

PRICELINE.COM: A Layman's Guide to Manipulating the Media

Source Notes

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Epigraphs

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The Dawning of a \$20 Billion Business

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The Media Stampede Begins

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At Last... Delta!

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JayJive

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More JayJive

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Oops!

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92-93. The offending letter:

Dear priceline.com customer,

Over the past several weeks, we've received many inquiries from priceline.com customers who are interested in obtaining more information about or participating in priceline.com's initial public offer. One of the brokerage firms participating in our offering, E*TRADE, has established the priceline.com Customer Affinity Share Purchase Program. Through this program, E*TRADE will make shares available (in blocks of 100 shares per customer) for purchase by priceline.com customers who open an account with E*TRADE prior to priceline.com's IPO and while shares are available.

Here is all you need to do if you are interested in applying to purchase shares:

*Go to the E*TRADE site from this page by clicking (www.etrade.com/priceline offering). You will be transferred to a special page that E*TRADE has established for the priceline offering. You will be able to open a standard individual account online. There is no fee to open an account, although you will be required to make an initial cash deposit.

*You do not need to have made an offer or purchase through priceline to participate in the Customer Affinity Share Purchase Program. All you have to do to be recognized as one of our customers. However, neither priceline.com, nor our directors, officers, employees or agents are responsible for, or make any representation with respect to any activities, actions or inaction of E*TRADE in connection with the Customer Affinity Share Purchase Program or otherwise, and we disclaim all responsibility and/or liability with respect thereto. Although we have provided a link to the E*TRADE site, we make no representation or warranty as to the content, statements, opinions, representations, warranties and other information contained in or through such site or the operation or functionality of E*TRADE's systems. and no inference should be drawn that we are familiar with, endorse or are responsible for such matters. Accordingly, we specifically disclaim any and all responsibility and liability for the content, operations and functionality of, and the statements and other information expressed in, by or through, the E*TRADE site.

The shares of common stock of priceline.com referred to above are being offered by priceline.com as part of a new financing. A registration statement relating to these securities has been filed with the Securities and Exchange Commission but has not yet become effective. These securities may not be sold nor may offers to buy be accepted prior to the time that the registration statement becomes effective. This letter shall not

constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any securities which are the subject matter hereof in any state in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws in any such state.

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II THE DAIRY DIARY

1. Jay Rides a Winning Streak

April 1999

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99. **"To me, the best story that day was 'Give me the money.com'..."**: Mark Vittert, "Give me the money.com", *St. Louis Business Journal*, 4/5/99

An Unworkable Business Model

101. **"When I interviewed Jay, he told me priceline.com was fulfilling about 25%..."**: JW to DH, 10/1/98
104. **"Jay Walker got his first big cover story since the IPO..."**: Mark Gimein, "Trying Priceline.com's Patent Medicine: You may love the price - but pay attention to the other stuff they're selling," 4/12/99
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The Bungee Ride

106. **"On Monday, April 19, shares opened at \$81.75 and closed at \$59.88—a swing of 27%..."**: Yahoo! Daily Trades, priceline.com:

Date	Open	High	Low	Close	Volume
19-Apr-99	81.75	82.00	58.00	59.88	1,374,900

106. **"Dow Jones Newswires picked up the release and made it sound like a news story under the byline of Thomas E. Weber..."**: Thomas E. Weber, "Priceline.com Expands Web Sales of Discounted Hotel Rooms," *Dow Jones Newswires*, 4/19/99

106. **"In *The Wall Street Journal's* 'Reality Check...':** Terzah Ewing, "Reality check: Highs and Lows of IPOs," *The Wall Street Journal*, 4/19/99
106. **"...April 21, the *Toronto Globe and Mail* did a story titled...":** "BUSINESS READING: Queen of the Web," *The Globe and Mail*, 4/21/99
106. **"During the week, tech stocks experienced a downward blip that caused a mention in *Forbes.com* and...":** Michael Rosen, "Tech stocks plummet," *Forbes.com*, 4/19/99
106. **"...prompted the Terzah Ewing and Aaron Lucchetti headline...":** Terzah Ewing and Aaron Lucchetti, "Web Firms Planning IPOs Bite E-Nails," *Heard on the Street, The Wall Street Journal*, 4/21/99
106. **"One reason for the price jump was that Michael Parekh and Rakesh Sood of Goldman Sachs...":** "Priceline.com serves a Million Customers in 1st Year (Update4)," *Bloomberg News*, 4/4/99
107. **"...'Priceline is rapidly building scale of credit card guaranteed demand...':** Rakesh Sood and Michael Parekh, "Initiating Coverage of leading Internet Commerce Co. with RL," Goldman, Sachs & Co. Investment Research, 08:48 am, 4/26/99

