

SUMMARY

CONSPIRACY

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Summary of “CONSPIRACY” by Ryan Holiday

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Learn about the media conspiracy that shocked the
world.

Introduction	5
Thiel's Privacy Was Violated	6
Does Controversy Make For Bad Journalism?	8
How to Pick a Fight With a Journalist	10
Opportunity Knocks	12
Pride Goes Before a Fall	14
Gawker's Collapse	16
Final Summary	18



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Introduction

Have you ever had your personal information leaked online? Whether or not you've experienced this first hand, Human beings have always been afraid of gossip; we worry about someone seeing us with this person or at that place. We worry about what we've said after we've had one too many glasses of wine. We worry that people will talk. But with the advent of the internet, our fears have gotten even scarier and the threat of exposure is now more realistic than ever. Unfortunately, Peter Thiel has lived the nightmare that we dread. He knows what it's like to wake up one day and discover that your most personal secrets have been outed to the world. This is the story of how he chose to fight back.

Thiel's Privacy Was Violated

Peter Thiel is gay. Who cares, right? Not a big deal! Except that, if being gay is a part of your identity, it can sometimes come with some unfortunate consequences. You might face discrimination, for example, and feel pressured to keep your sexuality a secret from friends, families, or business partners. And while some people have the freedom to be openly out, others don't have that luxury. So, that means that each individual has exclusive rights to come out when and how they want, sharing their story with who they want. In fact, there is absolutely no situation where it is okay for someone to out another person or share their story without their permission.

But that's what happened to Peter Thiel. Because one morning, in 2007, Peter woke up to see a blog post published by Gawker Media-- a blog post that was entitled, "Peter Thiel is Totally Gay, People." In that moment, Peter's most personal secret had been outed not just to a family member or an acquaintance but to the entire internet. And although this would be a traumatizing moment in the life of anyone who's gay, for Peter, it constituted an additional, unique tragedy. Because Peter was the founder of PayPal. And as the article itself states, "the clubby ranks of VCs are mostly straight, white and male. They instinctively prefer entrepreneurs who remind them of themselves. At best, it's a wrongheaded sense of caution. At worst, it's prejudice with a handy alibi." So, even if you don't consider the fact that Thiel is a fiercely private person by nature, he clearly had a lot of professional reasons to keep his sexuality a secret as well. The fact that the article acknowledges that serves only to damn its author because it means that they knew the risks Thiel might face if exposed and they deliberately outed him anyway. And if that leaves you wondering who would do such a thing, then it's time to take a closer look at the blog and its authors.

You see, the blog that published this article was called Valleywag and on the service, it seemed innocent enough; Valleywag claimed to specialize in news stories that would be of interest to professionals in the tech industry. But a

quick glance beneath the surface reveals that Valleywag is actually controlled by a parent company, Gawker Media. And just as the name implies, Gawker generates gossip for its readers to gawk at. In fact, its founder, Nick Denton, was so interested in gossip that he had a habit of deliberately leaking the secrets of public figures just to create hype. He accomplished this by employing a team of snarky bloggers who lived to find dirt on celebrities. Denton promoted exposing his targets through crafting the most venomous gossip columns on the net and rewarded his bloggers handsomely for their cooperation.

And although we might look at Denton's behavior with disapproval, wondering how someone could get away with that or why anyone would support him, the shocking truth is that he cultivated a wide readership almost overnight. In fact, people enjoyed his exposes so much that by 2005, he could boast \$120,000 in monthly revenue alone! By 2012, that figure had soared to a whopping \$40 million. And given that he usually went after celebrities, wealthy public figures, or major corporations, it's highly likely that Denton thought nothing of going after Peter Thiel. After all, even though PayPal is a big deal, not many people know Peter Thiel's name. Not enough for Denton to expect much in the way of backlash, at least! But as we'll see over the course of the next few chapters, he was gravely mistaken.

Does Controversy Make For Bad Journalism?

As a general rule, the answer to that question is no; a skillful journalist can easily start a conversation that encourages people to weigh in on controversial issues without going too far or causing damage. But because Denton had a vested interest in actively causing damage, he frequently pushed ethical boundaries in an effort to dig up dirt on his latest victims and this was the case with his story on Peter Thiel as well. That's why the author observes that we must keep Denton's questionable research practices in mind in addition to considering the political climate at the time as we consider the impact of Denton's actions. Because although the world has become a much more inclusive place as of 2020, that wasn't the case in 2007. In fact, many states didn't even recognize gay marriage or civil partnerships at the time. And executive orders banning discrimination based on sexual orientation or gender identity were a new and novel thing.

So, in addition to the invasion of his privacy and the potential repercussions in his professional life, Thiel had also been outed in an era that was still overtly hostile towards gay people. Is it any surprise that he was angry? Can you blame him for taking it personally? You certainly couldn't when-- just a few months later-- Gawker posted another article, this time publishing clandestine snapshots of Thiel and his boyfriend along with salacious rumors about Thiel's sex life! No one wants the details of their sex life being splattered all over the internet and especially not when you're the CEO of PayPal!

