

Friends of Paul Ceglia's Constitutional Rights

PRESS RELEASE
For immediate release
March 19, 2015

Background & Research Sources Included

Facebook, Gibson Dunn LLP, Orrick Herrington LLP, U.S. Attorney Preetinder “Preet” Bharara and courts conspire to deny Paul Ceglia his civil rights



Fig. 1: Paul Ceglia.

Treatment of Ceglia proves that the U.S. justice
system is corrupted by corporate deep pockets

(March 19, 2015)—Entrepreneur Paul Ceglia sued Mark Zuckerberg on July 09, 2010 for breach of contract.¹ In 2003, Ceglia and Zuckerberg signed contracts for Zuckerberg to do programming in which they split ownership 50-50 of the planned campus Facebook. This was and is a common practice where business people have ideas for software and markets and programmers do the work. Zuckerberg was a 19-year old Harvard sophomore at the time.

Zuckerberg claimed that Ceglia's contract was a forgery. But in the criminal case brought against Ceglia by Attorney General Eric H. Holder, Jr., prosecutors have just produced a concealed Zuckerberg email dated August 18, 2003 talking about the second contract. To this day the courts have blocked all access to Zuckerberg's now admitted 28 computer hard drives and Harvard emails.

Like Hillary Clinton is trying to get away with now, Zuckerberg's attorneys Gibson Dunn LLP and Orrick Herrington LLP (Lisa T. Simpson) lawyers claim they reviewed Zuckerberg's information and produced everything relevant, which the government prosecutors just proved is a lie.

¹ *Ceglia, v. Zuckerberg et al*, 10-cv-569-RJA-LGF (WDNY 2010, filed July 09, 2010); See also *Ceglia v. Holder et al*, 13-cv-256-RJA (WDNY 2013, filed March 11, 2013). The case was actually first filed in NY state court on June 30, 2010 then transferred to federal court.

Gibson Dunn LLP concealed 28 Zuckerberg hard drives and Harvard emails

Gibson Dunn LLP partner, Thomas G. Hungar, was also Facebook's appeal attorney in *Leader v. Facebook*.² Facebook told Leader's lawyers in 2009 that the 28 Zuckerberg computer hard drives and Harvard emails were "lost." But magically, two days after the Federal Circuit denied Leader's appeal, the public was informed that 28 Zuckerberg hard drives and Harvard emails were not lost after all, and had been in the possession of Gibson Dunn LLP the entire time. *See* Rose & McGowan depositions, footnote 5. When this fact was brought to the attention of the Federal Circuit judges, they ignored this dramatic new evidence, and also failed to disclose their own substantial financial holdings in Facebook interests.³ They also failed to disclose that Thomas G. Hungar of Gibson Dunn LLP had actually represented them in a conflict of interest case in 2010. When Leader appealed to the U.S. Supreme Court, Chief Justice John G. Roberts, Jr. failed to disclose his close mentoring relationship with Hungar and Gibson Dunn LLP.⁴

Ceglia was denied access to Zuckerberg's documents by judge with Facebook stock

On March 26, 2014, Judge Richard J. Arcara in the U.S. Western District of New York dismissed *Ceglia v. Zuckerberg* after denying Ceglia access to Zuckerberg's 28 computer hard drives and Harvard emails. By contrast, the court had allowed Zuckerberg to review *all* of Ceglia's computers and emails—even his parent's computers. The Arcara's magistrate, Leslie G. Foschio, argued that Ceglia was not entitled to equal due process fact discovery because a magistrate is not required to follow the Federal Rules of Civil Procedure and the Federal Rules of Evidence. This is a shamefully unconstitutional argument.

Judge Richard J. Arcara failed to disclose his substantial financial holdings in Facebook interests as delineated at the end of this article.

² *Leader Tech v. Facebook*, Case No. 2011-1366 (Fed. Cir. 2011).

³ See [AFI](#). (Mar. 18, 2015). Americans For Innovation – Constitutional rights are not an option.

⁴ [Portfolio Media, Inc.](#). (September 30, 2009). Q&A With Gibson Dunn's Thomas Hungar. *Law360*.

The dismissal of *Ceglia v. Zuckerberg* came after a blistering deposition of Facebook's technical experts by Ceglia's attorney about Zuckerberg's 28 hard drives and Harvard emails.⁵ Tellingly, the Magistrate Foschio nevertheless declared the contract to be a forgery—an inappropriate ruling of disputed fact that can only be decided by a jury in a fair tribunal.

U.S. Attorney Bharara worked for Facebook's Gibson Dunn LLP attorney

On November 26, 2012, U.S. Attorney Preetinder "Preet" Bharara filed criminal charges against Ceglia for allegedly forging the Zuckerberg contract—even though Zuckerberg has now admitted to one contract, and even though Zuckerberg has never even produced his original copy of the contract he claims to have signed.⁶ Business people know that secondary or addenda contracts are common in software development.



