

NO. D-1-GN-18-001835

NEIL HESLIN,

*Plaintiff,*

v.

ALEX E. JONES, INFOWARS, LLC,  
FREE SPEECH SYSTEMS, LLC, and  
OWEN SHROYER,

*Defendants*

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IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

261<sup>st</sup> JUDICIAL DISTRICT

**SUPPLEMENTAL AFFIDAVITS IN SUPPORT OF DEFENDANTS’ MOTION TO DISMISS UNDER THE TEXAS CITIZENS PARTICIPATION ACT**

COME NOW, Defendants Alex E. Jones, Infowars, LLC, Free Speech Systems, LLC, and Owen Shroyer (collectively, the “Defendants”), and hereby file supplemental affidavits in support of their Motion to Dismiss Under the Texas Citizens Participation Act.

Defendants hereby file the Affidavit of Alex Jones attached hereto as Exhibit “A” and the Affidavit of Owen Shroyer attached hereto as Exhibit “B.”

RESPECTFULLY SUBMITTED,

GLAST, PHILLIPS & MURRAY, P.C.

*/s/ Mark C. Enoch*

Mark C. Enoch  
State Bar No. 06630360  
14801 Quorum Drive, Suite 500  
Dallas, Texas 75254-1449  
Telephone: 972-419-8366  
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ATTORNEY FOR DEFENDANTS



NEIL HESLIN,  
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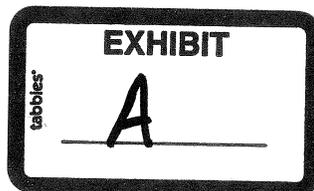
**AFFIDAVIT OF ALEX E. JONES**

STATE OF TEXAS     §  
  §  
COUNTY OF TRAVIS   §

BEFORE ME, the undersigned notary public, on this day personally appeared Alex E. Jones, known to me to be the person whose name is subscribed below, and who on his oath, deposed and stated as follows:

1. My name is Alex E. Jones. I am over the age of 21 years, have never been convicted of a felony or crime involving moral turpitude, am of sound mind, and am fully competent to make this affidavit. I have personal knowledge of the facts herein stated and they are true and correct.

2. I have reviewed the affidavit of Brooke Binkowski filed as part of the response to the Defendants’ Motion to Dismiss. While she claims a “cooperative relationship” between Infowars and Zero Hedge with some sort of agreement to promote and endorse each other’s contents, this statement is false. None of the Defendants has



ever cooperated in any way with Zero Hedge nor have Defendants and Zero Hedge ever promoted or endorsed each other's content. At times, Infowars has cited, discussed and commented on articles posted by Zero Hedge as was done in this case. Many, many others have cited their work besides Defendants. Neither I nor anyone affiliated with the Defendants has ever known the identity of any contributor to or editor of, or owner of, either iBankcoin or Zero Hedge. It has always been my understanding that whoever they are, they guard their personal identities zealously because of concerns for personal reprisals such as I and other conservatives have experienced.

3. Ms. Binkowski's statement that Infowars was collaborating with Zero Hedge is false. Defendants have never nor on this occasion did Defendants collaborate, cooperate or communicate with Zero Hedge about any article including the article that was discussed in the broadcasts which are the subject of this lawsuit.

4. Ms. Binkowski's additional statements that Defendants' broadcasts which are the subject of this action were provoked and in retaliation for Ms. Heslin's appearance on the NBC broadcast, are false as well. The statements I made during the July 20 broadcast and the statements made by Owen Shroyer which I showed in the broadcast were motivated only by my desire to criticize Megyn Kelly and NBC's slanted coverage of my views.

5. Finally, Ms. Binkowski alleges that Zero Hedge is a "dubious" source of information and promotes only "fake news." While she may have this personal opinion,

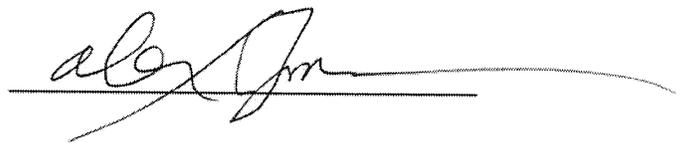
my opinion is otherwise. I do not and have never considered either iBankcoin or Zero Hedge a “dubious” source.

