berkman Center for Internet and Society, at the Harvard Law School." Jewish by approbation, as it were. Because the Wikipedia project has Jewish fans, that imbues the founder with second-hand Jewishness.

But it doesn't stop there, some 50 websites reference or link to my article and not all the external sites are negative. **9jabook** describes itself as the "Nigerian Social Networking revolution." They link to my article and several other articles on the same topic (that also appear on the Radio Islam site, by the way) as positive examples of Jewish entrepreneurship.

Take from this discussion a couple of things:

1) My ideas are not unique. Many authors, working independently and not exclusively Jewish authors, have observed that Jews have been instrumental in developing and monetizing the internet. These authors all offer the same observations, namely that the success of Jewish entrepreneurs seems (and let me emphasize that word "seems", there is little objective analysis available) out of proportion to Jewish population.
2) Again, many of the original article authors attribute this success to a series of cultural values, not anything necessarily innate in the "Jewish people" whatever that might mean. However, detractors view Jewish success as the result of some sort of conspiracy, rather than from positive values. To paraphrase, if two non-Jews help each other to succeed, it is networking. If two Jews help each other in a similar manner, it is being "clannish" and somehow smacks of a conspiracy.

Let's move onto the actual biographies of the entrepreneurs.

The Facebook Founder
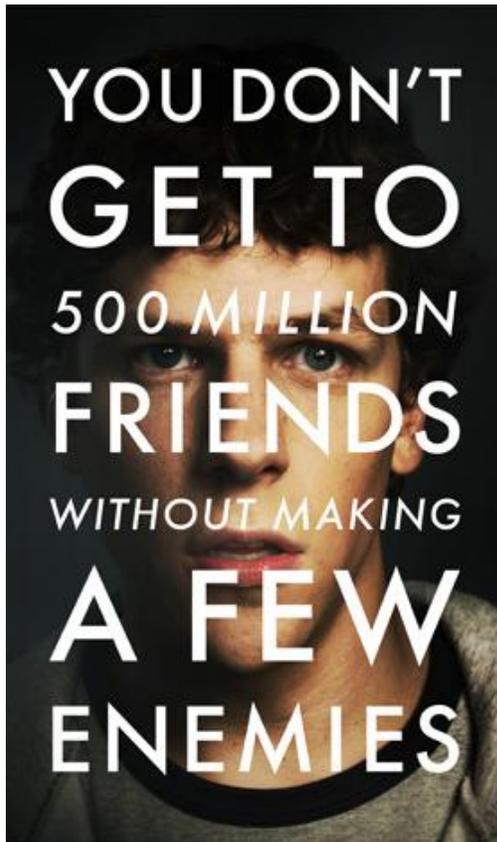
Mark Zuckerberg is the subject of the recent film, *The Social Network*. The film is based on the book, *The Accidental Billionaires: The Founding of Facebook, A Tale of Sex, Money, Genius, and Betrayal* written by Ben Mezrich about the founding of Facebook and the subsequent law suit between Mark Zuckerberg and co-founder Eduardo Saverin. Saverin served as Mezrich's primary consultant in writing the book (until Zuckerberg settled out of court with Saverin, that settlement presumably containing a non-disclosure clause.) Whatever the bias might be, the story of how Zuckerberg, Eduardo Saverin, Dustin Moskovitz and others create Facebook while they are students at Harvard is fascinating. But there is a prelude and a post script that I think are equally fascinating and haven't gotten the attention that they deserve.

Mark Elliot Zuckerberg is born in the New York suburb of White Plains on May 14th, 1984.[6] He is raised in nearby Dobbs Ferry, NY, by his father Edward, a dentist, and his mother Karen, a psychiatrist. He is the second of four children and the only boy. His sisters are Randi, Arielle and Donna.

He is interested in computers from childhood; he gets his own computer when he is ten. He teaches himself to program using the book *C++ for Dummies*. He shares programming tips with friends. At thirteen, Mark has a Star Wars themed Bar Mitzvah. In my book that earns Mark a high "Geek-quotient."