Figure 2: Preetinder "Preet" Bharara, former Gibson Dunn LLP partner.

Political hit job by U.S. Attorney "Preet" Bharara

Ceglia has appealed to the 2nd Circuit Court of Appeals on two counts:⁷ (1) reconsider Ceglia's injunction under the First Amendment to throw out the criminal case so the civil case could move forward,⁸ (2) sanction the Preetinder "Preet" Bharara's U.S. Attorney's office for carrying out an evident political hit job on Ceglia since Bharara has permitted his former firm, Gibson Dunn LLP, and two former U.S. Attorneys now working at

⁵ [Deposition of Michael F McGowan](#), Facebook Forensic Expert, Tr. 66:4, *Paul D. Ceglia v. Mark E. Zuckerberg*, 1:10-cv-00569-RJA (W.D.N.Y. 2010), Jul. 19, 2012; [Deposition of Bryan J. Rose](#), Facebook Forensic Expert, *Id.*, Jul. 18, 2012.

⁶ *U.S. v. Paul Ceglia*, 12-cr-879-ALC (SDNY 2012); *See also USA v. Ceglia*, 12-cr-876-VSB (SDNY 2012); *See also Ceglia's Motion to Dismiss* for Failure to State an Offense, Doc. No. 35, filed November 27, 2013.

⁷ [Corrected Reply Brief](#), December 19, 2014, *US v. Ceglia*, Case No. 2014-2014, 2nd Circuit Court of Appeals.

⁸ The Criminal Charges Rule. "[T]he conduct condemned by [the Criminal Charges Rule] occurs only where the threat of criminal prosecution is made or criminal charges are brought to gain an advantage in an essentially private dispute." American Bar Association; *See also* Rules of Professional Conduct 3.1 prohibiting attorneys from filing criminal charges to gain advantage in a civil case.

Gibson Dunn LLP, Alexander Southwell and Orin Snyder, to enter the case and help the government press their case against Ceglia.

U.S. Government's relationships are biased toward Facebook

1. C.I.A.

The private venture capital arm of the Central Intelligence Agency (C.I.A.) is In-Q-Tel. In-Q-Tel has intimate relationships with key Facebook principals.

2. James W. Breyer, Accel Partners LLP & the C.I.A.

Breyer and Accel Partners LLP combined are Facebook's second largest inside investor. On May 13, 2004, Breyer was appointed chairman of the **National Venture Capital Association** (NVCA).⁹ Just three months earlier, **The Eclipse Foundation** held its first national conference between February 2-5, 2004. Facebook launched during the conference on Feb. 4, 2004. The Eclipse Foundation was started with \$40 million in **IBM** "donation" funds and included clients of Facebook's attorney **Fenwick & West LLP**, including Borland and Red Hat. Ceglia has never been able to determine whether Zuckerberg used Eclipse code in his contract with Zuckerberg, or whether Zuckerberg was conspiring to defraud Ceglia, which now seems most likely. Fenwick & West LLP was Leader Technologies' attorney at the time, and IBM was the client of Leader's other attorney, Professor **James P. Chandler**.

Zuckerberg's use of Eclipse code seems an almost certainty. If proved, Ceglia can prove that Zuckerberg is the one defrauding and that he lied in his *ConnectU* deposition to have developed the whole program in "one to two weeks" in January 2004 while studying for finals. Once a liar, always a liar. Access to Zuckerberg computers will prove the conflicting assertions with certainty.

⁹ [NVCA](#). (May 13, 2004). Jim Breyer of Accel Partners Elected Chairman Of National Venture Capital Association [Press release].

The federal court system has blocked all meaningful access to Zuckerberg's hard drives, not only in *Ceglia v. Zuckerberg*, but in *US v. Ceglia*, *Connectu v. Facebook*, *Rembrandt v. Facebook* and *Leader Technologies v. Facebook*.

One of Breyer's fellow NVCA in 2004 directors was Gilman Louie, In-Q-Tel (C.I.A.). The close association between Breyer and the C.I.A. taints any government involvement in a proceeding involving Breyer's pet project—Facebook.

3. Fidelity Ventures

Another NVCA director appointed with Breyer in 2004 was Robert C. Ketterson, Fidelity Ventures. Fidelity is the largest mutual fund investor in Facebook. Fidelity's close relationship to In-Q-Tel (C.I.A.) and Facebook taints any government proceedings involving Facebook.