6. It appears that Ms. Binkowski’s opinion of them is based upon her own perception and personal liberal bias. For example, she claims that “no competent journalist would republish allegations from an anonymous” source. Journalists and reporters all over the world have and continue to accept information from anonymous sources.

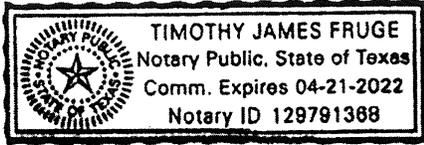
7. Further, Ms. Binkowski is not a disinterested person. Attached hereto and marked as Exhibit 1 is a true and correct copy of Brooke Binkowski’s Tweet dated April 16, 2018, the day this lawsuit was filed against Defendants, which attaches comments. Her Tweet that date was “Okay, God, now do Alex Jones.” I interpret that to mean she wanted me and Infowars to suffer harm. Evidently her followers did as well because they wanted to “throw in” other well-known politically conservative personalities into God’s “doing” including Rush Limbaugh, Laura Ingraham, Nancy Grace and Ann Coulter.

8. Regarding Megyn Kelly’s interview of me for NBC, I told Ms. Kelly that with respect to Sandy Hook, “In hindsight, I think it probably did happen.” but she did not include this in the aired broadcast.

Further Affiant Sayeth Not.

A handwritten signature in black ink, appearing to read "Alex Jones", is written over a horizontal line. The signature is stylized and cursive.

SWORN TO and SUBSCRIBED before me by Alex E. Jones on August 28 , 2018.



  
\_\_\_\_\_  
Notary Public in and for  
the State of Texas

My Commission Expires:

4-21-2022



**Brooke Binkowski** ✓

@brooklynmarie

Follow

# Okay, God, now do Alex Jones.

12:00 PM - 16 Apr 2018

547 Retweets 3,373 Likes



65

547

3.4K



**Satan** @LuciferGOP · Apr 16

Replying to @brooklynmarie @AngrierWHStaff

Just spoke with the big guy, he's willing to do Alex Jones if I throw in Rush Limbaugh.

3

13

141



**Paul Clewell** @paulclewell · Apr 16

I don't see a problem here.

3

40

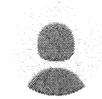


**Satan** @LuciferGOP · Apr 16

None whatsoever

1

17



**todd harms** @TfredharmsTodd · Apr 16

Could we throw in Laura Ingrham too?

2

29



**Paul Clewell** @paulclewell · Apr 16

Oh! Oh! And Nancy Grace, please!

1

15



**#memoriesoneatatime** @bcyn66 · Apr 16

Ann Coulter?

2

4



**Paul Clewell** @paulclewell · Apr 16

Also good.



NEIL HESLIN,

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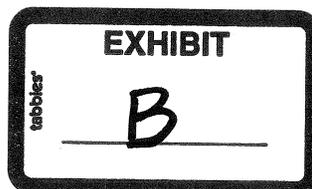
**AFFIDAVIT OF OWEN SHROYER**

STATE OF TEXAS       §  
                                  §  
COUNTY OF TRAVIS   §

BEFORE ME, the undersigned notary public, on this day personally appeared Owen Shroyer, known to me to be the person whose name is subscribed below, and who on his oath, deposed and stated as follows:

1. My name is Owen Shroyer. I am over the age of 21 years, have never been convicted of a felony or crime involving moral turpitude, am of sound mind, and am fully competent to make this affidavit. I have personal knowledge of the facts herein stated and they are true and correct.

2. I have reviewed Ms. Binkowski's affidavit attached to the Plaintiff's Response to Defendants' Motion to Dismiss. In her affidavit she alleges that there was a cooperative relationship between the Defendants and Zero Hedge and by implication, iBankcoin. She alleges that we and I were actively collaborating with Zero Hedge to



spread “fake news.” She further states that I was motivated by retaliation in making my statements having been provoked by Mr. Heslin. Each of these statements is false.

3. Neither I nor anyone I know associated with Defendants has ever had a cooperative relationship in which they published, promoted or endorsed each other’s content. Indeed, neither I nor anyone I am familiar with at the Defendants knows of the identities of any contributor, editor, owner or other person affiliated with either of those two websites. Neither I nor anyone I know associated with Defendants had any communications with them other than simply obtaining information from the Zero Hedge website as we do from many, many other websites. In short, there is no affiliation or familiarity between any of the Defendants or myself and any person affiliated with Zero Hedge or iBankcoin.