JayJive

All Hell Breaks Loose

107. **"The April 26-May 3 double issue of *The New Yorker* appeared...":** John Cassidy, "THE WOMAN IN THE BUBBLE: How Mary Meeker helps Internet entrepreneurs become very, very rich," *The New Yorker*, 4/26/99-5/3/99

A Piling on of Analyst-Touts

JayJive Catches On

108. **"The treacherous Henry Blodget, First Vice President, Merrill Lynch (and lead underwriter) wrote...":** Henry Blodget, Vice President Global Securities Research & Economics Group, Global Fundamental Equity Research Department, "INVESTMENT HIGHLIGHTS," Merrill Lynch & Co., 4/26/99
108. **"From Keith E. Benjamin, CFA, and Lauren Cooks Levitan, BancBoston,...":** Keith E. Benjamin and Lauren Cooks Levitan, "Initiating Coverage of Powerful, New Internet Business Model. Buy." BancBoston Robertson Stephens, 4/26/99
108. **"Sara Zeilstra, Warburg Dillon Read LLC set a 12-month price target of \$115...":** Sara Zeilstra, "PCLN: REDEFINING E-COMMERCE; INITIATE COVERAGE WITH BUY RATING, (INTERNAL USE ONLY)" Warburg Dillon Read LLC, 4/23/99
108. **"Lead underwriter Morgan Stanley's lead tout Mary Meeker issued her rating...":** Mary Meeker, Equity Research Briefing Note, Morgan Stanley Dean Witter, 4/26/99
110. **"In a *USA Today* story, Garry Stoller warned...":** Gary Stoller, "Cheap deals come with price tags: Risk and inconvenience," *USA Today*, 4/26/99

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110. **"*Business Week* stormed into Jay Walker's camp...":** Amey Stone, "Why Priceline.com Could Be the Net's Next Superstar," *Business Week*, 4/29/99
110. **"On April 29, Jeremy J. Siegel wrote...":** Jeremy J. Siegel, "Are Internet Stocks Overvalued? Are they Ever," *The Wall Street Journal*, 4/29/99

Jay's Arithmetic Problem

- 110-111. **"In that same essay, Siegel, a professor of finance at the Wharton School...":** Ibid.

A 10 Bagger!

113. **"The week ended with a Friday close of \$162.37 after hitting its all-time high of \$165 earlier in the day...":** From Yahoo! Finance/Priceline Daily Action:

Date	Open	High	Low	Close	Volume
30-Apr-99	151.50	165.00	135.00	162.38	5,072,800

113. **"I could have done a David Brock and written an exposé...":** Brock is a right-wing writer who savaged the left. His book, *The Real Anita Hill: The Untold Story*, raised questions about her credibility in the Clarence Thomas affair. It was Brock who broke the story about Bill Clinton and a woman known as "Paula" in the conservative journal, *American Spectator*; this became known as "Troopergate" and set the stage for the impeachment of the president. In July 1997 Brock wrote a "mea culpa" in *Esquire*, "I Was a Right-Wing Hit Man." This was followed by an open letter to President Clinton in April 1998 in which he apologized, saying his work was not "in the interest of good government or serious journalism," but rather he was a dupe in an anti-Clinton crusade of the Right. Brock later fessed up further with his book, "Blinded by the Right: The Conscience of an Ex-Conservative." Still later, the entire credibility of *American Spectator* was blown out of the water when it was revealed that Pittsburgh billionaire Richard Mellon Scaife huge sums of money into the magazine in a campaign to discredit Clinton. When my friend Ron Burr, publisher of the *Spectator*, questioned the relationship between Scaife and the magazine's founder, R. Emmett Tyrell, Ron was fired after being with Tyrell from the publication's earliest days in Indiana. If *American Spectator* is not out of business completely, it should be. This was one of the sorrier episodes in American yellow journalism. See David Futrelle, "Who's Sorry now? David Brock, a right-wing sleazemonger, comes clean at last. Well, sort of clean. Here's the dirt," *Salon.com*, 6/97; Timothy Noah, "David Brock isn't done apologizing," *Slate.com*, 3/15/98; Nina Totenberg, NPR Interview with David Brock, 7/2/01; Jonathan Broker and Joe Conason, "The American Spectator's Funny Money," *Salon.com*, 06/98