He attends public elementary and middle schools and for the first two years of high school. But for his last two years, he is sent to the Philips Exeter Academy in New Hampshire. Here he joins the math team, the science Olympiad, the band, the Latin honors society and the fencing team. He excels in fencing and is voted Most Valuable Player at a regional fencing competition in 2000.

Also while in high school, Mark creates a computer version of the board game Risk; he creates a web site that allows Exeter students to order their snacks online; he writes a communication program for people in his father's office. Perhaps most importantly, Mark and another Exeter student, Kristopher Tillery, write a program for MP3 (the prevalent computer music format at the time) players (this is before Apple launches the iPod in 2001) that keeps track of the music that people listen to and makes suggestions for new music based on their habits. This program, called *Synapse*, is such an instant hit that Microsoft and AOL want to buy the rights and hire the two high school students. But the boys want to focus on college instead and instead offer the program as a free download.

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[6] *Mark Zuckerberg Facebook Creator*, by Adam Woog, Kidhaven Press, 2009

In 2002, Mark enters Harvard. While Mark will take some computer classes, his major is psychology. That is going to foreshadow what will come. He is somewhat shy and he overcompensates with his sarcastic sense of humor, alienating some of his fellow students. He spends a lot of time in his dorm room and he goes back to writing code as a distraction. One of the programs that he writes is called *Coursematch* and it lets students see who else is in their classes and create lists of classes in common.

He is too busy to properly study for the final exam for his art history class. Thinking "outside the box" Mark comes up with a solution: he builds a web site to act as a study guide for anyone taking the class. Students are invited to help make it better by contributing their notes. Many do so, the concept works and the grades for the exam that year are the highest ever for that class.

The *Synapse* program for music, the *Coursematch* program for classes and the web site that allows students to share notes online, all have one thing in common: they revolve around the concept that Mark will call "the Social Graph[7]" which is the idea that technologies that take advantage of our interrelationships will provide a richer and more compelling experience. A program that lets you buy movie tickets online is interesting; a program that lets you invite your friends to meet you at the movie theater for the same show is compelling. A game that you can play on the internet is interesting; the same game that lets you invite your friends to play with you will have more interest. Let's say that you want to buy a TV. If you can ask your friends what kinds of TVs they have, get their recommendations and then buy the TV, that is a technology that would be of interest to Amazon, or so I would think. That is what Mark saw from the very beginning.

In 2003, Mark developed a program that took advantage of the Social Graph and one our most fundamental drives, sex. He created *Facemash*, a site that let Harvard students compare the faces of girls at the school and vote on who was most attractive. Not only was the site sexist in the extreme but to get the pictures in the first place, Mark hacked into the Harvard's computer system. The hacking was illegal, criminal in fact. Taking the pictures and using them without permission was an invasion of privacy. The *Facemash* site launch had 450 users within hours; the site would only be up for four hours before the school shut it down, but it would lead to bigger things.

Exactly how Mark came to launch Facebook is a matter of controversy. It is generally agreed that the idea for a Harvard-only social site came from Harvard seniors Cameron and Tyler Winklevoss and Divya Narendra. They engage Mark to create "Harvard Connect" which will be a dating site. Again, it is generally agreed that Mark then approaches Eduardo Saverin to be the business manager of a new site which will be called "theFacebook" website. Mark doesn't tell Eduardo about his relationship with the Winklevoss twins and Narendra, whatever that might be and whether or not there is any binding agreement. After two separate law suits, the Winklevoss twins and Narendra are paid a sum of money and Saverin is first removed and then restored as the co-founder of Facebook (minus the "the").

Not all of Zuckerberg's relationships are acrimonious. Mark's roommate and Facebook co-founder Dustin Moskovitz is ranked by Forbes as the world's youngest billionaire. He is 8 days younger than Zuckerberg. By the time he was 26, he is worth $1.4 billion, at 28 that has grown to $3.5 billion. Since leaving Facebook in 2008, Dustin has partnered with Justin Rosenstein, another ex-Facebook employee, to develop Asana, a program designed to help people work in

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[7] http://en.wikipedia.org/wiki/Social_graph

groups. Chris Hughes, not Jewish but another Zuckerberg roommate and a co-founder of Facebook used his wealth to become a social activist and entrepreneur and has been called "the kid who made Obama President." He is the publisher and editor-in-chief of the New Republic, and the Executive Director of Jumo, a social network site which "aims to help people find ways to help the world." While many brilliant people have contributed, Facebook in its current form is Zuckerberg's.