4. Furthermore, the purpose of my statements in the June 25 broadcast was to point out that Zero Hedge article (reprinting the iBankcoin article) criticizing Megyn Kelly and NBC. I was not at all motivated by what Mr. Heslin did. Rather I was responding to learning of that day’s publication of the Zero Hedge article criticizing Kelly and NBC.

5. Furthermore, Ms. Binkowski alleges that Zero Hedge is a “dubious” source and has spread “fake news.” While she is entitled to her personal opinion, it is no more valid than my opinion that many reporters and editors in main stream media regularly misrepresent facts and omit other material facts to tilt their broadcast and “news” stories toward their liberal agenda. I am not alone in this opinion as reflected by large viewership of Fox News as just one example.

6. I do not consider Zero Hedge to be a dubious source, nor do I consider just because it is posted by anonymous people, dubious. Ms. Binkowski appears to believe that if a website is criticized by *some* as promoting “fake news” then it could not be reasonable for any other to disagree with that opinion and believe it is not a “fake news” site. While it is true that some claim Zero Hedge is a source of “fake news,” it is also true that I and many others believe otherwise. Zero Hedge has also been praised by others, including the *Columbia Journalism Review*, *New York Magazine*, the *New York Times*, *Business Time*, and *Time*.

7. The *Columbia Journalism Review* reported that its “...news accounts have been pretty straightforward.”<sup>1</sup> And while Ms. Binkowski alleges that Zero Hedge is all about “conspiracy theories,” one such “theory” about trading became the “talk of the industry.” Joe Hagan, writing in *New York Magazine*, noted that Zero Hedge’s founder was a “zealous believer in a sweeping conspiracy at the helm of U. S. policy,” with collusion between “the Treasury and the Federal Reserve.” Nevertheless, he concluded the Zero Hedge allegations resulted in Senator Chuck Schumer sending a letter to the SEC that caused that agency to quickly say it was considering a ban on the trading that Zero Hedge had attacked.<sup>2</sup>

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<sup>1</sup> Attached hereto and marked as Exhibit 1 is a true and correct copy of the *Columbia* article posted at the url: [https://archives.cjr.org/the\\_audit/good\\_goldman\\_question\\_from\\_zer.php](https://archives.cjr.org/the_audit/good_goldman_question_from_zer.php)

<sup>2</sup> Attached hereto and marked as Exhibit 2 is a true and correct copy of Mr. Hagan’s article in *New York Magazine* posted at the url: <http://nymag.com/guides/money/2009/59457/>

8. The *New York Times* has described Zero Hedge as a “well-read and controversial financial blog.” In that article, the *Times* noted that Zero Hedge’s reports about Morgan Stanley – which the *Times* called a “potent cocktail of information” - were so effective among its readers that Morgan’s stock price immediately fell 10%, its lowest price since the 2008 financial crisis.<sup>3</sup>

9. By 2009, Zero Hedge already had 333,000 unique visitors each month.<sup>4</sup> By 2011, *Time* recognized it as the ninth best financial blog.<sup>5</sup>

10. In the past I have reviewed articles from Zero Hedge that I have found to be credible and factually correct. While Ms. Binkowski attempts to buttress her opinion of Zero Hedge by alluding to Snopes.com articles, neither Snopes.com nor Ms. Binkowski is a disinterested person or group. She and Snopes regularly attack Jones on their site and on other media platforms. Ms. Binkowski herself has tweeted “Okay, God, now do Alex Jones.” She did this on April 16, the day the Defendants were sued in this case. Her ugly tweet caused dark and threatening comments from her obviously liberal followers. Clearly her text summarizes her deep seated contempt for Alex and Infowars that she wished to spread among many others. Attached hereto and marked as Exhibit 5 is a true and correct copy of Brooke Binkowski’s tweet that I reviewed at her Twitter account on the internet.

