

From: [REDACTED]
To: [REDACTED]
Sent: 2/13/2012 3:44:44 AM
Subject: Chat with [REDACTED]

6:51 PM **me:** hey what's up
driving to dinner but will be able to type more in like 5 min

6:52 PM [REDACTED] can we talk for a minute now?
or 5 minutes from now is ok too

me: yes
go for it

6:53 PM [REDACTED] k. so, not surprisingly, zuck pinged me to say "i'm not sure if this is a good idea yet, but i think maybe facebook should buy instagram, what do you think?" i obviously want to discuss with you before i reply to him

me: got it
you know him better than I do

6:54 PM a) will he go into destroy mode if I say no
b) will he understand if we choose to raise instead

6:55 PM c) will he understand that I don't want to shutter the product and that doesn't align with what FB does with companies
[REDACTED] a) probably (and probably also if we just don't engage at all)
b) no, he'll go harder into destroy mode then

6:56 PM c) what i think he would most likely want to see is for instagram to turn into a stand-alone mobile facebook photos app, like beluga turned into facebook messenger
6:57 PM (re c he hasn't indicated anything to me at all there, i'm just speculating)

me: I thought they were already working on something internally for a long time

6:58 PM well what's our goal here then
[REDACTED] i could see that merging into instagram

me: fair enough

6:59 PM are we sure we can't downplay our hand
say we're focused on pretty photos and an open name space and we're not sure how that fits in?
I'm riffing here
[REDACTED] our goal depends on what you want to do. if you're actually interested in considering selling at the right price, then i would (slowly) talk with him and try to talk with twitter in parallel. (do not slow down the series b discussions in any event.) if you are of the mind "i don't want to sell at any price" then we need to figure out how to shut this down with minimal damage. i think that means playing it out REALLY slowly with him.

7:00 PM yeah, downplaying our position could be a way to play it out really slowly in the latter scenario

7:02 PM **me:** well trying to focus on the questions an hesitations he's already having (pretty photos, namespace, open)
I'm not interested really - even at the right price I don't think so

7:03 PM [REDACTED] ok then we should figure out how to shut it down

me: I think so.

7:04 PM [REDACTED] any ideas? downplaying our position is a good thought but he's way too smart for "oh never mind little old us, we're just pretty pictures"

me: it's a little bit crazy but I don't think they go away as an option in the future
sure I'd want to be smarter than that too

7:05 PM [REDACTED] here's one idea: i could tell him "i don't think it makes a ton of sense and i think if you start down that path you risk a bidding war with twitter and google for this, whereas if you leave it alone it'll probably just go its own way"

me: well my q is why would he ask you knowing it would get to me
[REDACTED] ie facebook is better with an independent instagram than with a n instagram that's part of twitter or

google

it's a way of approaching you indirectly. smart.

me: yep

7:06 PM [REDACTED] of course if i make the "leave instagram alone for facebook's sake" argument, he will conclude that it's best to crush instagram. i guess there's not that much that can be done about that though.

me: hah

7:07 PM unless we figure out how to show that insta is pushing lots of content in and that a good thing but he already knows what small % goes in given press articles and we are going to have overlap in features

7:09 PM or you could respond and get more info

like try to understand why he's thinking abt it

7:10 PM "that depends on why you might think its a good idea and bad idea, I can help give pros and cons" then we can craft the approach rather than guessing

7:11 PM [REDACTED] yeah that could make sense. but i doubt he'll tell me his full rationale. he already told me that he thinks it's bad for anybody else to control posting of photos onto fb at large scale (keep that between us please), but i think there's more to it

i suspect that what he's really worried about is twitter.

7:12 PM if twitter and instgram became one company it would make life more difficult for facebook.

me: everything is btw you and I

[REDACTED] and instagram is a more natural fit for twitter as a product.

yup

me: I'd agree on that hunch

7:13 PM given jack and I having coffee tues

and [REDACTED] drinks tomorrow

[REDACTED] why are you meeting with [REDACTED] directly if you're not serious about doing something with twitter?

7:15 PM **me:** well - he needs to know we're not interested

and they haven't said anything

[REDACTED] how's this as a reply to mark: "why do you think it's a good idea? i've never heard kevin express interest in selling, and the product seems pretty different to me. i actually think instagram can do well as a stand-alone brand advertising business fwiw."