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A Brilliant Example of Professional Flakdom

115. **"On May 4, Warburg Dillon Read's Sara Zeilstra said she expected priceline.com to do \$44.5 million...":** Eric C. Fleming, "Will Priceline's earnings make the grade?" *Red Herring*, 5/4/99

A Word About the Quarterly Reports

115. **"I awoke this morning at 5:00 a.m. and listened to the start of *The Wall Street Journal This Morning*...":** WPHL-AM, 5/5/03
115. **"You would be amazed how compliant auditors have been in the past decade...":** Warren E. Buffett, "Buffett Urges Corporate Reform, Reuters," *The New York Times*, 5/4/03
116. **"Brendan Barrett of *The Washington Post*...":** Brendan Barrett, "Time for show-and-tell: Tech companies rewriting the books, and answering to investors—as the SEC cracks down on aggressive accounting practices," *The Washington Post*, 7/24/00
116. **"...Warren Gump (TMF Gump) of *Motley Fool*...":** Warren Gump (TMF Gump), "Priceline.com: Name Your Own Earnings: Priceline.com has taken the concept of pro forma earnings adjustments to the next level. Instead of ignoring just onetime and unusual charges, the company takes preferred stock dividends, payroll taxes on options, and supplier warrants out of its results. Until investors say enough is enough, the quality of earnings reports across the board is likely to deteriorate," *Motley Fool*, 7/25/00
119. **"The *Dow Jones News Service* bought into the earnings report...":** Mark Boslet, "Strong Air Ticket Sales Push Priceline.com Above IQ Views," *Dow Jones News Service* 5/4/99
119. **"The *Wall Street Journal* followed suit...":** "Priceline.com's Loss in First Quarter Was Narrower Than Analysts Expected," *The Wall Street Journal*, 5/5/99
119. **"Bambi Francisco quoted a baffled Marc Klee...":** Bambi Francisco, "Priceline.com shares endure a choppy day," *CBSMarketWatch.com*, 5/5/99

