

## POLITICAL IDEOLOGY AND ECONOMIC ACTIVITY: PETER THIEL'S LIBERTARIAN ENTREPRENEURSHIP

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Peter Thiel (born October 11, 1967, in Frankfurt am Main, Federal Republic of Germany) is a technology entrepreneur, hedge fund manager, venture capitalist, libertarian, and philanthropist. He began his career by co-founding the online payment system PayPal together with Elon Musk and Max Levchin in 1998 and served as the company's chairman and CEO until the company was sold to eBay in 2002. Since then, he has remained an active public figure and investor in Silicon Valley by supporting and launching a number of projects and investment firms including: the establishment of Clarium Capital Management, a global macroeconomic hedge fund, in 2002;<sup>1</sup> investment in Facebook in 2004;<sup>2</sup> the launch of the Founders Fund, a Silicon Valley venture capital fund, with Ken Howery and Luke Nosek in 2005;<sup>3</sup> the co-formation of Mithril Capital Management, a global venture capital firm, together with Ajay Royan in 2012;<sup>4</sup> and the launching of the Thiel Foundation, a nonprofit organization that carries out philanthropic activities.<sup>5</sup> Currently, in 2016, he resides as president of Clarium Capital, acts as a managing partner in the Founders Fund, serves as a member on the Facebook board of directors,<sup>6</sup> chairs the Mithril committee,<sup>7</sup> leads the Thiel Foundation,<sup>8</sup> and regularly appears in the public spotlight through his publications and talks on entrepreneurship, venture capitalism, and his so-called "contrarian thinking," which promotes "the business of doing new things" and the establishment of valuable companies that no one is building.<sup>9</sup>

Over the course of his career, Peter Thiel has amassed a vast enterprise that supports and promotes a number of future-oriented initiatives to enhance technological progress, individual freedom, and the future of young leaders in the field of technology. His particular mixing of libertarian ideology and business generates controversy as he tends to support projects and initiatives promoting libertarian values within a tight network of Silicon Valley acquaintances and former Stanford classmates and friends. This type of Silicon Valley subculture shaped by ideology and supported through friendship networks has given Thiel and his former PayPal colleagues (dubbed the "PayPal Mafia")<sup>10</sup> the opportunity to support many of each other's

- 1 Chris Turner, "The Other Side of Peter Thiel: Clarium Capital," *Hedgethink*, January 13, 2015, <http://www.hedgethink.com/resources/side-peter-thiel-clarium-capital> (accessed June 1, 2015).
- 2 Julianne Pepitone and Stacy Cowley, "Facebook's First Big Investor, Peter Thiel, Cashes Out," *CNN Money*, August 20, 2012, <http://money.cnn.com/2012/08/20/technology/facebook-peter-thiel> (accessed July 14, 2015).
- 3 Mohammad Bahareth, *Kings of the Internet: What You Don't Know About Them?* (Bloomington, 2012), 71.
- 4 Evelyn M. Rusli, "Peter Thiel Opens a New Venture Capital Firm," *New York Times*, June 20, 2012.
- 5 Naren Karunakaran, "Charity Reinvented: Disruptive Approach to Philanthropy," *The Economic Times*, January 7, 2011, [http://articles.economictimes.india-times.com/2011-01-07/news/28424069\\_1\\_innovations-philanthropy-new-markets](http://articles.economictimes.india-times.com/2011-01-07/news/28424069_1_innovations-philanthropy-new-markets) (accessed June 5, 2015).
- 6 Bahareth, *Kings*, 71.
- 7 "Firm Leadership," *Mithril*, <http://www.mithril.com/leadership> (accessed June 2, 2015).
- 8 "The Foundation," *Thiel Foundation*, 2015, <http://thielfoundation.org> (accessed June 5, 2015).
- 9 Peter Thiel with Blake Masters, *Zero to One: Notes on Startups, or How to Build the Future* (New York, 2014), 10-11, 93-94.



**Figure 1: German-American entrepreneur Peter Thiel at the 2008 TechCrunch50 Conference in San Francisco. Wikimedia Commons, Licensed under CC BY 2.0 via Wikimedia Commons.**

ventures, including SpaceX, Spotify, and Yelp among others.<sup>11</sup> Along with Thiel, this exclusive group of Silicon Valley entrepreneurs is reshaping the ways in which users interact with technology and the web as well as the vast amount of money their private companies can generate within their close network.<sup>12</sup>

Alongside his work in Silicon Valley and the tech industry, Thiel appears in the public sphere in interviews, articles, and his own writing, within which he strives to advance his ideas on technological development, entrepreneurship, and individual freedom. His ideas are particularly reflected in his book, *Zero to One: Notes on Startups, or How to Build the Future* (2014);<sup>13</sup> through the Thiel Foundation’s Imitatio Project that supports the philosopher René Girard and his philosophical mimetic theory, which has had the greatest impact on Thiel’s perspective;<sup>14</sup> and the most recent and highly controversial

Thiel Fellowship, which encourages students to put off their university education in the interest of developing their own startups.<sup>15</sup>

### Family Background, Education and World View

Peter Andreas Thiel was born on October 11, 1967, in Frankfurt am Main, Federal Republic of Germany, to Klaus and Susanne Thiel. The family migrated to the United States when Peter was one year old and settled in Cleveland, Ohio, where Klaus Thiel worked as a chemical engineer. Klaus worked in management for various mining companies, which caused the family to routinely move. Before finally settling in Foster City, California in 1977, the Thiels lived in

10 Jeffrey O’Brien, “The PayPal Mafia,” *Fortune*, November 13, 2007, <http://fortune.com/2007/11/13/paypal-mafia/> (accessed June 1, 2015).

11 David Gelles, “the PayPal Mafia’s Golden Touch,” *The New York Times*, April 1, 2015, <http://www.nytimes.com/2015/04/02/business/dealbook/the-paypal-mafias-golden-touch.html> (accessed June 15, 2015).

12 Ibid.

13 Thiel with Masters, *Zero to One*.

14 Richard Feloni, “Peter Thiel Explains How an Esoteric Philosophy Book Shaped his Worldview,” *Business Insider*, Novem-

ber 10, 2014, <http://www.businessinsider.com/peter-thiel-on-rene-girards-influence-2014-11> (accessed June 1, 2015); “Imitatio,” *The Thiel Foundation*, 2012, <http://thielfoundation.org/project/#imitatio> (accessed June 1,

2015). See also <https://www.youtube.com/watch?v=esk7W9Jowtc>.

15 “Thiel Fellowship,” *Thiel Fellowship*, <http://www.thiefellowship.org/> (accessed July 2, 2015).