7:16 PM (he told me he thinks instagram can't be a good independent business because of how much it's about photos, but i think that's partially posturing.)

the only reason to include my last sentence is to remove his fear that there will be a twitter deal

me: to be clear theyve said nothing - and I want to maintain a good relationship so I think avoiding him isn't a good idea when I can just say n

7:17 PM no

that is unless you think there's a better way to turn them down

and also I thought we wanted some leverage of interest for fundraising

7:18 PM [REDACTED] yeah i think that's fine

7:20 PM **me:** I think instead of product seems diff - you may pt out how the existing structure (following and namespace) doesn't mesh well

or would make it hard to be successful inside

successful acq

7:21 PM [REDACTED] sure

me: but again he's prob thinking more that he doesn't want twitter to have it less that it will be successful inside

7:22 PM [REDACTED] my only concern with that approach is it signals "this is a better fit for twitter". maybe better to

leave it more vague. why do you think it's a good idea? i've never heard kevin express interest in selling, and the product seems pretty different to me. i actually think instagram can do well as a stand-alone brand advertising business fwiw

oops never mind everything after "vague" above, i hit paste by accident

me: got it

ya I hear that

7:23 PM I mean honestly he seems like a guy with a clear sense of what he wants

ummm yeah
me: and I think getting more info is all we can do
I don't know that we'll be able to sway
7:24 PM in fact what worries me abt the response is that we signal that we're trying too hard to avoid it
any thoughts on how to not do that?
7:25 PM **me:** I don't know if we need the stand alone biz thing I think
ok. so just this: "why do you think it's a good idea? i've never heard kevin express interest in
selling, and the product seems pretty different to me."
7:26 PM **me:** "I've never heard Kevin express interest in selling. the product seems pretty different than what
you're going after. why do you think it's a good idea?
7:27 PM q at the end?
I dont care abt the middle sentence
meaning I was wordsmithing
7:28 PM sure that's fine
me: ok why don't we see where that goes
7:29 PM I do think we have to be careful with twitter conversations so he doesn't get conflicting repts
yep
7:30 PM **me:** don't want to make any enemies
for sure
but mark doesn't react emotionally, he reacts based on competition
just sent him that language, we'll see what he says
7:31 PM **me:** ok good
that's why i think signaling no competition is good
yeah, but he's too smart to take our word for it ;)
7:32 PM i do think the biggest hot button for him is the possibility of a sale to twitter
me: bottom line I don't think we'll ever escape the wrath of mark
haha
me: it just depends how long we avoid it
that's why we need to raise 70 build an army and keep our heads down
one thing to consider is doing some PR around how much we love facebook platform and how
awesome it is to be a complimentary player to facebook
7:33 PM **me:** it will come
when? I don't know
that's a good idea
yeah i think that's a key project to point our pr person at
we need to make it as hard as possible for fb to mess with our ability to get distribution on the
platform
me: reached out to me again - broke his own rule
7:34 PM haha
me: yah I agree
was he chill
me: yes
see he's learning :)
me: good
7:35 PM i think we should let him in, even if it's a small piece. he's such a good dude
haha
me: yah we have to plan for the inevitability of FB hating us
and i actually think we can put him to work recruiting engineers for us
yeah we do
me: I mean twitter is so different
and yet ...
i think he spends most of his time partying these days, so he has time to recruit for us
me: :D
I like a lot

██████████ and he actually has a good network out of google which i think is probably complimentary to yours

me: had good time with ██████████ and ██████████

██████████ is a good dude

██████████ (benchmark is about to gear up its engineering recruiting effort btw, but that won't spin up for at least a couple of months)

7:37 PM cool re ██████████ and ██████████. ██████████ is keen to do this and i think he can be helpful too. i honestly think ██████████ will help less with recruiting but he's a great guy

yeah ██████████ is a great guy, we should include him too. i think our existing plan to have him "fill in" the round makes sense

me: ya. path stuff with Kleiner?

██████████ basically i think we have room for one of dst, ██████████, or ██████████ and then we can have ██████████ and/or ██████████ and ██████████ fill in the rest once the lead sets the price

7:38 PM **me:** yep

well I'm planning on sending sig pages on the grants tonight and we start talking this week

7:40 PM ██████████ mark just replied and asked if anybody else has tried to buy instagram. i think the best reply is "i really shouldn't step over boundaries and talk about that, but the answer is not yet."

is that cool?

oh and then he also asked "should i just talk to kevin directly"? i think he's going to do that anyway, so i should tell him "yes"

me: isn't the first part contradictory with the second?

██████████ yes it is

7:41 PM **me:** yah tell him to talk to me and that I haven't mentioned anyone

██████████ but it signals that this won't be a precedent for my telling him that stuff in the future

ok will do

me: ok

then we should talk about how to respond

7:43 PM ██████████ how to respond to what?

me: he will reach out to me

7:44 PM I've avoided chatting once and failed

██████████ yeah. let's see what he says.

me: k

7:45 PM ok chat me later - just sat down to dinner cool?

or we can talk tomorrow

whatever's easiest

7:46 PM ██████████ sure. i'm landing in about an hour so will lose my wifi in about 30 minutes :)

have a good dinner ttyl

me: thanks - ttys