119. **"Dow Jones News Service picked up Press Release #44 ..."**: "Priceline.com Sells 'Record' 6,000 airline tickets Tues>PCLN," *Dow Jones News Service*, 5/5/99
119. **"...BancBoston Robertson Stephens raised priceline.com..."**: "R Stephens Ups Priceline.com To Strong Buy From Buy," *Dow Jones Business News*, 5/5/99
119. **"At least, I thought it was looking a bit more rational..."**: Peter D. Henig, "Are IPOs finally getting rational?" *Red Herring*, 5/6/99
119. **"Forbes ran its third story of the month..."**: John Crump, "'Me-too' week for IPO's," *Forbes*, 5/10/99
119. **"On May 15, the long reach of Mary Meeker's fame..."**: "Diva of .com moves markets," *The Times of London*, 5/15/99
Forbes Goes Absolutely, Positively Nuts Over Priceline and Jay Walker and Its Edits Totally Lose Any Semblance of Objectivity
120. **"...an adoring piece describing lunch with Nancy Peretsman..."**: Dyan Machan, "Smarter than Herbert's Dog," *Forbes*, 5/3/99
120. **"A second Forbes article on this Monday..."**: Rich Karlgaard, "Digital Rules: Technology and the new economy," *Forbes*, 5/3/99
Jay Makes the Cover of Forbes
120. **"...the fourth story on priceline.com that month..."**: Dyan Machan, "An Edison for a new age? Jay Walker of Priceline.com has a grandiose scheme to patent Internet business models," *Forbes* cover story, 5/17/99
121. **"In a second sidebar, Josh McHugh..."**: Josh McHugh, "Barbed Wire on the Internet," *Forbes*, 5/17/99
121. **"A third sidebar..."**: Anne Granfield, "Edison Wannabees," *Forbes*, 5/17/99
121. **"A fourth sidebar..."**: Thomas Jaffe, "Bouncing Around: Think running an Internet outfit isn't for grownups? Old marketing hand Rick Braddock is having a ball," *Forbes*, 5/17/99
121. **"Not content with a behemoth of a story about Jay Walker..."**: William Baldwin "Sidelines," *Forbes*, 5/17/99
121. **"Exactly 17 months later, Forbes' Michael Friedman..."**: Michael Friedman, "May 17, 1999: The Price Isn't Right," *Forbes*, 10/16/00
Phew!
122. **"The breathtaking week closed with Donaldson Lufkin & Jenrette upgrading priceline.com..."**: Larry Barrett, "Analyst Watch: Experts see Internet recovery coming," *CNETNews.com*, 5/28/99
123. **"The whole brouhaha was precipitated by Mary Meeker..."**: "Nets spring back to life: Bargain-hunting sets in after two-day lull, despite talk of dip from top analyst," *CNN/fn*, 5/26/99
123. **"Jay's speech was a stem-winder..."**: David Shepard, "Is the DM Business Model Changing?," *Direct*, 7/1/99
123. **"As Patricia Sellers wrote in Fortune, No word yet on what [Bradley] will be doing..."**: Patricia Sellers, "People," *Fortune*, 2/5/01
124. **"Experts see Internet recovery coming..."**: Larry Barrett, "Analyst Watch: Experts see Internet Recovery coming," *CNET/News.com*, 5/28/99
124. **"...In our view, many investors appear to have given up after recent decline..."**: Ibid.
124. **"Mary Meeker said, 'It isn't uncommon..."**: Ibid.
Morgan Stanley's Naked Hype
124. **"If any doubt still lingered about Mary Meeker's impartiality as an analyst, it was erased by the Morgan Stanley PowerPoint presentation..."**: INTERNET OVERVIEW/UPDATE - MARY MEEKER, Morgan Stanley Dean Witter Technology Team, June 1999

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127. **"...Carl Icahn who told Peter Eavis...":** Peter Eavis, "Conseco Hiding Lending Risk, Ex-Worker Charges," *TheStreet.com*, 5/30/01
127. **"Icahn made millions shorting priceline.com.":** Andy Serwer, "Two Titans Play Conseco in the Middle," *Fortune*, 5/14/01
127. **"In the June issue of Red Herring, the portfolio editor...":** Portfolio Editor, "The Red Herring Portfolio: If the stock market does climb a wall of worry, we could be in trouble," *Red Herring*, 6/99
128. **"In Fast Company's June issue Jay got...":** Polly LaBarre, "Leaders.com Unit of One," *Fast Company*, 6/99
129. **"Analysts adored the stock at 165...":** Bambi Francisco, "Analyst's top Net Picks," *CBSMarketWatch.com*, 6/4/99
129. **"Some Net stocks are worth a nibble.":** *CBSMarketWatch.com*, 6/9/99

Enter Dan Schulman

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130. **"...the decision by the Chicago Board Options Exchange...":** "Priceline.com Options To Begin Trading July 9 On CBOE," *Dow Jones News Service*, 6/17/99
130. **"On June 19 Motley Fool's Louis Corrigan wrote a long, two-part article...":** Louis Corrigan (TMF Seymor), "Paul Allen's Wide Wild Wired World," *The Motley Fool*, 6/17/99
130. **"How did Paul Allen get involved with priceline.com...":** Adam Levy, "PAUL ALLEN'S MONEYMAN: William Savoy, 36, has spent a decade advising the world's third-richest man how to invest his cash," Bloomberg.com *Markets Magazine*, 2002