South Africa and Swakopmund, a small harbor town on the coast of then South-West Africa (today's Namibia), founded by the German colonial government in 1892. Peter and his younger brother, Patrick, attended a strict elementary school in South-West Africa that required uniforms and implemented the disciplinary practice of rapping students' hands with a ruler for mistakes. This experience instilled a dislike of uniformity and regimentation later reflected in his strong support of individualism and libertarianism as an adult.<sup>16</sup>

When Peter was nine years old, the family moved back to Cleveland for his father's work and a year later to Foster City, a planned town north of Stanford on the San Francisco Bay. Although at that time the term "Silicon Valley" was not yet widely used to describe the geographical area from San Francisco to San Jose, it still housed major technology firms, such as Hewlett-Packard, Varian, Fairchild Semiconductor, and Intel — companies that were built from money in military research and federal grants in the postwar period. During this time, Stanford also became one of the leading universities in the United States, particularly known for its science and technology programs.<sup>17</sup> In the same year that the Thiels moved to Foster City, Apple began expanding its operations to Cupertino after its successful introduction of the Apple II.<sup>18</sup> As a child and young adult, Peter grew up in close vicinity to major sites of technological developments and experienced the rise of personal computing and technological innovation firsthand.

In school, Peter was particularly gifted in mathematics and chess. He ranked seventh nationally in the under-thirteen bracket in chess, and later in high school he led the math team, which competed for district championships.<sup>19</sup> As a youth, he also became an enthusiastic science fiction reader, especially enjoying works by Isaac Asimov, Robert Heinlein, and fantasy by J.R.R. Tolkien.<sup>20</sup> These literary, fantastic "mental worlds" led him to believe in the powers of technology, and he began thinking about possible ways in which technology could improve (also potentially harm) the future. J.R.R. Tolkien's *Lord of the Rings* (1954-1955) trilogy, which he claims to have read over ten times, served as especially influential, encouraging him to consider the value of the individual against mechanistic, collective forces as well as the theme of corruption through power. Herein lie the beginnings of Thiel's philosophical considerations of the individual, which were later expanded by the works of Ayn Rand, especially through her novels *The Fountainhead* (1943) and *Atlas Shrugged* (1957). In his

16 George Packer, *The Unwinding: An Inner History of the New America* (New York, 2013), 120-21.

17 Ibid.

18 The Apple II was one of the first computers designed to be a user-friendly, consumer product and situated Apple as a leader during the earliest decade of personal computing; "The Apple II," *Computer History Museum*, 2015, <http://www.computerhistory.org/revolution/personal-computers/17/300> (accessed June 2, 2015).

19 Packer, *The Unwinding*, 122.

20 Mick Brown, "Peter Thiel: The Billionaire Tech Entrepreneur on a Mission to Cheat Death," *The Telegraph*, September 19, 2014, <http://www.telegraph.co.uk/technology/11098971/Peter-Thiel-the-billionaire-tech-entrepreneur-on-a-mission-to-cheat-death.html> (accessed June 2, 2015).

teens, Peter became a libertarian and outspokenly supported these views in the ideological, cultural debates at Stanford during the 1980s.<sup>21</sup>

After receiving straight A's in high school and the distinction of valedictorian of his class in 1985, Peter went on to study at Stanford. Perhaps due to his experiences of constantly moving as a child, he chose to stay close to home. Stanford was becoming the epicenter of "Silicon Valley," and Peter made many connections and developed important friendships that would be instrumental in his later business ventures in the fields of computing and technology. However, his time at Stanford was also influential for ideological reasons that led to the solidification of his worldviews and support of libertarianism.

Despite the fact that Peter did not have a definite plan for his future, he knew that he wanted to impact the world.<sup>22</sup> At Stanford, he studied philosophy and engaged in numerous political debates and discussions with acquaintances and fellow classmates. Especially of interest were the identity politics and political correctness debates at Stanford in the 1980s. The debate arose out of criticisms from a group of students who called for the elimination of the required Western Culture program. Opponents of the Western Culture program claimed it lacked diversity and multiculturalism by only showcasing the work of white men. After an appointed task force evaluated the program, a new "Culture, Ideas and Values" course that emphasized diversity replaced the course on Western Culture.<sup>23</sup> This decision, however, evoked a strong response by students on both sides of the political spectrum including Peter. It led him to establish a conservative-libertarian student-run newspaper, *The Stanford Review*, in 1987 with like-minded Stanford undergraduates and through the financial support and intellectual guidance of Irving Kristol, the father of neo-conservatism.<sup>24</sup> During this time, the newspaper was interested in challenging what they saw as a developing liberal bias and political correctness in the university's changing curriculum.<sup>25</sup>

In 1989 when Peter completed his bachelor's degree in philosophy, his friend David Sacks became the new editor in chief of the paper. Together in 1995, Peter and David published their collaboratively authored text, *The Diversity Myth: "Multiculturalism" and the Politics of Intolerance at Stanford*, wherein they take a hard-lined approach against university multicultural curricula, seeing it as a battle against Western civilization.<sup>26</sup> Peter's experiences at Stanford, particularly this period of curricular overhaul and cultural debate in the 1980s as

21 Packer, *The Unwinding*, 122-23.

22 Ibid., 124.

23 James Davison Hunter, *Culture Wars: The Struggle to Define America. Making Sense of the Battles over the Family, Art, Education, Law, and Politics* (New York, 1991), 218.

24 Packer, *The Unwinding*, 125.

25 Lisa Wallace and Alex Atallah, "A Brief and Non-Exhaustive History of the Stanford Review," *Stanford Review*, February 9, 2012, <http://stanfordreview.org/article/a-brief-and-non-exhaustive-history-of-the-stanford-review> (accessed June 3, 2015); Jodi Kantor, "A Brand New World in Which Men Ruled," *New York Times*, December 23, 2014, <http://www.nytimes.com/interactive/2014/12/23/us/gender-gaps-stanford-94.html?src=xps> (accessed June 3, 2015).

26 Elizabeth Fox-Genovese, Forward, *The Diversity Myth: "Multiculturalism" and the Politics of Intolerance at Stanford* (Oakland, 1995), xiii.

well as his encounters with the French Catholic philosopher, René Girard (1923–2015), affected him in a profound way. They helped to shape and solidify his perspectives on the world and on business practices, which he continues to champion today.