Facebook today is estimated to have 800 million active members and is valued at over $60 billion[8]. It has expanded beyond its original concept to become a platform for any number of programs and projects, including communications, games and even charities. Facebook provides all sorts of opportunities for members to join and contribute to charities. Is this evidence that Mark is committed to Tikkun Olam or has he learned that businessmen can do good while doing well? Some claim that Mark's personal donations are an attempt to repair his image after the harsh treatment he has received in the recent book and movie.

But back to the Facebook development platform for a minute. Here are some statistics on the Facebook set of development tools[9]:

*The Facebook Platform provides a set of APIs and tools which enable 3rd party developers to integrate with the "open graph" — whether through applications on **Facebook.com** or external websites and devices. Launched on May 24, 2007, Facebook Platform has evolved from enabling development just on **Facebook.com** to one also supporting integration across the web and devices.*

Facebook Platform Statistics as of May 2010:

>   ** More than one million developers and entrepreneurs from more than 180 countries*
>   ** More than 550,000 active applications currently on Facebook Platform*
>   ** Every month, more than 70% of Facebook users engage with Platform applications*
>   ** More than 250,000 websites have integrated with Facebook Platform*
>   ** More than 100 million Facebook users engage with Facebook on external websites every month.*

To put this in business perspective, there are a million individuals and companies, including some major players like Zynga, the developer of the game Farmville and a company valued at over $3 billion itself, whose revenues are dependent on the continued success of Facebook. Zynga's annual revenues are in excess of $600 million per annum. By the way, Mark Pincus, the founder of Zynga is also Jewish. Mark's blog page is great reading and you will find that he has a deep commitment to charity, having raised over $700 thousand for relief efforts for Haiti, for example.)

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[8] http://money.cnn.com/2011/01/03/technology/facebook_goldman/index.htm
[9] http://en.wikipedia.org/wiki/Facebook_applications

The film *The Social Network* and the book *The Accidental Billionaires* both focus on the lawsuits surrounding the founding of Facebook, and I can understand that, as that is where the drama is. There should be no question that Mark Zuckerberg had a lot of help in founding Facebook. I am pretty well convinced that Mark received inspiration and help from many sources. (I have omitted Mark's relationship with Sean Parker of Napster fame or infamy. Sean is a key figure who helped Mark get funding early on and was give 7% of Facebook. He is forced to leave Facebook after being arrested for possession of cocaine at a Facebook-related party, although charges are dismissed due to a lack of evidence.) But there is a thread that flows from Mark's earliest projects like Synapse through Coursematch and culminating in the Facebook platform that remains consistent. The idea that people are social animals and will be interested in what their friends do. A simple yet powerful concept.

Facebook is an enormous force economically and an emerging "disruptive" technology[10] and Mark Zuckerberg is but one example of young, Jewish entrepreneurs who set out to change the world.

The Google Guys

One fine day in the spring of 1995, on the campus of Stanford University, a young man named Sergey Brin was showing a group of new students around the campus as part of their orientation. Among the group of students was a Michigan native named Larry Page. Suddenly the two young men begin to argue about seemingly random topics. The other students on the tour recall how odd, how inappropriate the moment seemed. Yet the two young men knew that they each had found a kindred soul, for to each arguing, debating was a favorite pastime.

Sergey had arrived at Stanford two years earlier. He had completed his undergraduate degree at 19, had aced ten of the required doctoral exams at Stanford on the first try seemingly without effort and was at ease working with professors on research projects. He also enjoyed swimming, gymnastics and the social life at Stanford.

Larry on the other hand was a Midwestern boy and felt uneasy about being admitted to the elite and competitive Ph.D. program at Stanford. He recalled "At first it was pretty scary. I kept complaining that I was going to get sent home on the bus.[11]"

Fortunately, the two young men bonded. They become so inseparable that they are often referred to with a single name, almost as a single entity, as in "Have you seen LarryandSergey?"