Jay Reaches the Stratosphere

130. **"This week's issue listed the world's richest people in 1999...":** *Forbes* List of the World's Richest People, 1999, AP, 6/25/99
131. **"Forbes called Jay the 'newest poster boy for instant Internet billionaires,":** "Q&A with Jay Walker," *Forbes*, 7/9/99
131. **"The story was picked up all over the world...":** "Jay Walker's tickets to \$10bn fortune Andrew Cave reports," *The Daily Telegraph*, 6/21/99; "Net Worth: A Boom in Billionaires," *Newsday*, 6/21/99; "A Boom at the Billionaire's Club," 6/21/99

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132. **"CBSMarketWatch.com described Mary Meeker as...":** "Morgan's Meeker still loves the Net," *CBSMarketWatch.com*, 6/29/99

Competition on the Horizon

132. **"...The Industry Standard announced a competitor was about to start nipping at Jay's heels...":** Reuters, "Site Steps Into Priceline's Cheap Ticket Space," *The Industry Standard*, 6/29/99
132. **"Following the announcement, priceline.com's stock fell 8%...":** "Priceline Nosedives as Airline Plan Taxis for Takeoff," *The Industry Standard*, 6/30/99
132. **"The New York Times reported that 18 of the 19 analysts covering priceline.com...":** Ibid.

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Another Trophy Woman Executive

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134. **"She was given a six-figure salary and an option to buy..."**: Ibid.
134. **"Keller's appointment was widely noted."**: "Priceline Picks Keller, Auto-Sector Analyst, To Head Auto Unit," *The Wall Street Journal*, 7/2/99; "Keller joins Priceline.com," *The Globe & Mail*, 7/2/99
134. **"Occasionally the media would snipe at priceline.com."**: Jim Louderback, "Priceline is on the right track," ZDTV, 7/8/99
- 134-135. **"On July 9, Red Herring reported on a Forbes Digital Tool Q&A with Jay Walker."**: "Q&A with Jay Walker," *Red Herring*, 7/9/99

Assumptions

138. **"The Wall Street Journal and Aviation Daily among others picked up the announcement of Continental's..."**: "Priceline.com Sets Continental Deal, Plans Stock Issue," *The Wall Street Journal*, 7/19/99; "Continental Joins Priceline.com, Boosting Online Sales," *Aviation Daily*, 7/20/99
138. **"Priceline loses some luster."**: *CBSMarketWatch.com*, 7/20/99
138. **"Good Priceline Story,"**: Andrew Serwer, "Street Life: MSFT Options Problem?" *Fortune*, 7/23/99

A Turning Point

138. **"With the publication of Rich Karlgaard's July 26 story..."**: Richard Karlgaard, "The Web's Fog of War," *Forbes*, 7/26/99
139. **"The AutoNation connection was picked up by..."**: "Priceline.com, AutoNation Team Up To Offer Online Car Buying Service," *The Wall Street Journal*, 7/28/99; "BRIEFLY / RETAILING Priceline.com to Sell AutoNation Cars," *Los Angeles Times*, 7/28/99

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140. **"August's Red Herring reported that Keith Benjamin of BancBoston Robertson Stephens (one of the four lead underwriters) was so deeply and sincerely moved..."**: Editor, "Notes from the sell side," *Red Herring*, 8/99

Masters of PR Technique

141. **"Jay's presentation went out over the Dow Jones News Service ..."**: "Priceline.com Exec: 50,000 Air Tickets Sold Last Wk>PCLN," *Dow Jones News Service*, 8/3/99;
141. **"During that first week in August when the story broke, 13,306,900 priceline.com shares..."**:

141. **Priceline.com Trading History end-July-start-August 1999** from Yahoo

Date	Open	High	Low	Close	# Shares
26-Jul-99	79.81	82.63	77.50	78.19	1,610,300
27-Jul-99	80.75	81.00	73.44	73.66	2,116,900
28-Jul-99	77.00	85.50	75.00	85.00	3,473,400
29-Jul-99	81.13	82.00	77.50	80.50	1,998,500
30-Jul-99	81.50	81.75	75.00	75.56	1,248,500
2-Aug-99	75.31	80.88	73.00	77.50	1,946,800
3-Aug-99	79.00	79.50	71.13	73.06	1,812,300
4-Aug-99	72.50	74.13	66.00	66.25	2,207,100
5-Aug-99	64.38	79.75	59.00	78.13	4,808,300
6-Aug-99	76.75	84.31	73.38	74.38	2,532,400