René Girard’s mimetic theory is one of the most influential concepts that continues to guide Peter’s thinking.<sup>27</sup> The theory posits that all human behavior is based upon imitation or mimesis. As Girard writes, “there is nothing, or next to nothing, in human behavior that is not learned, and all learning is based on imitation.” Girard explains how “mimetic desire” or the imitation of desire can lead to competition, but often results in outright conflict (i.e., people fervently competing for the same object or end). On the one hand, Girard applauds the productive potential of competition: “It is because of this unprecedented capacity to promote competition within limits that always remain socially, if not individually acceptable that we have all the amazing achievements of the modern world.”<sup>28</sup> On the other hand, though, he allows that it has the potential to stifle progress once competition becomes an end in itself: “rivals are more apt to forget about whatever objects are, in principle, the cause of the rivalry and instead become more fascinated with one another. . . . [It] becomes a matter of pure rivalry and prestige as competitors become obsessed with their rivals.”<sup>29</sup> Applying Girard’s theory to a business context, Thiel claims that the intensity of competition does not reflect an underlying value of a product: “People will compete fiercely for things that don’t matter, and once they’re fighting they’ll fight harder and harder.”<sup>30</sup> Thus Thiel controversially contends that monopolies, a business that “owns its market” (he uses Google as an example), are the most effective avenues for business success and solving unique problems: “Monopolies drive progress because the promise of years or even decades of monopoly profits provides a powerful incentive to innovate.”<sup>31</sup> Although his ideas on monopolies raise criticisms, he continues to maintain that competition encourages business leaders to focus on beating the competition instead of encouraging the consideration of ethical questions, e.g. whether or not they are doing and producing something that they should in the first place.<sup>32</sup>

After his undergraduate education, Peter continued on to Stanford Law School and graduated in 1992.<sup>33</sup> After interviewing with Supreme Court Justices Antonin Scalia and Anthony Kennedy without offers of employment, he took a job in New York City as a securities lawyer with Sullivan & Cromwell. Becoming a lawyer initiated one of the

27 Feloni, “Peter Thiel.”

28 René Girard, *Things Hidden Since the Foundation of the World*, trans. Stephen Bann and Michael Metteer (Stanford, 1987), 7, 307.

29 Girard, *Things Hidden*, 26.

30 Feloni, “Peter Thiel.”

31 Peter Thiel, “Competition Is for Losers,” *Wall Street Journal*, September 12, 2014, <http://www.wsj.com/articles/peter-thiel-competition-is-for-losers-1410535536> (accessed July 7, 2015).

32 Peter Thiel, “Peter Thiel on Why Everything Good Is Actually Bad and Vice Versa,” interview by Jeff Bercovici, *Forbes*, September 15, 2014, <http://www.forbes.com/sites/jeffbercovici/2014/09/15/peter-thiel-zero-to-one-book/2/> (accessed July 2, 2015).

33 Bahareth, *Kings*, 71.

unhappiest stages of his life.<sup>34</sup> Recalling again Girard's mimetic theory, Thiel began to question "the competitive life," seeing little transcendent value in his work and in the constant competition with those around him. After seven months and three days, Peter left the law firm and took a job as a derivatives trader in currency options at Credit Suisse where he encountered the same issues that he experienced at the law firm. This prompted him to leave New York altogether and return to Silicon Valley.<sup>35</sup>

His unsuccessful endeavors as a lawyer and derivatives trader led him to seek out alternative professional paths. As he explains, he realized the toxicity of using competition as a guide through life: "The big problem with competition," he argues, is "it focuses us on the people around us, and while we get better at the things we're competing on, we lose sight of anything that's important, or transcendent, or truly meaningful in our world."<sup>36</sup> Peter continues to keep Girard's mimetic theory in mind in his own business practices by trying to escape the unconscious compulsion to imitate others and instead practice a "contrarian" method that prompts one to consider: "What important truth do very few people agree with you on?"<sup>37</sup> In his most recently published book, *Zero to One*, he adapts this contrarian question and way of thinking to a business context by asking: "What valuable company is nobody building?"<sup>38</sup> As Thiel explains, the world remains filled with secrets that have yet to be discovered, and great companies can still be built by looking beyond conventions to instead explore "unsuspected secrets." To him, Silicon Valley startups, such as Airbnb and Lyft, "have harnessed the spare capacity that is all around us but often ignored."<sup>39</sup> This line of reasoning helps to understand why Peter's investment endeavors so often include unconventional projects such as SpaceX (Elon Musk's company focused on revolutionizing rocket and spacecraft technology) and Seasteading (a venture geared toward the creation of permanent dwellings in international waters) that can seem impossible at first glance. The majority of Thiel's investment portfolio includes research projects and companies that strive to innovate outdated or often non-existing practices. It is this desire for change and the belief that only truly new advances yield the highest value in the end that have accompanied Peter throughout his professional life.<sup>40</sup>

### **Business Development: PayPal**

After returning to the California Bay Area in 1996, Thiel saw how much it had changed since he had left four years prior. The development

34 Roger Parloff, "Peter Thiel Disagrees with You," *Fortune*, September 4, 2014, <http://fortune.com/2014/09/04/peter-thiels-contrarian-strategy> (accessed June 3, 2015).

35 Packer, *The Unwinding*, 127-29.

36 Drake Baer, "Here's the Advice Billionaire Investor Peter Thiel Wishes He Could've Given His Younger Self," *Business Insider*, February 4, 2015, <http://www.businessinsider.com/peter-thiel-advice-to-younger-self-2015-2> (accessed June 3, 2015).

37 Thiel with Masters, *Zero to One*, 5.

38 *Ibid.*, 93.

39 *Ibid.*, 102-103.

40 "Nur das wirklich Neue schafft wirklich große Werte," qtd. in Christoph Keese, *Silicon Valley. Was aus dem mächtigsten Tal der Welt auf uns zukommt* (Munich, 2014), 101; Maria Marquart, "Der Deutsche bei Facebook: Thiel gegen den Tod," *Spiegel Online*, February 3, 2015, <http://www.spiegel.de/wirtschaft/unternehmen/der-deutsche-bei-facebook-thiel-gegen-den-tod-a-812991.html> (accessed June 3, 2015).

of the Internet and personal computer had quickly altered the economic landscape by creating the need for new hardware and software companies. By 1994, already over 315 public firms operated their businesses in the area now known under the name “Silicon Valley” — coined in 1971 by the journalist Don Hoefler in a series of articles published in *Electronics News*.<sup>41</sup> The Bay Area was the prime location for Peter to begin his new career as a venture capitalist, both because the so-called “dot-com boom” was well under way, and because the area had experienced a rich history of venture capitalist activity and decade long support of research and development in the technology industry. This is in large part attributed to Peter’s alma mater, Stanford University, and Frederick Terman (1900-1982), a “father of Silicon Valley,” who years after graduating from Stanford served as the university’s dean of the engineering school (1944-1958) and as university provost (1955-1965).<sup>42</sup>