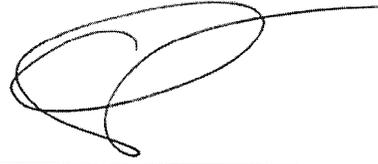
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<sup>3</sup> Attached hereto and marked as Exhibit 3 is a true and correct copy of *The New York Times* article at the url: <https://dealbook.nytimes.com/2011/10/04/morgan-tries-to-quell-rumors-about-its-holdings/>

<sup>4</sup> Attached hereto and marked as Exhibit 4 is a true and correct copy of a *Business Times* article posted at the url: <http://business.time.com/2009/10/01/wall-streeters-like-conspiracy-theories-always-have/>

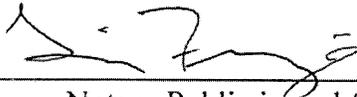
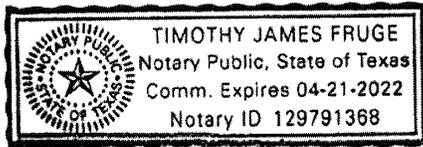
<sup>5</sup> See D. Jones Affidavit filed July 13, 2018 and its attached exhibit B-53.

Further Affiant Sayeth Not.



\_\_\_\_\_  
Owen Shroyer

SWORN TO and SUBSCRIBED before me by Owen Shroyer on August 28 ,  
2018.

  
\_\_\_\_\_  
Notary Public in and for  
the State of Texas

My Commission Expires:

4-21-2022

(<https://www.cjr.org/>)

# Columbia Journalism Review.

(<https://www.cjr.org/>)

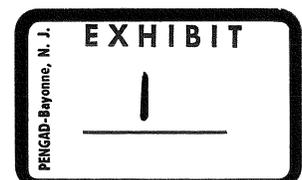
The voice of journalism

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## Good Goldman Question From Zero Hedge

Seems reasonable to me:

“What Is The Rationale Behind The SEC’s Hiring A 29 Year Old Goldmanite As Its COO?” (<http://www.zerohedge.com/article/what-rationale-behind-secs-hiring-29-year-old-goldmanite-its-coo>)



*While one may or may not have feelings about Goldman's tentacled capture of various regulatory agencies, the most recent news out of the SEC that it would be hiring a 29 year old former Goldman Vice President Adam Storch as its COO, questions the rationale behind this move. First, and not being ageist here, but a 29 year old to run what is arguably the most critical post at the SEC - that in charge of operations?*

So far, news accounts have been pretty straightforward

(<http://www.bloomberg.com/apps/news?pid=20601087&sid=a6ItnK32Cl6Y>).

I'm not the fan of ZH that some are. To pick nits, the first sentence isn't grammatical: "the most recent news...questions the rationale behind this move." And this SEC position is actually COO of the enforcement division, which, true, is just as problematic, but it still isn't arguably the most critical post at the SEC. Listen, we make mistakes all the time—and they don't help us, either.

*New York's* Joe Hagan makes a good case

(<http://nymag.com/guides/money/2009/59457/>) for Zero Hedge's (and other financial blogs') rising influence, with the high-frequency trading issue presented as "Exhibit A." In that case, an esoteric issue was bandied around specialty blogs for a while before exploding onto the front page

([http://www.nytimes.com/2009/07/24/business/24trading.html?](http://www.nytimes.com/2009/07/24/business/24trading.html?_r=2&ref=todayspaper)

[\\_r=2&ref=todayspaper](http://www.nytimes.com/2009/07/24/business/24trading.html?_r=2&ref=todayspaper)) of *The New York Times* and into the halls of Congress. We had problems ([http://www.cjr.org/the\\_audit/nyt\\_flashs\\_confusion\\_in\\_hft\\_r.php?page=1](http://www.cjr.org/the_audit/nyt_flashs_confusion_in_hft_r.php?page=1)) with some of how it all went down, but the heat on the issue also generated plenty of light. *Time* summarizes the thinking about ZH here

(<http://curiouscapitalist.blogs.time.com/2009/10/01/wall-streeters-like-conspiracy-theories-always-have/>).

This is all a long way of saying I don't know whether it's okay to rely on Zero Hedge's facts, like:

*Based on his record, Mr. Storch is not even a licensed (Series 7/63) broker:*

But dagnabit, this isn't about Zero Hedge!

The SEC says Storch worked for five years in a unit that reviewed contracts and transactions for signs of fraud. Also the enforcement chief says his “skill in technology systems, workflow process, and project management will greatly benefit the division.”

And yet the question remains. What’s the answer?