But although Thiel might have felt like it was a personal attack on him, the truth is that this was pretty standard behavior for Denton and his team of bloggers. Their personal feelings toward a target had less to do with their campaigns than their desire to get the media buzzing. But even though it might have been nothing more than business to them, the problem was that their business was comprised of other people's lives. And Thiel wasn't okay with his life being ruined. After learning more about Gawker and its fast-and-loose relationship with ethics-- (Gawker was proud of leaking stolen

material like illegally-obtained celeb sex tapes)-- he started referring to them as the MBTO. His clever little acronym stood for “Manhattan Based Terrorist Organization” and he based this label off the fact that, in addition to ruining their victims’ lives, Gawker hid behind freedom of speech laws and journalistic protection to avoid the prosecution they so richly deserved. But Thiel wasn’t going to let them get away with it.

How to Pick a Fight With a Journalist

You know that old saying about how the pen is mightier than the sword? Well, Thiel knew firsthand how true that was, which meant he faced a unique conundrum in attempting to fight Gawker. After all, how do you fight someone who can ruin your life with just a few strokes of their keyboard? How do you bring down someone who has the full power of the media behind them? It took Thiel four years to figure that out and he spent the period between 2008 and 2011 plotting his revenge.

Under ordinary circumstances, his billionaire status would surely have given him an advantage. But that offered little protection against Gawker, who could wrap themselves up in the constitution and argue that they were simply exercising their right to free speech. After all, all the money in the world can only do so much against an air-tight alibi. And annoyingly, Thiel realized that he couldn't even try and shame Gawker into withdrawing their smear campaign because they already thrived on drama! If he fought back, it would only create more of a scandal-- one that would backfire on him and make Gawker more successful.

The more he thought about it, the more Gawker seemed indestructible. But after four years of racking his brain, Thiel finally found the perfect plan. Recruiting the help of a new business partner, known only as "Mr. A," Thiel established a shell corporation. This new company would recruit investigative journalists, lawyers, and fact-checkers who had only one job: to dig up dirt on Gawker. As journalists, Thiel's new team had unique access to Gawker's files and the media savvy to comb through them for any evidence that Thiel could use to challenge Gawker in court.

However, Thiel was smart enough to recognize that he couldn't attack the media giant due to his case alone or even on a freedom of speech violation. Because the constitution protects journalists, Thiel knew that freedom-of-speech cases were tough to prosecute and almost impossible to win. And as much as he hated what Gawker had done to him, he also knew that

technically, they hadn't done anything illegal. But that just meant he had to find another piece of evidence he could legitimately take to court.

Opportunity Knocks

Thiel's plan was solid. Unfortunately, however, so was Gawker's alibi. Their investigation revealed that nothing was too low or too slimy for Gawker; if they had no qualms about releasing illegally obtained sex tapes, they certainly had no problem publishing nude photographs taken without their subjects' consent or publishing repulsive lies. But they had also gone to great lengths to ensure they were protected and they were. Despite combing through thousands of files, Thiel and his team found nothing. And perhaps it might have continued like that. Perhaps Gawker would have gotten away with it. But then, in 2012, opportunity knocked in the form of someone else's tragedy.

That's because 2012 was the year that the professional wrestler known as Hulk Hogan discovered he had been filmed having sex with his best friend's wife. Unsurprisingly, Hogan had no idea the sex tape existed and was as shocked as anyone else when it popped up one morning on Gawker's website. In a heartbeat and a few clicks of the keyboard, Hogan's life and reputation were sabotaged, just like Thiel's. And, just like Thiel, Hogan tried to fight back. He played nice at first, taking discreet legal action by having his lawyers send Gawker a cease-and-desist letter.

But when Gawker (predictably) refused to honor Hogan's request, the star upped the ante and filed a lawsuit. Again, like Thiel, Hogan recognized that it would be impossible to beat Gawker with a case predicated on violating freedom of speech laws. Instead, he argued that Gawker had violated his right to privacy. Using this angle was smarter because this violation could be conclusively proven and that meant he could actually win. Thiel knew this too, so he instructed Mr. A to get in touch with Hogan and ask if he would be interested in filing his lawsuit in partnership with an anonymous third party. Although that might seem like a counterproductive strategy--how do you get justice in a lawsuit if no one knows you're part of it?-- Thiel understood that revealing his interest might be dangerous. If Gawker learned he was campaigning to destroy them, their attacks on him might

escalate. So, he wisely concealed his identity and bankrolled Hogan's powerful lawsuit against Gawker, quietly waiting for the right time to strike.