4. Vanguard / Chief Judge Robert A. Katzmann

Another NVCA director alongside Breyer is Anne Rockhold. She was formerly a CFO at Vanguard mutual funds, and is now CFO for James W. Breyer at Accel Partners LLP, Facebook second largest shareholder. Vanguard is one of the top ten mutual fund stockholders in Facebook.¹⁰ 2nd Circuit chief judge **Robert A. Katzmann** has substantial financial holdings in Vanguard.¹¹ As recently as February 13, 2015, Vanguard made a "massive" additional investment in Facebook. See [Seeking Alpha](#), February 13, 2015.¹² Vanguard's close relationship to Breyer, Accel, In-Q-Tel (C.I.A.) and Katzmann taints any government or Katzmann proceeding involving Facebook.

¹⁰ Demos, T. (April 24, 2012). Who Else Has a Big Bet on Facebook [Vanguard, Morgan Stanley, Facebook insiders, Mark Zuckerberg, Accel Partners, Goldman Sachs, Baillie Gifford (Vanguard associate), BlackRock, T. Rowe Price, Sands Capital, Jennison, Capital Research]. [The Wall Street Journal](#).

¹¹ [Katzmann, Robert A.](#) 2011 Financial disclosure. Judicial Watch.

¹² Salazar, D. (Feb. 13, 2015). Facebook Sees Massive Institutional Buying [incl. Vanguard]. [Seeking Alpha](#).

Judge Katzmann was also a fellow at the **Brookings Institution** with Facebook chief operating officer, **Sheryl K. Sandberg**, and her mentor, former Harvard president **Lawrence Summers**. Summers also mentored **Juri Milner** and Sandberg when they worked for him at the **World Bank** in 1992. Russian Milner is the largest outside investor in Facebook stock. Summers, Sandberg and Milner are credited with being prime movers in the disastrous Russian voucher system advocated by Harvard economists in the early 1990's.¹³ That advocacy gave birth to the current system of uber-corrupt Russian oligarchs. Any involvement by Judge Katzmann in the Ceglia matter is clearly tainted.

5. Kleiner Perkins Caufield Byers

Another NVCA director appointed with Breyer in 2004 was Ted Schlein, Kleiner Perkins Caufield Byers. Kleiner Perkins is a well-known Silicon Valley venture capital fund. Kleiner Perkins is an investor in Cloudera. Any involvement of a judge who has holdings where Kleiner Perkins is a stakeholder are clearly tainted.

6. Cloudera

Proof of the U.S. government's conflicting relationships in the Ceglia case can be seen in the investment tombstone for Cloudera, a web-based enterprise "big data" storage company. Accel Partners is a serial investor, along with In-Q-Tel (C.I.A.), T.Rowe Price, Meritech Capital Partners. Kleiner Perkins' Michael Abbott is a director. Cloudera's own PR states that it is "founded by leading experts on big data from Facebook." In addition, T. Rowe Price and Meritech are two of Facebook largest investors. The C.I.A.'s private Cloudera investment relationships severely conflict out any involvement by the government in proceeding involving Facebook or any of the Cloudera investment partners.¹⁴

¹³ Milner, Y., Volgin, A. (1993). Voucher Investment Funds. [World Bank](#).

¹⁴ [Cloudera](#). (Mar. 18, 2015). CrunchBase.

7. T. Rowe Price

T. Rowe Price held 5.1% of Facebook's pre-IPO stock and continues to be a top ten mutual fund shareholder.¹⁵ T. Rowe Price's close relationship to In-Q-Tel (C.I.A.) and Facebook taints any government proceeding involving Facebook.

8. Meritech Capital Partners

Meritech Capital Partners was one of the top ten largest funds to sell insider stock on Day 3 of the Facebook IPO and continues to hold substantial Facebook stock. Meritech's close relationship to In-Q-Tel (C.I.A.) and Facebook taints any government proceeding involving Facebook.

9. U.S. Attorney Preetinder "Preet" Bharara & Gibson Dunn LLP

Facebook attorney in the civil case is Gibson Dunn LLP—the attorneys who told the Leader attorneys in *Leader Technologies v. Facebook* that Zuckerberg's 28 Harvard hard drives and emails were lost, only to be found again two days after Leader's appeal was denied. The U.S. Attorney who brought the criminal suit against Ceglia was formerly employed by Gibson Dunn LLP. Bharara refused to recuse himself or admit his obvious conflict. Nonetheless, the criminal judge allowed Gibson Dunn LLP to intervene as an aggrieved party. In addition, Chief Justice John G. Roberts, Jr. failed to disclose his close relationship to Gibson Dunn LLP before refusing to consider Leader Technologies' appeal to the U.S. Supreme Court. Clearly, Gibson Dunn LLP is central to the government's conflicts of interest.

Chief Justice John G. Roberts, Jr. holds substantial amounts of Facebook interests.¹⁶

¹⁵ [Facebook Form S-1A](#), Amendment No. 8, Registration Statement, SEC EDGAR, May 16, 2012.