Larry's father, Carl Victor Page, is one of the first students to graduate from the University of Michigan with a degree in computer science. This was in 1960. In 1965, he earns his Ph.D. also in computer science. In 1980, Carl will spend time at Stanford as a visiting scholar, but most of

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[10] http://en.wikipedia.org/wiki/Disruptive_technology
[11] *The Google Story, by David A. Vise and Mark Malseed, A Delacorte Book, 2005*

his career will be spent at Michigan State University as teacher. Carl was a survivor of childhood polio. When he is only 58, during Larry's second semester at Stanford, Carl will die from complications of pneumonia. He will be remembered as "a pioneer and world authority in computer science and artificial intelligence."

Larry's mother, Gloria, is Jewish. Her father, Larry's maternal grandfather, had moved to Israel as an early pioneer. Gloria also holds a degree in computer science and had worked as a data-base consultant. Gloria will also teach at Michigan State.

In 1981, Carl and Gloria divorce. Carl has a lengthy relationship with Joyce Wildenthal, also Jewish and also a professor at Michigan State. Joyce and Gloria remain on friendly terms. Despite having a Jewish mother (and another presumably influential Jewish maternal figure in his life) most writers agree that Larry does not have a strong Jewish self-identification, if he has any at all. For example, his wife Lucinda Southworth is not Jewish and they were not married in a Jewish ceremony.

Sergey is a different story. He is born in Moscow in 1973. His parents leave the Soviet Union in 1979 because of the anti-Semitism of the communist state and also for better opportunities. Sergey's father, Michael Brin, will say "I left because of myself and because of his future.[12]" Coming to the United States, Michael begins a career as a math teacher at the University of Maryland, while Sergey's mother, Eugenia, is an accomplished scientist at NASA's Goddard Space Flight Center.

Sergey is raised in Prince George's County, Maryland, outside of Washington, D.C. He attends public schools, including Eleanor Roosevelt High School. He is so far ahead of other students that he is allowed to also enroll in the University of Maryland, where he completes his undergraduate degree at 19 with honors in mathematics and computer science.

In 1996, Larry and Sergey begin working in the newly endowed William Gates Computer Science building at Stanford. They begin working as part of a research group called MIDAS, an acronym for **Mining Data at Stanford**. Larry Page develops a particular theory for prioritizing links on the web, based on the academic idea of citations. The relative importance of sites can be measured by the number of times they are referenced. The algorithm for determining this will be refined into PageRank. Brin and Page are persuaded that this idea is important enough to serve as the basis for a doctoral dissertation.

Larry will develop a search engine based on this concept. Initially the engine is called *BackRub* because it traced incoming or back links. Along with fellow graduate students Rajeev Motwani and Sean Anderson, they begin working on this engine. There are other search engines already available, including WebCrawler, Lycos, Magellan, Excite and HotBot, but the results were largely meaningless and random. For example, Matwani had developed a search engine called Inktomi. One day he typed in the word "Inktomi" to the engine. He would summarize the results as follows "It wasn't there. It couldn't find itself." It was up to the Google Guys to find a better way.

As the *BackRub* engine continued to be developed and grow, they decided they needed a catchier name for it. Sean Anderson suggested Googleplex. That became shortened to Google. They didn't realize that they had misspelled "Googol" until they had already registered the domain.

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[12] *Ibid.*

As the engine continued to grow in speed and power, Larry and Sergey decided that it had commercial potential. This was the time, remember, when Netscape was the darling of Wall Street. They met with Paul Flaherty, a Stanford Ph.D. and an architect at AltaVista, a search engine company and subsidiary of Digital Equipment Corporation. They wanted AltaVista to pay $1 million for the superior Google engine. At that time AltaVsita had a whopping 54% of the search engine market. AltaVista turned them down because they didn't want to rely on outside technology. Larry and Sergey would also try to sell their technology to Yahoo! Yahoo rejected them in part because the new engine was too fast and Yahoo's business model involved keeping people on the main site where they could be shown ads, shop, get their email, play games, etc. So they seek other financing and find it.

In 1998, Google is incorporated. In 2004, Google makes its initial public offering at $80 per share. The current stock price as of this writing in $600 per share. Google's market cap is $197 billion, annual revenues of $23.6 billion with annual net profits of $6.5 billion.