141. **"On August 5 Eric Nee tossed a bucket of cold water...":** Eric Nee, "The Internet Bubble Is Over," *Fortune*, 8/5/99
142. **"On August 9, tragedy struck...":** "Nerine Kidd/Mrs. William Shatner; Extra info provided by Frank O'Neill (thanks frank)," www.findadeath.com
142. **"An autopsy revealed that Shatner's third wife...":** Various accounts including ABC News
142. **"Tragedy of another type hit priceline.com that day. Capital Markets Report announced...":** "Priceline.com/Moody's-2: Cites Company's Youth, Methodology," *Capital Markets Report*, 8/9/99; "Priceline .com \$250M Conv Sub Notes Rated CCC+ By S&P>PCLN," *Dow Jones News Service*, 8/6/99
142. **"... Priceline had cut its Share Offering and abandoned its debt sale...":** "Network Briefing," 8/13/99
143. **"...The Industry Standard ran another of those unctuous stories about Morgan Stanley's notorious tout...":** *The Industry Standard*, 8/17/99
143. **"Red Herring's story, 'Beginning to look....":** Sarah Stirland, "Beginning to look a lot like e-Christmas," *Red Herring*, 8/20/99

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Another Alliance

144. **"Virtually every priceline.com press release was picked up by Dow Jones News Service. Most reappeared in The Wall Street Journal...":** "Priceline.com Confirms Venture With Alliance Cap Partners," *Dow Jones News Service*, 9/1/99; "Priceline.com Inc. Sets Online Mortgages With Alliance Capital," *The Wall Street Journal*, 9/1/99

This Was the Week for Cover Stories

144. **"On September 6, Business Week ran a very long (4,945 words) piece...":** Robert D. Hof, "Inside an Internet IPO: Going public is a sure path to easy riches. Or is it? E-Loan's saga tells of perils at every turn," *Business Week* (Cover Story), 9/6/99
144. **"Also on September 6, Fortune's 3,865-word cover story by Peter Elkind ...":** Peter Elkind, "The Hype Is Big, Really Big, At Priceline: Before you buy the idea that Priceline is a Net breakthrough and Jay Walker is a new Edison, see how he and his company really work..." *Fortune*, 9/6/99

Bill Gates Throws Down the Gauntlet

145. **"On September 8, The New York Times announced that 'Microsoft Corp, imitating Priceline.com...":** "Microsoft To Start Net Hotel-Pricing Service," *New York Times Abstracts*, 9/8/99
145. **"On September 13, The Wall Street Journal ran Tell It to the Judge...":** "TELL IT TO THE JUDGE: Patent lawyers say Priceline.com Inc. may have no choice but to take Microsoft to court over software..." *The Wall Street Journal*, 9/9/99
145. **"On September 8 Mary Meeker reported that she had an upbeat meeting with priceline.com management...":** Monica Rivituso, "Mary Didn't Really Mean to Whack Priceline," *The Industry Standard*, 9/9/99
145. **"And Beth Kwon in TheStreet.com sounded the alarm...":** Beth Kwon, "As Internet IPO Lockups Expire, Shares May Flood the Market," *TheStreet.com*, 9/10/99
146. **"Ryan Alexander, analyst-tout for Wit told CNN/Money...":** "Stock picks by the pros: Optimism for 1-800-Flowers.com, Priceline, IBM, Unisys, Schlumberger," *CNN/Money-CNNfn*, 9/17/99
146. **"But cracks began to appear in the solidarity of the analyst-touts...":** Suzann Galante, "priceline.com Shares Left Out of E-Commerce Holiday Revelry," *TheStreet.com*, 9/15/99; "Merrill's Internet basket starts trading," *CBSMarketWatch.com*, 9/23/99
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147. **"Walker Digital COO Jesse Fink would be gone the following year to found GreenSpring..."**: GreenSpring Ventures Website
147. **"*Business Week*'s adoring Diane Brady saw the world of priceline.com..."**: Diane Brady, "Q&A With Jay Walker, 'It's a Completely New Way of Buying': Priceline founder Jay Walker explains the whys—and hows—of his Net business model," *Business Week*, 9/16/99
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150. **"Jord Poster, a former advertising strategist..."**: From the Redstone7.com Website (now defunct)