¹⁶ [Roberts, Jr. John G.](#) 2012 Financial disclosure. Judicial Watch.

American judges & their Wizard-of-Oz excuses for deep-pocket financial conflicts

A widespread head-in-the-sand misconception among judges and attorneys is that judges are exempt from disclosing the portfolio stocks in their mutual funds. (The Wizard: "Ignore that mutual fund investment in Facebook I am hiding." See Fig. 3.)

In other words, judges claim that even if their Fidelity mutual fund holds the largest amount of well-publicized Facebook stock of any mutual fund on the planet, they are permitted to hide this financial interest.

They call it the "safe harbor" rule. The fact is "safe harbor" is a ruse because it is neither a rule nor law. It is not even an advisory opinion. Instead, it is only a "concept" according to the Judicial Conference.¹⁷ Upon closer scrutiny, safe harbor appears to have never been challenged, even though, in most cases, it smacks of cronyism and cannot pass the overarching "smell test" of Canon 2 of the Code of Conduct for U.S. Judges:

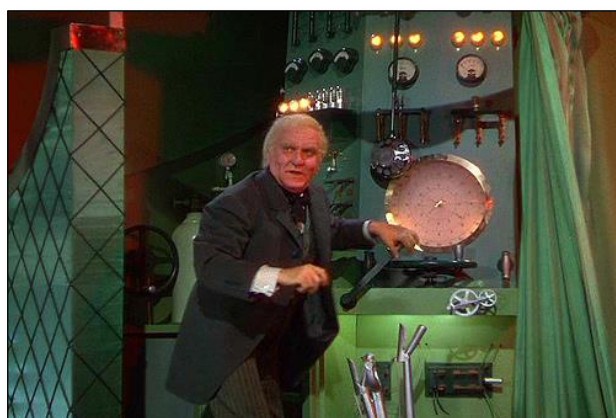


Fig. 3: The Wizard of Oz. U.S. federal judges are playing a shell game with the portfolio stocks inside their mutual funds to hide their financial holdings in deep-pocket litigants. Photo: Metro-Goldwyn-Mayer.

Canon 2: "Judges should avoid impropriety and the appearance of impropriety in all activities."

Suspicious changes to the definition of "financial interest" just for judges were introduced that appear to have cracked the door for this abuse. The definition contradicts well-settled IRS and SEC definitions, not to mention common sense. In short, judges appear to be permitted to *hide their investments in deep-pocket litigants*, even though they must pay taxes on

¹⁷ [Judicial Conference](#). (Nov. 24, 2014, last revised). Guide to Judiciary Policy, Vol. 2: Ethics and Judicial Conduct, Pt. B: Ethics Advisory Opinions, Ch. 2: Published Advisory Opinions.

those holdings (and thus benefit from decisions favorable to those litigants). These supposed exemptions are full of holes big enough to drive a Mack Truck through.

Second Circuit Chief Judge Robert A. Katzmann must recuse himself. District Court Judge Richard J. Arcara, who dismissed the civil case, should have recused since he holds substantial amounts of stock in Facebook and key Facebook stakeholders, including:¹⁸

- a. **Fidelity**, largest mutual fund **Facebook investor**,
- b. **Jennison**, top ten mutual fund **Facebook investor**,
- c. **Goldman Sachs**, **Facebook underwriter**,
- d. **Bank of America**, **Facebook underwriter**,
- e. **JPMorgan**, **Facebook underwriter**,
- f. **BlackRock**, top ten mutual fund **Facebook investor**,
- g. **Citigroup**, **Facebook underwriter**,
- h. **Wells Fargo**, **Facebook underwriter**,
- i. **Credit Suisse**, **Facebook underwriter**, and
- j. **Morgan Stanley**, **Facebook underwriter**, shares directorship with **Facebook director Erskine Bowles**.

U.S. courts are a caustic environment for justice

The U.S. Courts are currently a caustic environment in which to find justice for Paul Ceglia in his battle with Mark Zuckerberg and Facebook. The judges are protecting their personal and crony financial interests at the expense of solemn constitutional rights.

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¹⁸ [Arcara, Richard J.](#) 2012 Financial disclosure. Judicial Watch.

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Note that *Friends of Paul Ceglia's Constitutional Rights* is a private advocacy group with no affiliation to Paul Ceglia or his legal counsel. This document may contain opinion that should not be relied upon without independent verification.

Our interest is in ensuring that Mr. Ceglia is afforded his sacred constitutional right to fair and impartial tribunals—something he has been egregiously denied.

We believe that if we do not vigorously defend Paul Ceglia's constitutional rights now, the abuses will only grow until America becomes a full-fledged [plutocracy](#) and ceases to be a Republic.