Stanford had been a center of technical research since its beginnings in 1891, offering eight out of its ten initial faculty appointments in science and engineering. For decades, Stanford not only supplied the area with important engineers, but also with key electronic entrepreneurs.<sup>43</sup> Through the efforts of university officials led by Terman, the university created strong links between faculty, students, and the surrounding technology industry by funneling money into local start-ups, like Hewlett Packard, and by encouraging students to create their own electronics firms.<sup>44</sup> Menlo Park, where Thiel set up his first hedge fund office under the name Thiel Capital, had been the site of Stanford’s Research Institute in 1946, which further displays the university’s commitment to and investment in the rising technology industry.<sup>45</sup> Over the course of the twentieth century, a collaborative, entrepreneurial culture developed in the valley that gave rise to a rich venture capital enterprise in the Bay Area. Unlike commercial banks, venture capital firms could afford to take on more risk and tolerate the uncertainty of the fast-paced environment of their seeded companies. Venture capital firms were also more able to spend time developing personal connections to other actors in the flourishing high-tech industry, which by the early 1990s turned Silicon Valley into one of the wealthiest high-tech regions in the world.<sup>46</sup>

With the financial support of friends and family, Thiel was able to raise \$1 million (ca. \$1.5 million in 2014 USD) toward the establishment of Thiel Capital and embark on his venture capital career in the mid-1990s.<sup>47</sup> Early on, he experienced a setback after investing

41 Christophe Lécuyer, *Making Silicon Valley: Innovation and the Growth of High Tech, 1930-1970* (Cambridge, 2006), 253.

42 Tom Nicholas and James Lee, “The Origins and Development of Silicon Valley,” *Harvard Business School*, January 30, 2013, 3.

43 *Ibid.*, 2-3.

44 *Ibid.*, 3-4.

45 Parloff, “Peter Thiel Disagrees”; Nicholas and Lee, “Origins and Development,” 5.

46 Nicholas and Lee, “Origins and Development,” 8-19.

47 Unless otherwise noted, all 2014 USD values calculated by using [www.measuringworth.com/uscompare](http://www.measuringworth.com/uscompare) (accessed July 10, 2015).

\$100,000 in his friend Luke Nosek's unsuccessful web-based calendar project. However, his luck changed when Max Levchin, a friend of Nosek's, introduced him to his cryptography-related company idea named FieldLink, which later became their first company called Confinity in 1998.<sup>48</sup> With this technology, they realized they could develop a software, later called PayPal, to solve a gap in making payments. Although the use of credit cards and expanding ATM networks provided consumers with more available payment options at the time, not all merchants could gain the necessary permissions and hardware to accept credit cards.<sup>49</sup> Thus, consumers were often left with little choice, having to instead pay with exact cash or personal checks. Nosek, Levchin, and Thiel wanted to use their technology to create a type of digital wallet for Palm Pilots in the hopes of creating more consumer convenience and security by using Levchin's original idea with FieldLink of encrypting data on digital devices.

PayPal promised to open up new possibilities for handling money. It also exemplifies an early way in which Peter tried to market products that reflected his libertarian worldviews. From a theoretical standpoint, PayPal sought to create a new type of currency that would circumvent government controls and give individuals more control over their money.<sup>50</sup> PayPal fit both Peter's ideological, libertarian stance as well as his desire to create products that solve problems and fill gaps. When PayPal launched at a successful press conference in 1999, representatives from Nokia Ventures and Deutsche Bank sent \$3 million in venture funding (roughly \$4.2 million in 2014 USD) to Peter with their Palm Pilots.<sup>51</sup> By 2001, PayPal served over 6.5 million customers and expanded its services to private consumers and businesses in twenty-six countries.<sup>52</sup>

PayPal continued to grow through mergers with Elon Musk's financial services company, X.com in 2000 and with Pixo, Inc., a company specializing in mobile commerce. This allowed PayPal to expand into the wireless phone market, and transformed it into an even safer and more user-friendly tool by enabling users to transfer money via a free online registration and email rather than by exchanging bank account information.<sup>53</sup> As the first and largest Internet-based payment service, PayPal received widespread public acclaim and was named one of the twenty-five top companies by Fortune Small Business Magazine. Thiel, PayPal's co-founder and now chief executive officer, was even invited to the White House in 2001 to meet with President George W. Bush and over one hundred other executives in the technology industry to discuss national and industry related issues.<sup>54</sup>

48 Parloff, "Peter Thiel Dis-agrees"; Nicholas and Lee, "Origins and Development," 5.

49 Thomas Eisenmann and Lauren Barley, "PayPal Merchant Services," *Harvard Business School*, March 13, 2007, 2.

50 Packer, *The Unwinding*, 133.

51 Eric M. Jackson, *The PayPal Wars: Battles with eBay, the Media, the Mafia, and the Rest of Planet Earth*, 2<sup>nd</sup> ed. (Los Angeles, 2006), 6-7.

52 "PayPal Closes \$90 Million in Equity Financing," *PR Newswire*, March 6, 2001, <http://www.prnewswire.com/news-releases/paypal-closes-90-million-in-equity-financing-71553192.html> (accessed June 3, 2015).

53 Jay Samit, *Disrupt You! Master Personal Transformation, Seize Opportunity, and Thrive in the Era of Endless Innovation* (New York, 2015), 227-28; Mark Odell, "Timeline: The Rise of PayPal," *Financial Times*, September 30, 2014, <http://www.ft.com/cms/s/0/86432398-4897-11e4-9d04-00144feab7de.html#axzz3c8A6anMw> (accessed June 4, 2015); "Mobile Money: Pixo and PayPal.com Team to Send Money via Wireless Phones," *Business Wire*, February 22, 2000, <https://www.paypalobjects.com/html/pr-022200a.html> (accessed June 4, 2015).

54 "PayPal CEO Invited to White House," *PR Newswire*, March, 27, 2001, <http://www.prnewswire.com/news-releases/paypal-ceo-invited-to-white-house-71860982.html> (accessed June 4, 2015).