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151. **"Chicago-based Peapod went public in 1997."**: "Webvan plans public offering," *Bloomberg News* (Special to *CNETNews.com*), 8/6/99
151. **"Streamline out of Westwood, Massachusetts, was selling and delivering groceries..."**: Nora Macaluso, "HomeGrocer.com IPO Seen in Peril," *E-Commerce Times*®, 3/10/99
151. **"HomeGrocer.com was doing likewise in the Seattle..."**: Ibid.
151. **"Webvan went public and raised \$400 million..."**: "Webvan plans public offering," *Bloomberg News* (Special to *CNETNews.com*), 8/6/99
151. **"...promptly giving Bechtel a \$1 billion order..."**: Ibid.
151. **"George Shaheen, after 30 years at Anderson Consulting..."**: Kim Girard and Melanie Austria Farmer, "Andersen CEO leaves firm for Webvan," *CNETNews.com*, 9/21/99
152. **"Jay's grand scheme was to tap into the \$517 billion grocery business..."**: Food Marketing Institute, SUPERMARKET FACTS: Industry Overview 2001
152. **"Commitments of \$65 million..."**: Margaret Kane, "Want bargain for bags of groceries?," *ZDNet News*, 9/20/99
152. **"WebHouse Club was a 'privately held affiliate licensee,'..."**: priceline.com Press Release #84, 11/3/99
153. **"We are a theory-driven business."**: Dean's Research Fellow Jon K. Rust, case study under the supervision of Professor Thomas Eisenmann, "Priceline WebHouseClub," Harvard Business School, Rev: 8/1/00
153. **"WebHouse Club was to consume \$360 million..."**: Steve Mott, "Trial by Fire: It's not easy to spend \$1 million a day. But Priceline's Webhouse Club did so with bravado up the very end. The former president tells us what he learned," *Business 2.0*, 12/00.
153. **"...by selling vast amounts of his priceline.com stock to such diverse characters as..."**: Ronna Abramson and Ben Hammer, "Priceline on the Ropes," *The Industry Standard*, 10/5/00
153. **"They were called supermarkets—more than 32,000..."**: Food Marketing Institute, SUPERMARKET FACTS: Industry Overview 2001

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- 153-154. **WebHouse Club description**: "New Way to Grocery Shop! Be Prepared!" *pdlab.com*, Undated; "Joining New York, D.C., Baltimore, Detroit: Boston Consumers

- can name Their Own Price for Groceries on the Internet and Get Those Groceries at Local Supermarkets,” *SeniorJournal.com*, 3/22/00
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155. **“If you're one of those people who gets ketchup packets from McDonald's...”**: Yi-Hsin Chang (*Motley Fool's Puck*), “Read This Before Shopping at priceline's WebHouse Club,” *Motley Fool: Fool on the Hill*, 11/8/99
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156. **“In an unsigned article, *The Industry Standard* reported...”**: “Media Balks at Priceline.com's Latest Idea,” *The Industry Standard*, 9/22/99
157. **“On the other hand, Monica Rivituso wrote...”**: Monica Rivituso, “Priceline? Groceries? Why?” *SmartMoney.com*, 9/22/99
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- | Date | Open | High | Low | Close | Volume |
|-----------|-------|-------|-------|--------------|------------|
| 15-Nov-99 | 61.00 | 62.00 | 59.00 | 59.94 | 3,023,200 |
| 16-Nov-99 | 62.00 | 69.00 | 61.13 | 68.75 | 7,351,700 |
| 17-Nov-99 | 75.13 | 81.00 | 72.00 | 76.88 | 13,559,500 |
| 18-Nov-99 | 75.00 | 75.06 | 69.50 | 71.88 | 6,660,400 |
| 19-Nov-99 | 71.38 | 71.50 | 67.50 | 67.88 | 2,827,000 |
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Date	Open	High	Low	Close	Volume
28-Feb-00	57.44	57.50	53.50	53.88	1,374,700
29-Feb-00	54.13	57.00	52.00	55.94	2,792,300
1-Mar-00	59.13	64.75	59.00	64.38	12,245,300
2-Mar-00	65.50	71.75	65.50	71.50	9,351,900
3-Mar-00	72.50	75.06	70.44	75.00	7,413,600
6-Mar-00	75.50	93.00	75.38	90.19	15,098,400
7-Mar-00	96.63	96.75	76.50	78.63	13,751,500
8-Mar-00	84.69	89.94	79.13	87.56	10,232,200
9-Mar-00	89.25	97.50	86.75	93.69	10,670,400
10-Mar-00	94.00	97.88	92.38	94.50	4,106,500