Pride Goes Before a Fall

In Gawker's case, this old adage from the Bible proved dangerously true. Because even in the face of Hogan's lawsuit, Denton wasn't too concerned with the attack on his company. He had certainly pissed off more than a few celebrities in his day and he had come out unscathed every time. In fact, for Denton, another lawsuit was about as routine as changing your socks. Yet despite the fact that Hogan was suing them for \$100 million in damages, Denton assumed that Hogan would eventually get weary or tire of the draining legal fees and back off. This was another element that had given Denton an advantage throughout the years: because his company generated billions in revenue, he had the resources to fight lawsuits without draining a significant portion of his income. His opponents, however-- even those who were millionaires-- couldn't match his untapped billions and often backed out due to the financial strain.

But that's where Thiel came in. Because another billionaire was funding his legal fees, Hogan was now as financially untouchable as Gawker itself. So, when the case dragged on and was finally about to go to trial, Gawker began to realize that Hogan wasn't giving up. And that's when they started getting worried. In a feeble effort to keep the case from going to trial, Gawker offered to settle out of court for a measly \$10 million. But that wasn't about to dissuade Hogan, who knew that-- with Thiel's backing-- he could fight for far more. The case proceeded, with the trial ultimately going before a jury, and that's when Gawker realized it was all over for them. Because the case was being tried in Hogan's home state of Florida, they weren't in New York anymore. Separated from their sleazy fanbase and unable to play by the fast-and-loose code of ethics they had employed in Manhattan, Gawker no longer had the support they were expecting.

They were on Hogan's turf now and to a jury comprised of his Floridian peers, Hogan was a hometown hero. Unsurprisingly, that jury didn't want to see their local icon slandered by some media outlet they had never heard of. From the moment the charges were announced, Gawker never had a

chance; that jury was never going to favor the people who had dragged Hogan's good name through the mud. So, in March of 2016, the jury came back with a speedy verdict: Hogan had been awarded \$140 million in damages.

Gawker's Collapse

Gawker might have had the funding to bankroll an expensive lawsuit, even one that dragged on for a while. But they didn't have the capital to fund that lawsuit and a \$140 million settlement! Financially crippled by the damages, Gawker had no choice but to fold and declare bankruptcy. They were out of business for good. In light of that, you might be tempted to say all's well that ends well, right? Hogan and Thiel got what they wanted, justice was served, and Gawker's reign of terror had come to an end. But the story actually doesn't end quite so happily. Because Thiel had managed to maintain his secrecy during the trial, but now-- flush with victory-- the temptation to shout it from the rooftops was too much for him. And even though he only told a few close friends at the beginning, it wasn't long before the story took on a life of its own, becoming international news.

But even that doesn't sound so bad, right? Sure, it's a new influx of media attention, but it could hardly be negative! Surely, the media and the American public would hail Thiel as a hero! Except they didn't. Even though the public-- and the press in particular-- weren't fans of Gawker, they were suspicious at Thiel's involvement in the scandal. Suddenly, Gawker was recast as the underdog, an independent media outlet willing to be controversial when no one else would challenge the status quo. And by contrast, Thiel was suddenly configured as a billionaire with a vendetta who attacked free speech for his own personal gain. In light of Thiel's lie of omission, the public no longer cared about Gawker's attack on him or the violation of his privacy; all that mattered was the impression that they had somehow been deceived.

Thiel, understandably, was wounded by the unexpected twist in public opinion. He thought he had done the right thing for himself, for Hogan, and for everyone else who had been the victim of Gawker's smear campaigns. He considered himself a hero. And in the author's opinion, Thiel was more than justified. Although he might not have been upfront about the identity of Hogan's benefactor, he didn't do anything illegal. And, unlike Gawker, he

didn't even do anything slimy or unethical; he simply concealed his identity to preserve the integrity of Hogan's lawsuit and ensure that an unethical company was taken down. But when it comes to cases like this, everyone has an opinion. Everyone seems to have their side of the story or their own version of what they would do in Thiel's shoes. So, what do you think? Was Thiel right to go after Gawker? Was it okay for him to hide his involvement in the lawsuit? Is it okay to conspire against somebody else when you're doing it for the right reasons? You decide.

Final Summary

After one simple blog post outed Peter Thiel and violated his privacy, the billionaire and founder of PayPal devoted nine years and more than \$10 million to taking Gawker down. Throughout his quest to destroy Gawker, Thiel displayed patience, creativity, ingenuity, and a commitment to ethics. Although he certainly wanted justice for Gawker's unwarranted attack on him, he also wanted to help other victims like Hulk Hogan whose lives and reputations were needlessly marred.

And in an age where conspiracy theories are characterized by fears of alien takeovers and the Illuminati, maybe it's okay to make a switch towards conspiracies that seek justice. Maybe it's okay to plot and scheme in secret as long as we're going after the real bad guys. However, everyone gets to make that decision for themselves; you get to decide whether you think Thiel's actions were ethical or not. But no matter what you think about his choices, you have to admit that his conspiracy against Gawker makes for a fascinating read!



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