*Has America ever needed a media watchdog more than now? Help us by  
joining CJR today  
([https://ssl.palmcoastd.com/18801/apps/MEMBER1?ikey=5\\*\\*M02](https://ssl.palmcoastd.com/18801/apps/MEMBER1?ikey=5**M02)).*

Dean Starkman Dean Starkman runs The Audit, CJR's business section, and is the author of *The Watchdog That Didn't Bark: The Financial Crisis and the Disappearance of Investigative Journalism* (<http://www.deanstarkman.com/book/>) (Columbia University Press, January 2014). Follow Dean on Twitter: @deanstarkman (<https://twitter.com/deanstarkman>).

# The Dow Zero Insurgency

The nothing-can-be-believed chaos of the financial crisis created a golden opportunity for a blog run by a mysterious ex-hedge-funder with a dodgy past and conspiracy theories to burn.

By Joe Hagan Published Sep 27, 2009 ShareThis

[3 Comments](#)



Illustration by Matthew Woodson

Only a few loyal readers paid attention to the blog called Zero Hedge, a no-frills site full of arcane analysis decipherable only by finance professionals. But when a former Goldman Sachs computer programmer was arrested for allegedly stealing software codes used for the firm's electronic trading arm, and a federal prosecutor was quoted saying the codes could be used to "manipulate markets in unfair ways," the once-obscure blog ignited a chain reaction. While on a golf outing, an editor at the *New York Times* learned from a friend who worked on Wall Street that the Zero Hedge allegation was the talk of the industry, and an assignment ensued. On July 24, the *Times* published a front-page article on so-called high-frequency trading and its potential abuses, which in turn prompted Chuck Schumer, a member of the Senate Finance Committee, to draft a letter to the SEC that same day. Twelve days later, the SEC signaled that it was considering a ban on the very computerized trading that Zero Hedge had attacked.

Suddenly, the shadowy figure behind Zero Hedge was a full-blown cult hero—a blogger with a bullet. His readership of angry traders and anti-government malcontents celebrated his newfound power. "Welcome to the party pal!!!" declared one of his fans in the comments section.

In a sign of just how radically the order has shifted in the political and media world, neither the *Times* nor Schumer had a clue about the identity of the pseudonymous author behind Zero Hedge. As it happens, the founder is a 30-year-old Bulgarian immigrant banned from working in the brokerage business for insider trading. A former hedge-fund analyst, he's also a zealous believer in a sweeping conspiracy that casts the alumni of Goldman Sachs as a powerful cabal at the helm of U.S. policy, with the Treasury and the Federal Reserve colluding to preserve the status quo. His antidote? A purifying market crash that leads to the elimination of the big banks altogether and the reinstatement of genuine free-market capitalism.

Never mind Dow 10,000. Dan Ivandjiski is all about Dow Zero.

Last year's financial implosion left the investing public deeply unsettled about who or what to trust. The information that flowed from the banks, the ratings agencies, the regulatory agencies, and the mainstream media—the bedrock of the financial markets, in a sense—was viewed with great suspicion, and that created an opportunity for financial bloggers: a motley assortment of amateurs and professionals from all over the map. There are traders, economists, venture capitalists, financial advisers, and pajama-clad cranks all vying to explain the complex machinations that got us into this mess and to critique governmental solutions. Sites like Naked Capitalism, Seeking Alpha, the Big Picture, Infectious Greed, Angry Bear, Calculated Risk, and Zero Hedge have hatched communities based on discontent and disbelief, forming a kind of ragtag insurgency against the financial Establishment and what they view as its feckless lackeys in the government and media.

"We're all happily cruising along, doing our financial-journalism thing, until late 2007," explains Felix Salmon, who now blogs for Reuters. "We have relationships with flacks, and suddenly they started lying to us. Outright lies. And you're like, 'Wait, that's not kosher, you can't do that.'" Among bloggers, Salmon is more of the Establishment type, with little tolerance for the sloppy thinking of excitable bloggers.

Financial blogs grew out of the message boards launched by Yahoo! Finance in the late nineties, which were primarily a forum for day traders to argue investment ideas and vent little-guy frustrations about

MONEY 2009

## What's It All Worth?

- The Rise of Apocalyptic Financial Bloggers
- Madoff Victims in Exile
- The Markup on Eli Manning
- Is Being Cheap Genetic?
- Real Estate Vultures
- The Micro-Economy of Union Square
- Are New Yorkers Thrifty?



the Wall Street power structure.