Most of Google's revenues come from its AdWords division, based here in Ann Arbor. AdWords is to Google what commercials are to broadcast television; from a business point of view television programs are the expense necessary to get you to watch the revenue-generating commercials. What made Google so special was that the home page was and is "clean", without annoying pop-ups and clutter. The ads were text based and simple and Google has always taken pains to eliminate deceptive advertising. In many ways, their business model was the exact opposite of what had gone before.

AdWords allows companies, including small companies, to buy the rights to keywords and to show ads when users search on those keywords. Google gives AdWords users access to the same kinds of tools and metrics that were previously only available to large companies with large advertising budgets. I think it is fair to say that there are thousands of companies, perhaps millions of companies, whose finances have been dramatically improved because of the technology that Larry and Sergey developed and the business model that they created.

As a company, Google is deeply committed to charity, but likes to say that Google "does charity differently." Google has a division, an arm if you will, called Google.org that defines its mission as "*Google.org uses Google's strengths in information and technology to build products and advocate for policies that address global challenges.*" From the outset, Google's founders Larry Page and Sergey Brin made a commitment to "contribute significant resources, including 1% of Google's equity and profits in some form, as well as employee time, to address some of the

world's most urgent problems. That commitment became a range of giving initiatives including Google.org.

Today, Google.org builds technology products to address global challenges such as climate change, pandemic disease and poverty. We focus our efforts on activities that are uniquely suited to Google's engineering teams, global infrastructure and user-driven approach, taking advantage of our ability to innovate and scale. Our products and projects include Google Flu Trends, Google Powermeter, RE<C, Google Earth Engine and Google Crisis Response."

As an example, RE<C stands for "Renewable Energy Cheaper Than Coal", Google's commitment to develop renewable energy sources to reduce greenhouse gases.

I cannot imagine any corporate entity making more of a commitment to Tikkun Olam, improving the world, than Google has.

The VC Guys

VC stands for venture capital. If you have a great idea, maybe you have taken it to the point of having a working model or prototype or even a start up business, you are going to need to talk to some guys with money to invest. In the old days, that meant that you had to talk some old fashioned capitalist out of investing in blue chips and into investing in your Dot Com. As the internet has matured, more and more you would find yourself talking to somebody who started their own internet business and made lots of money doing it. You might not only have an easier time pitching the idea, but you could get the benefit of valuable experience.
Paypal was founded in 2000 as the result of a merger between Confinity and Xcom; Confinity was founded in 1998 by Max Levchin; Xcom was founded by Elon Musk. PayPal instantly became one of the most powerful internet finance companies. In 2002, PayPal was acquired by eBay for $1.5 billion. The PayPal founders, having money and start up experience, began to found or fund other start ups. They became known as the "PayPal Mafia." But in a good way.

Some of the other companies founded by or financed by former PayPal employees include: LinkedIn by Reid Hoffman, Yelp by Jeremy Stoppelman, Slide by Max Levchin. The aggregate wealth of the PayPal Alumni exceeds $30 billion. And they are interlinked:
- Reid Hoffman founded LinkedIn and helped found the aforementioned Zynga.
- When Jeremy Stoppelman needed funding for Yelp, he turned to Max Levchin. Google negotiated to by Yelp for an estimated $500 million in 2009. The offer was refused and Yelp is supposed to IPO in 2013.
- Max Levchin, sold Slide to Google in August of 2010 for $182 million and was named Google's Vice President of Engineering.[13]

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[13] http://en.wikipedia.org/wiki/Max_Levchin

TechCrunch is a well-known on line magazine. TechCrunch founder, Erick Schonfeld recently asked financier George Zachary, "What's the difference between the typical Hollywood script funding process and the VC funding process?"