In its early years, however, PayPal also experienced a number of setbacks that affected the company's image and finances. To compete with PayPal, eBay launched its own version called Billpoint. Even though Billpoint did not experience the same user popularity as PayPal, it nonetheless created an environment of competition that Thiel did not favor. Simultaneously, PayPal's user base threatened the company's stability by potentially overwhelming its infrastructure through its vast expansion. This in turn led to a massive amount of backlogged emails to which the customer service team was unable to respond. Financially, PayPal was also operating at a \$1 million per week loss as it sought to provide its services free of charge and instead make money from the interest accrued through users' accounts. However, since many withdrew their funds immediately, there was often not enough time for interest to accrue. Others also chose to use the service with credit cards, which cost PayPal a fee of 2 percent per transaction. Additionally, fraudulent activity cost the company greatly, with one scheme, for example, costing PayPal \$5.7 million over four months. In response, PayPal management created software to detect suspicious activity, but unfortunately also wrongly restricted some user accounts as well, which further damaged their consumer perception and led to a class-action lawsuit.<sup>55</sup> To solve some of its financial difficulties, PayPal instituted a small service charge for transactions, which was helpful to the company but was unfavorable among consumers.<sup>56</sup> Another legal issue arose from allegations by state banking institutions that filed complaints with the FDIC claiming that PayPal should be regulated as a bank. After negotiations, the FDIC classified PayPal, to its benefit, as a business in money transmission, not a commercial banking institution.<sup>57</sup> Despite these setbacks, PayPal managed to thrive on consumer Internet sites, which led to eBay's \$1.5 billion purchase of PayPal in 2002.<sup>58</sup>

Through PayPal, Peter certainly gained worldwide attention and fame that launched not only his career, but also the careers of his friends and former PayPal colleagues, many of whom left PayPal after it sold to eBay. Labeled the "PayPal mafia,"<sup>59</sup> these men went on to form investment firms, philanthropies, energy and transportation businesses, and countless Internet companies, including Yelp, LinkedIn, and YouTube. Representing a new generation of businessmen, this tight-knit community of former PayPal employees continues to regularly support and fund each other's ventures — a support network that developed out of PayPal's hiring structure. PayPal's founders and early employees recruited people that they personally knew from their

55 Ari Weinberg, "PayPal Runs up Against Competition," *Forbes*, March 8, 2002, <http://www.forbes.com/2002/03/08/0308paypal.html> (accessed June 5, 2015).

56 Eisenmann and Barley, "PayPal Merchant Services," 2-3.

57 Jackson, *PayPal Wars*, 195.

58 Margaret Kane, "eBay Picks up PayPal for \$1.5 Billion," *CNET News*, July 8, 2002, <http://news.cnet.com/2100-1017-941964.html> (accessed June 5, 2015).

59 Charlie Parrish, "Meet the PayPal Mafia, the Richest Group of Men in Silicon Valley," *Business Insider*, September 20, 2014, <http://www.businessinsider.com/meet-the-paypal-mafia-the-richest-group-of-men-in-silicon-valley-2014-9> (accessed June 15, 2015).

alma maters and through individual interactions. This practice of close networking has become typical in Silicon Valley, which is largely built by companies and people whose interconnected relationships give way to new startups and projects.<sup>60</sup>

### Clarium Capital Management and Subsequent Ventures

After PayPal, Thiel established Clarium Capital Management, a global macro hedge fund, focusing on directional and liquid instruments in currencies, interest rates, commodities, and equities.<sup>61</sup> In 2003 and again in 2005, Clarium Capital Management reflected a net return of over 50 percent, a growth that would not continue throughout the 2008 economic downturn and its aftermath. Clarium's success began to decline in 2006 with a 7.8 percent loss. During this time, the firm sought to profit in the long-term from its petrodollar analysis, which foresaw the impending decline in oil supplies and an unsustainable bubble growing in the U.S. housing market.<sup>62</sup> Clarium's assets indeed grew to over \$7 billion by 2008, however again declined as financial markets collapsed toward the end of 2008, causing the worst year on record for hedge fund businesses.<sup>63</sup> By 2011 after missing out on the economic rebound, many key investors pulled out, causing Clarium's assets to be valued at \$350 million, two-thirds of which was Thiel's own money. Yet, these events did not dampen Thiel's investment energy and interest. Instead, he co-created another fund with Jim O'Neill and Ajay Royan in 2012 named Mithril Capital Management, named after a fictitious metal in *The Lord of the Rings* that represents protection and transformation.<sup>64</sup> Unlike Clarium's investment aims, Mithril, a growth-stage venture firm with over \$400 million under its management, targets companies that are beyond the startup stage and ready to scale up. Mithril currently focuses on companies developing software, particularly in a cloud-computing environment. Most recently, it has invested millions of dollars into the company AppDirect, which offers cloud services and app cloud connectivity between platforms to a variety of businesses.<sup>65</sup>

60 Miguel Helft, "It Pays to Have Pals in Silicon Valley," *New York Times*, October 17, 2006, [http://www.nytimes.com/2006/10/17/technology/17paypal.html?ei=5088&en=943bf3f552d09fb2&ex=1318737600&partner=rssnyt&emc=rss&pagewanted=all&\\_r=0](http://www.nytimes.com/2006/10/17/technology/17paypal.html?ei=5088&en=943bf3f552d09fb2&ex=1318737600&partner=rssnyt&emc=rss&pagewanted=all&_r=0) (accessed June 5, 2015).

61 Peter Thiel, "Peter Thiel: Founder and Portfolio Manager Clarium Capital Management," interviewed by Sam Kirschner, *The Investor's Guide to Hedge Funds*, ed. Sam Kirschner, Eldon Mayer, Lee Kessler (Hoboken), 89-92.

62 James Mackintosh, "Hedge Fund Banking on Higher than Predicted Interest Rate Rises," *Financial Times*, May 8, 2007, <http://www.ft.com/intl/cms/s/0/6dc499e4-fd01-11db-9971-000b5df10621.html#axzz3cUEdUebO> (accessed June 8, 2015); George Packer, "No Death, No Taxes," *New Yorker*, November 28, 2011, <http://www.newyorker.com/magazine/2011/11/28/no-death-no-taxes> (accessed June 8, 2015); Deepak Gopinath, "Macro Man," *Bloomberg Markets*, January 2007.

63 Gregory Zuckerman, "Pessimism Exacts a Price on the Skeptics," *Wall Street Journal*, September 29, 2009, <http://www.wsj.com/articles/SB125409165677744755> (accessed June 8, 2015).

64 Packer, "No Death, No Taxes"; Zuckerman, "Pessimism."

65 Ingrid Lunden, "Peter Thiel's Mithril Leads a \$50M Round for AppDirect and Its Cloud-Based App Marketplace," *TechCrunch*, February 11,

2015, <http://techcrunch.com/2015/02/11/peter-thiels-mithril-leads-a-50m-round-for-appdirect-and-its-cloud-based-marketplace/> (accessed June 9, 2015); Ryan Mac, "Peter Thiel Launches New Venture Firms with \$400

Million Under Management," *Forbes*, June 20, 2012, <http://www.forbes.com/sites/ryanmac/2012/06/20/peter-thiel-launches-new-venture-firm-with-400-million-under-management/> (accessed June 9, 2015).