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- A Crap Out**
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215. **"On March 23, Fred Kennedy disputed Yi-Hsin Chang's diatribe...":** Fred G. Kennedy III, "In Defense of priceline," *Motley Fool*, 3/23/00
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215. **"On March 20, *Fortune*'s Erick Schonfeld suggested that one of the elephants in the living room...":** Erick Schonfeld, "The High Price of Research," *Fortune*, 3/20/00
215. **"This was followed up by an angry John Benditt...":** John Benditt, "Am I old-fashioned? It offends me that Mary Meeker, 'Queen of the Internet,' earned \$15 million last year," *Technology Review*, 3-4/00
216. **"On March 29, *The New York Times*' Allen R. Myerson gave Jay a bully pulpit...":** Allen R. Myerson, "Behind 'Name Your Own Price' Lies a Mesh of Partners," *The New York Times*, 3/29/00

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A shit detector shows up at *Business Week*

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217. **"Not content with opening a wound in one article...":** Marcia Vickers and Jeffrey M. Laderman in New York, with Geoffrey Smith in Boston, Rich Miller and Laura Cohn in Washington, and Ellen Licking and Peter Coy in New York and Joseph Weber in Chicago, *Business Week*, 4/17/00

Meeker Speaks

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From Otto to Mott to Suarez

- 226-227. **Otto-Mott-Suarez-Francis-Shuffle at WebHouse Club:** Steve Mott to DH
- Spin Does Work**
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227. **"If Penelope Patsuris of *Forbes* had a built-in shit detector, it was comatose...":**
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The ultimate trouble with the priceline.com model
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Outta Gas
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Alan Abelson, Master Scribe
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232. **"The coverage of Abelson's story in *The National Post* was titled...":** "Market displays a bonfire of the inanities," *National Post*, 5/22/00
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Date	Open	High	Low	Close	Volume
17-Jul-00	40.13	40.75	39.00	39.56	2,751,100
18-Jul-00	39.56	40.38	37.25	38.75	2,812,100
19-Jul-00	38.30	40.25	37.50	39.75	1,427,600
20-Jul-00	40.13	40.88	39.50	40.56	1,610,400
21-Jul-00	40.50	41.88	39.50	40.06	2,423,500
24-Jul-00	39.00	39.06	30.50	31.13	15,520,400
25-Jul-00	33.19	33.19	30.00	31.25	10,261,300
26-Jul-00	31.13	31.25	28.19	28.63	5,205,600
27-Jul-00	28.00	28.00	24.06	25.81	6,845,000
28-Jul-00	26.31	26.50	23.13	24.50	5,693,800

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Date	Open	High	Low	Close	Volume
25-Sep-00	22.25	22.31	20.00	20.44	1,993,500
26-Sep-00	20.13	20.44	18.19	18.64	3,799,600
27-Sep-00	11.31	12.00	10.06	10.75	43,283,600
28-Sep-00	10.56	12.44	10.38	11.88	15,737,400
29-Sep-00	11.88	11.94	11.50	11.88	8,613,800
2-Oct-00	12.06	12.06	10.56	10.88	4,224,500
3-Oct-00	10.88	11.19	9.88	9.88	3,911,900
4-Oct-00	9.98	10.00	9.00	9.38	4,209,800
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6-Oct-00	5.64	5.75	4.63	5.56	17,420,200

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Date	Open	High	Low	Close	Volume
26-Sep-00	20.13	20.44	18.19	18.64	3,799,600
27-Sep-00	11.31	12.00	10.06	10.75	43,283,600

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