Zachary replied, "About 100 points of IQ."[14]

Mark Cuban – The Boy From Pittsburgh

The PayPal Mafia are not the only Jews to make money by financing new technologies. Mark Cuban was born in Pittsburgh, Pennsylvania, in 1958, and grew up in the Pittsburgh suburb of Mt. Lebanon, in a Jewish working class family. Mark's father worked as a car upholsterer. The family's last name had been shortened from Chabenisky when his grandparents emigrated from Russia to America.[15]

Mark is a capitalist from an early age. He recalls his first venture into the world of business at age 12, when he sells garbage bags to buy expensive basketball shoes with his own money. He pays for college by collecting and selling stamps. Instead of attending his senior year of high school, he enrolls as a full-time student at the University of Pittsburgh. After one year, Mark transfers to Indiana University and in 1981 he graduates with a bachelors degree in business administration.

In 1982, Mark moves to Dallas, Texas. His first job there is as a bartender. Soon he is hired as a salesman for Your Business Software, one of the first PC software retail businesses in Dallas. Mark is fired less than a year after he starts for meeting with a client to create new business instead of opening the store on time. Mark responds by opening his own business, MicroSolutions, with the support of customers loyal to him from his former employer.

MicroSolutions is a system integrator and software reseller. Due in large part to Mark's charisma as a salesman, MicroSolutions is a success, with Perot Systems as its largest client. In 1990, at age 32, Mark sells MicroSolutions to CompuServe for $6 million. After expenses and taxes, Mark walks away with $2 million from the deal.

In 1995, Mark is approached by a college friend, Todd Wagner, to finance a new company, Audionet, which is actually the brainchild of Cameron "Chris" Jaeb. First conceived as a hand-held shortwave radio device, the Audionet will combine their shared interests in college basketball and webcasts. Instead of shortwave, they will broadcast live sports coverage via the internet. The concept is expanded to include all kinds of events, even presidential conventions. Mark serves as President and Chairman of the Board. In 1998, the company is renamed Broadcast.com and sets the (at the time) one day record for IPOs, by rising from an initial offering price of $18 to close at $62.75 per share. Mark is a billionaire. In April of 1999, Yahoo acquires the company for $5.9 billion. Mark diversifies, investing heavily in real estate, and avoids exposure when the dot.com bubble bursts. As of 2010, Mark is number 400 on the Forbes list of the "World's Richest People" with an estimated net worth of $2.4 billion. He is best known as the flamboyant

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[14] http://techcrunch.com/2008/09/09/twenty-questions-for-the-venture-capitalists-at-techcrunch50/
[15] http://en.wikipedia.org/wiki/Mark_Cuban

owner of the NBA Dallas Mavericks, winners of the 2011 NBA Championship. Not bad for a kid that sold garbage bags to buy his own sneakers.

Kevin Mitnick – The Dark Side of The Internet

Kevin Mitnick is not a billionaire, but he is a Jew who, in some small measure, changed the internet. In his younger days, Kevin was described as a serial hacker and was for a time the Most Wanted computer criminal in the world. Arrested in 1995, after a lengthy and well-publicized search, in 1999 Mitnick confessed to four counts of wire fraud, two counts of computer fraud and one count of illegally intercepting a wire communication, as part of a plea deal. He would serve five years in prison, including eight months in solitary, because he was considered to have the ability to "start a nuclear war by whistling into a pay phone." Which was completely untrue and impossible, written by a computer illiterate prosecutor and accepted by a paranoid judge. Kevin Mitnick, who had hacked into commercial computers, was deemed unfit to associate with murderers, rapists and thieves.

How did a Jewish boy end up in such straits? The answer comes from Kevin's home. Kevin's father, Alan, was ostensibly one of the most successful businessmen in the San Fernando Valley. In reality, his bankruptcy would be followed by convictions for forgery, grand theft, and battery. Kevin's aunt, Chickie Leventhal, ran Chickie's Bail Bonds in Los Angeles. Kevin's uncle was a heroin addict and had been convicted of possession. Kevin's brother, Adam, would also become addicted to heroin and uncle and nephew would both be sent to the same Jewish half-way house. Adam would eventually die of an overdose.

Kevin's mother, Shelley Jaffe, worked as a waitress at a number of Los Angeles delicatessens. She would divorce and then remarry. Kevin's new stepfather was an active member of the Jewish Defense League and would take Kevin into the desert to watch while the JDL practiced with automatic weapons.