Before establishing Mithril, Peter's personal connections in Silicon Valley would lead him to his next important investment after PayPal. In 2004, Peter's longtime Stanford friend, Reid Hoffman (former executive president of PayPal and later co-founder of LinkedIn),<sup>66</sup> and Hoffman's friend, Sean Parker (co-creator of Napster), introduced him to Mark Zuckerberg, the founder and CEO of Facebook. Thiel became Facebook's first major financier with a \$500,000 investment, later converted to a 10.2 percent stock, and a seat on its board.<sup>67</sup> Facebook is widely known for having revolutionized person-to-person interactions in an online environment, leading to what is now referred to as social media.<sup>68</sup> That same year Thiel co-founded a tech-security company called Palantir Technologies, named after a crystal ball from *The Lord of the Rings*, with his Stanford friend Alex Karp. Palantir uses anti-fraud technology developed at PayPal to synthesize large amounts of data in order to track down potential terrorists and criminals. The technology is primarily used by U.S. intelligence agencies (the C.I.A.'s venture capital arm invested around \$2 million into the company) and hedge funds, but has been accused of privacy violations.<sup>69</sup> Although Palantir had been initially conceived as a tool to enhance security and fight against fraudulent activity, its data-mining technology has created fears among privacy advocates, who allege the tool allows its users (no longer only government, but also private businesses) to "see too much" and violate individual privacy.<sup>70</sup> A major scandal occurred in 2011 when Karp publically severed ties with HBGary, a technology security firm, after emails discussing a proposed launch of illegal cyber attacks and misinformation against the well-known WikiLeaks organization were revealed. The emails featured the logos of the companies, HBGary, Palantier, and Berico Technologies, implying their involvement in the proposal. Karp apologized for the company's alleged role in the affair and explained in his apology letter that Palantir does not intend to allow private sector entities to obtain non-public information.<sup>71</sup> Yet, the incident extended fears of Palantir's potential use in illegal data-gathering operations, which it claims to seek to prevent.

66 See Inka Brandt, "Konstantin Guericke," in *IE*.

67 Nicholas Carlson, "At Last — The Full Story of How Facebook Was Founded," *Business Insider*, March 5, 2010, <http://www.businessinsider.com/>

how-facebook-was-founded-2010-3?op=1 (accessed June 8, 2015).

68 David Kirkpatrick, *The Facebook Effect: The Inside Story of the Company That Is Connecting the World* (New York, 2010).

69 Packer, *The Unwinding*, 210-12. Quentin Hardy, "Unlocking Secrets, if Not Its Own Value," *New York Times*, May 31, 2014, <http://www.nytimes.com/2014/06/01/business/unlocking-secrets-if-not-its-own-value.html> (accessed June 8, 2015).

70 Andy Greenberg, "How a 'Deviant' Philosopher Built Palantir, a CIA-Funded Data-Mining Juggernaut," *Forbes*, August 14, 2013, <http://www.forbes.com/sites/andygreenberg/2013/08/14/agent-of-intelligence-how-a-deviant-philosopher-built-palantir-a-cia-funded-data-mining-juggernaut/4/> (accessed June 9, 2015).

71 Andy Greenberg, "Palantir Apologizes for WikiLeaks Attack Proposal, Cuts Ties with HBGary," *Forbes*, February 11, 2011, <http://www.forbes.com/sites/andygreenberg/2011/02/11/palantir-apologizes-for-wikileaks-attack-proposal-cuts-ties-with-hbgary/> (accessed June 30, 2015).

Thiel's investment activities continued with his co-creation of the early-stage venture capital firm, the Founders Fund, in 2005. Its portfolio includes the companies Spotify, Airbnb, and Lyft among others that focus on consumer Internet as well as health and science related research and development startups. Since its foundation, the fund has collected over \$2 billion, and most recently has invested in Privateer Holdings, a cannabis company.<sup>72</sup> Although this investment has been met with criticism, the Founders Fund is among the first major investment firms to do business within the marijuana industry. Many firms are still weary of financially backing such companies since marijuana remains illegal on the federal level.<sup>73</sup> Nonetheless, this investment reflects Thiel's and the Founders Fund's desire to invest in new ideas and markets that strive for a libertarian sense of freedom and independence.<sup>74</sup> Finally in 2010, Thiel backed a globally oriented venture capital firm, Valar Ventures, with former PayPal employee Andrew McCormack and former Thiel Capital employee James Fitzgerald in order to invest in companies outside of the United States.<sup>75</sup>

Becoming increasingly concerned with health and longevity, the Founders Fund has also funded the research of companies like Halcyon, a biotech firm interested in reading the entire human DNA sequence, or the Methuselah Foundation, which seeks to reverse human aging. Additionally reflecting Peter's libertarian worldview, the fund has also invested in methods of establishing spaces outside the realms of government through SpaceX and the Seasteading Institute. SpaceX has received wide attention for its ambitions to launch a reusable rocket, Internet-beaming satellites, and establish a commercial market for space travel.<sup>76</sup> Seasteading, on the other hand, strives towards a libertarian ideal by creating livable platforms in international waters that escape the confines of governments and form independent city-states as spaces to experiment with new types of governance.<sup>77</sup> One such place, unaffiliated with the Seasteading

72 Erin Griffith, "Founders Fund Joins \$75 Million Investment in Cannabis Company," *Fortune*, January 8, 2015, <http://fortune.com/2015/01/08/founders-fund-privateer-holdings> (accessed June 8, 2015).

73 Alex Konrad, "Legal Marijuana Co. Privateer Holdings Scores Millions from Peter Thiel's Founders Fund," *Forbes*, January 8, 2015, <http://www.forbes.com/sites/alexkonrad/2015/01/08/the-vcs-and-privateer-betting-on-pot/> (accessed June 15, 2015).

74 Packer, "No Death, No Taxes."

75 "About," *Valar*, <http://www.valar.com/about> (accessed July 2, 2015).

76 "Reusability: The Key to Making Human Life Multi-Planetary," *SpaceX*, March 19, 2015, <http://www.spacex.com/news/2013/03/31/reusability-key-making-human-life-multi-planetary> (accessed June 8, 2015); Andrew Tarantola, "SpaceX Wants to Launch Internet-Beaming Satellites," *Engadget*, June 4,

2015, <http://www.engadget.com/2015/06/04/spacex-wants-to-launch-internet-beaming-satellites> (accessed June 8, 2015).

77 Edward Robinson, "For Libertarian Utopia, Float Away on 'Startup' Nation," *Bloomberg*, May 30, 2014, <http://www.bloomberg.com/news/>

articles/2014-05-30/for-libertarian-utopia-float-away-on-startup-nation (accessed June 8, 2015); Jonathan Miles, "The Billionaire King of Techtopia," *Details*, September 1, 2011, <http://www.details.com/culture-trends/critical-eye/201109/peter-thiel-billionaire-paypal-facebook-internet-success> (accessed June 9, 2015).

