



The AP Reveals Details of Facebook/ConnectU Settlement With Greatest Hack Ever

by [Jason Kincaid](#) on February 11, 2009

This is almost too good to be true. The Associated Press has [uncovered](#) the details of the Facebook/ConnectU settlement using, of all things, copy and paste. After taking drastic preventative measures to keep the settlement confidential, including barring reporters from the courtroom and redacting portions of the documents, Facebook has been foiled by the most laughable lull in security I've heard of:

Large portions of that hearing are redacted in a transcript of the June hearing, but The Associated Press was able to read the blacked-out portions by copying from an electronic version of the document and pasting the results into another document.

Read that again. Just, wow.

Now for the juicy details:

The document reveals that Facebook's internal valuation of the company is \$3.7 billion, or \$8.88 per share - far less than the \$15 billion implied valuation established by the Microsoft investment in 2007 (though this comes as no surprise, as a value around \$4 billion has been rumored for months).

Under their settlement, Facebook agreed to pay ConnectU \$20 million in cash and 1,253,326 shares of common stock. The stock was worth \$45 million, based on the Microsoft valuation, but only \$11 million under Facebook's own appraisal.

Something worth noting from these figures: Facebook paid out \$20 million in cash, but only around \$11 million in stock based on its own valuation (when the news of the supposed \$65 million settlement was [revealed](#) yesterday by a lawfirm's advertisement, many speculated that it was primarily in stock). The high cash value (at least compared to the stock) may indicate that the ConnectU founders really did have some compelling evidence in their case. Then again, \$20 million in cash is still fairly insignificant to Facebook - it may have well been worth paying even if there was no damning evidence given that it was supposed to make the case go away forever. So much for that.

Via [Techmeme](#).

Update: If you'd like to see the full text for yourself, you can find the PDF of the relevant document [here](#). It appears that the issue is tied to the PDF, as the 'copy/paste' trick works with this document.

<http://www.techcrunch.com/2009/02/11/the-ap-reveals-details-of-facebookconnectu-settlement-with-best-hack-ever/>