Despite this, Kevin had a strong sense of being Jewish and kept his Bar Mitzvah certificate on his dresser. But he was left alone a lot when he was a kid and that was an invitation to trouble. He liked riding on the local buses and he observed how bus drivers would use a hole punch to mark the tickets. And after a trip, customers would discard their tickets. Kevin figured out the code, bought a hole punch and was able to ride all day. It was his entry into social engineering and would get him into hacking. A bus driver got him into ham radio, then into phone hacking or "phreaking" which meant that Kevin could actually control the phone company's switches. He became adept at impersonating telephone workers and could get other workers to give him confidential information. As phone switches became more sophisticated, this led Kevin into computer hacking.

There is no evidence that Kevin committed crimes in the traditional sense; he seemed to have an insatiable curiosity and would not accept boundaries. He also was very sensitive to slights and would use his knowledge of phone systems in particular to take revenge. He could reroute calls or turn people's lines off. But he didn't seem to be into hacking for monetary gain. He was found to have downloaded a file with thousands of credit card numbers, but there was no evidence that he used those numbers. There are two books about Kevin's criminal career: John Markoff and Tsutomu Shimomura's *Takedown*, and Jonathan Littman's *The Fugitive Game*. The first shows Kevin as a criminal mastermind and the second as a brilliant but socially inept nerd.

After his release from prison and after finally being allowed to touch computers again, Kevin went on to a career as a security consultant and author. His titles include *The Art of Intrusion: The Real Stories Behind the Exploits of Hackers, Intruders & Deceivers, The Art of Deception* and *Ghost in the Wires: My Adventures as the World's Most Wanted Hacker.*

I don't think that Kevin would have the same impact as Mark Zuckerberg, Larry Page, Sergey Brin or Mark Cuban, but it does give a fuller picture of Jews on the Internet.

What Does It All Mean?

I said earlier that I would be careful NOT to say that Jews had any kind of "natural" talent for business; yet a great number of Jews became billionaires in the dot com period. For a minority that is 2% of the American population to have founded Facebook and Google and to have been instrumental in the creation of so many other high tech businesses seems noteworthy. At least to me. How then to explain it?

I recently heard sports commentator, Mike Wilbon, discussing the role of African Americans in sports. Specifically, he was commenting on where African Americans have achieved success and where they haven't in the enormous field of sports. Something like 80% of NBA players are African American, yet as Mr. Wilbon commented, virtually no team physicians are. He didn't attribute to prejudice or to disparities in the educational system or in hiring practices. He attributed it to one thing: values.

All of the entrepreneurs grew up in homes that put a premium on knowledge and education. In the cases of Mark Zuckerberg, Larry Page and Sergey Brin, one or both parents were established professionals with advanced degrees. Mark Cuban's father had a more humble occupation, but education was very much a priority. That is nothing new; back to late Biblical times, literacy and education have always been strong Jewish values. That was seen as our ticket out of the ghetto in much the same way that African Americans see sports as their ticket out. I would offer to you that statistically there is more room for successful doctors than for successful basketball players.

Due to both a cultural predilection (we have always been the People of the Book and that requires that you read) and circumstance, Jews have been drawn to knowledge based professions. During much of the almost two millennium of Diaspora times, Jews were legally prohibited from owning farms or factories. But we could cut diamonds or learn medicine. Usury laws that applied to Christians made banking and accounting attractive professions. All that is fairly clear cut. Why Jews were drawn to physics and mathematics (and why this seemed to happen rather suddenly) is less clear. Does it have to do somehow with the Hebrew alphabet also being a number system? Is it somehow related to Kabbalah? It is not clear to me. But such has been the case. Not very important until recently; Jewish contributions in banking and medicine were certainly more important.

But suddenly, in the 1980s and 1990s, people with a head for math and computers and business saw enormous opportunities and made the most of them. They became very, very rich and they changed the world.

Some other notables to mention:

Andy Grove, founder of Intel.

Steve Ballmer, CEO of Microsoft. (Born in Detroit, raised in Farmington Hills, Michigan.)

Larry Ellison, CEO of Oracle (Born in the Bronx.)

Michael Dell, founder of Dell Computer

Craig Newmark, founder of Craigslist.

Scott Blum, founder of Buy.Com

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