Institute, already exists. It is known as the Principality of Sealand and was constructed during World War II as a concrete sea fort off of Britain's coast. The family that currently resides there has been fighting a number of lawsuits to gain recognition as a sovereign state.<sup>78</sup> Seasteading poses the potential for similar issues in the future. Since its launch, the Founders Fund has been successful in supporting startup companies that support its mission of solving "difficult problems" of today in innovative and transformative ways while simultaneously furthering Thiel's libertarian worldview.<sup>79</sup>

### Philanthropy and Public Image

Along with his large and dispersed venture capitalist activity, Thiel has funded a number of philanthropic projects under his Thiel Foundation. Currently, the foundation supports three projects: the Breakout Labs, the Thiel Fellowship, and Imitatio. These projects reflect Thiel's vision for an improved future that includes anti-aging science, alternative paths to a conventional university education, and an understanding of human behavior based on Girard's mimetic theory. Peter envisions his Foundation as a support for unconventional, bold ideas that have the potential to disrupt and transform society.<sup>80</sup> Its slogan, prominently displayed on the website, aptly reads "We're Championing BOLD THINKERS WHO PURSUE UNRECOGNIZED TRUTHS."

One of the most controversial projects launched by the Thiel Foundation is the Thiel Fellowship for twenty people under the age of twenty. Each fellow is awarded \$100,000 to quit college and start their own ventures. Launched in 2011, the program sought to give young people an alternative to the more conventional path of attending college directly after high school. Given the rising tuition prices, the idea seemed attractive to some and also in part encouraged a reevaluation of the value and aims of a college education. Others, however, reacted in strong opposition to the idea and criticized the foundation for cutting students' educations short.<sup>81</sup> Thiel as a long-time critic of the university system claims that college creates a "bubble" and a system of competition for "old career tracks . . . instead of doing something new."<sup>82</sup> Those critical of Thiel's views and in defense of higher education explain how he overlooks not only the earning potential of college graduates, but also other important developmental aspects, such as the ability to work in groups, the gain of technical knowledge, and the capability to continually learn.<sup>83</sup>

78 "Cities on the Ocean," *Economist*, December 3, 2011, <http://www.economist.com/node/21540395> (accessed June 9, 2015).

79 Bruce Gibney, "Most VCs are Investing all Wrong," interviewed by Matt Rosoff, *Business Insider*, June 24, 2011, <http://www.businessinsider.com/how-founders-fund-is-different-from-other-vc-2011-6> (accessed June 9, 2015).

80 "Tech Philanthropists. Guide to Top Funders in the Technology Industry: Peter Thiel," *Inside Philanthropy*, 2014, <http://www.insidephilanthropy.com/guide-to-individual-donors/peter-thiel.html> (accessed June 10, 2015).

81 Packer, *The Unwinding*, 393; "The Foundation."

82 Peter Thiel, "Thinking Too Highly of Higher Ed," *Washington Post*, November 21, 2014, [http://www.washingtonpost.com/opinions/peter-thiel-thinking-too-highly-of-higher-ed/2014/11/21/f6758fba-70d4-11e4-893f-86bd390a3340\\_story.html](http://www.washingtonpost.com/opinions/peter-thiel-thinking-too-highly-of-higher-ed/2014/11/21/f6758fba-70d4-11e4-893f-86bd390a3340_story.html) (accessed July 2, 2015).

83 Vivek Wadhwa, "In Defense of College: What Peter Thiel Gets Wrong, Once Again," *Washington Post*, December 1, 2014, <http://www.washingtonpost.com/blogs/innovations/wp/2014/12/01/in-defense-of-college-what-peter-thiel-gets-wrong-once-again/> (accessed July 2, 2015).

As it is, however, these fellows can still attend college after their two-year fellowship term, and some fellows credit their experiences as having granted them valuable insight into real-world business operations.<sup>84</sup> Along with receiving financial support, the Thiel fellows are also matched with a mentor (and Thiel's network of contacts) to assist them in realizing their entrepreneurial visions. Since the program's launch in 2011, it has grown in popularity with a record number of over 2,800 applicants in 2015. That same year, the foundation decided to expand its program to accept thirty fellows each year and changed its age-cap to twenty-two years old. The fellowship results have been mixed, with some students returning to college after their fellowship term and others choosing to indeed launch their own businesses and nonprofit organizations, such as SunSaluter, a device designed to provide cheap solar energy and clean water for people in developing countries. To date, there have been four classes of fellows, eighty-three participants in total, whose ventures raised \$72 million in investments and \$29 million in revenue. Some even sold their startups bringing in \$17 million collectively.<sup>85</sup>

84 Jessica Goldstein, "Jumping Off the College Track," *Washington Post*, August 3, 2012, [http://www.washingtonpost.com/local/education/jumping-off-the-college-track/2012/08/03/452f2d22-d777-11e1-a920-c0709fff70f5\\_story.html](http://www.washingtonpost.com/local/education/jumping-off-the-college-track/2012/08/03/452f2d22-d777-11e1-a920-c0709fff70f5_story.html) (accessed June 10, 2015).

85 Beth McMurtrie, "The Rich Man's Dropout Club," *Chronicle of Higher Education*, February 8, 2015, <https://chronicle.com/article/The-Rich-Mans-Dropout-Club/151703/> (accessed June 9, 2015); "Thiel Foundation Announces 2015 Thiel Fellows, Expands Fellowship Program," *Thiel Fellowship*, June 5, 2015, <http://www.thiefellowship.org/2015/06/2015-thiel-fellows-press-release/> (accessed June 9, 2015).

86 "Peter Thiel Announces Breakout Labs to Energize Innovation," *Business Wire*, October 25, 2011, <http://www.businesswire.com/news/home/20111025007276/en/Peter-Thiel-Announces-Breakout-Labs-Energize-Innovation#.VXiNFTBVhBc> (accessed June 10, 2015); "Portfolio," *Breakout Labs*, 2014, <http://www.breakoutlabs.org/portfolio/> (accessed June 10, 2015).

87 "Imitatio Projects," *Imitatio*, 2015, <http://www.imitatio.org/about-imitatio/imitatio-projects.html> (accessed June 10, 2015).

This fellowship is one of the foundation's three projects that reflect Peter's ideal of thinking independently and "against the grain." The Breakout Labs, also launched in 2011, seek to change the way early-stage science and technology research is funded by using revolving funds. This means that successful projects within the Breakout Labs will assign a portion of their revenue back into the program to support other projects. Largely, the Breakout Labs seek out projects that are "too ahead of their time for traditional funding sources." In some cases, the program even supports promising research projects before the "proof of concept" phase. Currently, the Breakout Labs support over twenty science, technology, and biomedical research and development companies geared toward longevity research, the development of new scientific measuring tools, tissue engineering, and human language computer recognition software.<sup>86</sup>

The third project supported by the Thiel Foundation, Imitatio, pursues research and the application of René Girard's mimetic theory. Imitatio furthers his insights by translating mimetic theory works into different languages, by publishing and preserving his writings and new publications on mimetic theory, and by supporting research that aims to understand human behavior via mimetic theory.<sup>87</sup>

Along with his companies' investments, these projects have shaped Peter's public image as a "contrarian thinker," "eccentric,"

and “provocateur.”<sup>88</sup> His public image has also extended beyond Silicon Valley and the tech industry through character appearances in popular media. Although he doesn’t make a personal appearance, Thiel (played by the actor Wallace Langham) is depicted in *The Social Network* (2010), a film interested in psychoanalyzing Facebook’s creator Mark Zuckerberg and the figures behind the company’s establishment,<sup>89</sup> in a short scene agreeing to invest in the company. The TV series *Silicon Valley* (2014-) also used Peter Thiel as inspiration for a key angel investor character in the show, Peter Gregory.<sup>90</sup> Additionally, Peter co-financed the feature film, *Thank You for Smoking* (2005), a satire on the spin tactics of a tobacco lobbyist. Staying true to the tight-knit Silicon Valley network, Peter co-produced the film with former PayPal colleagues David Sacks, Max Levchin, and Elon Musk.<sup>91</sup>

Peter also regularly appears in German media outlets. Since he grew up speaking German at home, he is able to personally conduct interviews in the German public with major German media outlets such as *Die Zeit*, the *Frankfurter Allgemeine Zeitung*, and *Der Spiegel* among others. His background affords him the ability to seamlessly interact within and between German and American cultures, and grants him a voice in both German and American business arenas. Despite the fact that he is often critical of Germany’s technology start-up culture,<sup>92</sup> he most recently invested into two Berlin start-ups: EyeEm, a network for photographers, and Number26, a mobile banking app. He has also invested in two startups based in London: Transferwise, a money transfer firm, and Deepmind, an artificial intelligence group.<sup>93</sup>

## Conclusion

A 2015 article in *Forbes* magazine appropriately summarized Peter’s thoughts on business in six points: to think like a contrarian, to support new innovation, to not shy away from contradiction (even if self-contradictory), to escape the crowd, to not fear action or ideas that

»establishing new companies that do not yet exist, in his opinion, German industries beget numerous companies doing similar, if not the same, things. See “Peter Thiel hält deutsche Start-ups für zu sozialdemokratisch,” *Zeit Online*, September 30, 2014, <http://www.zeit.de/video/2014-09/3811512456001/facebook-investor-peter-thiel-haelt-deutsche-start-ups-fuer-zu-sozialdemokratisch> (accessed June 10, 2015); Christian Rickens, “Facebook-Investor Peter Thiel: ‘In Deutschland herrscht Angst vor dem Erfolg,’” *Spiegel Online*, August 27, 2014, <http://www.spiegel.de/wirtschaft/unternehmen/peter-thiel-ueber-facebook-deutschland-und-asperger-a-994125.html> (accessed June 10, 2015).

88 Parloff, “Peter Thiel Disagrees”; Jay Yarow, “Peter Thiel: Progress Ended After We Landed on the Moon and ‘Hippies Took Over the Country,’” *Business Insider*, October 23, 2014, <http://www.businessinsider.com/peter-thiel-on-progress-2014-10> (accessed June 10, 2015).

89 J. Hoberman, *Film After Film: Or, What Became of 21<sup>st</sup> Century Cinema?* (Brooklyn, 2012), 37.

90 Julie Bort, “A Guide to the Best Inside Jokes on HBO’s Hit Comedy ‘Silicon Valley,’” *Business Insider*, April 28, 2014, [http://www.businessinsider.com/a-guide-to-hbos-silicon-](http://www.businessinsider.com/a-guide-to-hbos-silicon)

[valley-jokes-2014-4](http://www.businessinsider.com/valley-jokes-2014-4) (accessed June 10, 2015).

91 Helft, “Pays to Have Pals.”

92 In a recent interview with *Die Zeit*, Peter for example remarks upon Germany’s start-up culture to be too social democratic and as reflecting a “fear of success.” Instead of »

93 Jeevan Vasagar, “Peter Thiel Changes Course with Funding of Two Berlin Start-Ups,” *Financial Times*, April 16, 2015, <http://www.ft.com/cms/s/0/562ba760-e44c-11e4-9039-00144feab7de.html#axzz3fDmYzuxM> (accessed July 2, 2015).

conventional society finds “weird,” and, finally, to establish a shared mission within one’s corporate culture.<sup>94</sup> His success has gained him widespread international attention with much interest devoted to his thought process, worldview, and ideas for the future. As an entrepreneur, Peter displays a diversified portfolio with his firms that currently cover three different investment stages: His Founders Fund supports startups, Mithril Capital Management funds companies in their important growth stage, and Clarium Capital Management focuses on global macroeconomic investments. The philanthropic work conducted by his Thiel Foundation also displays an interest in developing new leaders and innovations. As his list of funded companies reflects, Thiel does not shy away from risk and places value on companies that seek to innovate and produce products that at first may seem impossible or contrary to popular belief. His writings and endeavors show his strong belief in the possibilities afforded via technology and the potential of individual ideas, which with proper support, can impact and improve the future.

During his career, he has received multiple awards including the “Herman Lay Award for Entrepreneurship” in 2006, the title of a “Young Global Leader aged 40 and under” by the World Economic Forum in 2007, and most recently the TechCrunch Crunchie Award for “Venture Capitalist of the Year” in 2012.<sup>95</sup> Thiel is also classified as a master in chess and was a math champion in California.<sup>96</sup>

94 Andrew Cave, “How to Win Like PayPal Co-founder Peter Thiel: Six of His Rules for Business Success,” *Forbes*, May 3, 2015, <http://www.forbes.com/sites/andrewcave/2015/05/03/how-to-succeed-like-paypal-co-founder-peter-thiel-six-of-his-rules-for-business-success/3/> (accessed June 10, 2015).

95 Bahareth, *Kings*, 73; Leena Rao, “Chris Dixon Wins Crunchies 2012 ‘Angel of the Year’; Peter Thiel Is Named ‘VC of the Year,’” *TechCrunch*, January 31, 2013, <http://techcrunch.com/2013/01/31/chris-dixon-wins-crunchies-2012-angel-of-the-year-peter-thiel-is-named-vc-of-the-year> (accessed June 1, 2015).

96 Steven Drobny, *Inside the House of Money: Top Hedge Fund Traders on Profiting in the Global Markets* (Hoboken, 2006), 165-66.

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