The first financial blogger, according to Barry Ritholtz of the Big Picture, was Todd Harrison, the head trader for the hedge fund run by CNBC talking head Jim Cramer (also a *New York Magazine* contributing editor) in the early aughts. Harrison, who wrote a daily market column for Cramer's TheStreet.com, "would crank out these little notes intraday," recalls Ritholtz. "It was a real-time trader with real assets under management discussing trading flow."

In the years that followed, blogs proliferated. They were mostly side projects, updated sporadically. Ritholtz, who started the Big Picture in 2003, was a market strategist who zeroed in on flaws in the government's inflation data. Calculated Risk was started by a retired businessman in Southern California who took an obsessive interest in exotic mortgages and saw the housing collapse years in advance. Naked Capitalism, which features the work of a small gang of contributors, is overseen by a former Goldman Sachs and McKinsey executive who goes by the pseudonym Yves Smith.

**Next: How Zero Hedge distinguished itself.**

1 | 2 | 3 | 4 | 5 | 6 | 7 | [Next](#) |



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**The New York Times**

# Morgan Tries to Quell Rumors About Its Holdings

By **Susanne Craig** October 4, 2011 9:26 pm

Morgan Stanley executives are battling a daily barrage of speculation and naysaying to try to stem a sharp slide in the company's stock.

It is a war that is being fought in large part in the shadows: against anonymous blogs and market whispers, but also against undefined fears about exposure to troubled European banks. While those worries are common to all the big Wall Street banks, Morgan Stanley, as the smallest, is perhaps the most vulnerable among them.

In response, Morgan Stanley executives have been rallying employees and talking to the company's biggest shareholders. The campaign culminated late on Monday, with the Mitsubishi UFJ Financial Group, which owns approximately 22 percent of Morgan Stanley, publicly reaffirming its support for the company.

The push may have helped on Tuesday. Shares of Morgan Stanley rose 12.4 percent, after falling nearly 29 percent since the beginning of September. Morgan and other banks were primarily buoyed on Tuesday by a suggestion that European officials would look at bank recapitalizations.

Nonetheless, there has been a bloodbath in bank stocks. Morgan Stanley is down 48.5 percent for the year; Goldman Sachs has fallen 44 percent; and Bank of America is off about 57 percent. And the cost of insuring Morgan Stanley's debt for five years through credit-default swaps, though it eased on Tuesday, remains at levels that were seen during the financial crisis.



Morgan Stanley's war-roomlike approach to market volatility highlights the difficulties of stamping out speculation in a world of instant, and often anonymous, information.

Its latest round of troubles began on Friday morning before the markets opened at 9:30 a.m. Zero Hedge, a well-read and controversial financial blog, linked to a Bloomberg News article that noted Morgan's credit-default swap spreads had been widening. The Zero Hedge post also directed readers to a previous Zero Hedge article that pegged Morgan Stanley's net exposure to French banks at \$39 billion, about \$12 billion more than the bank's current market capitalization, reigniting fears about its exposure.

It was a potent cocktail of information. The company's stock opened down more than 3 percent, prompting a flood of calls to Morgan's investor relations and press offices.

Calling Zero Hedge for damage control was not an option. The post was written by an anonymous blogger who goes by the name of "Tyler Durden," a character in the movie "The Fight Club," and the Web site does not give readers a way to readily reach its writers.

Adding to Morgan Stanley's woes, Friday was the last day of Morgan Stanley's third quarter. The company is set to release its earnings in a few weeks, and securities laws limit what it can say about its financial condition. Unable to reach Zero Hedge, Morgan Stanley's investor relations department went into overdrive, quickly pulling together talking points for callers that were circulated to both media and investor relations staff members.

According to the talking points, reviewed by The New York Times, the numbers cited by Zero Hedge "represent gross asset positions and thus do not reflect the benefit of collateral or other hedges and protection, and the more relevant exposure to consider is the net exposure."

So what is its net exposure? The company was limited in what it could say because of the pending earnings announcement. To address this point, staff

members were told to direct callers to pre-existing stock research. “Analysts estimate that the actual net exposure is meaningfully lower,” the talking points read.

In particular, they cited a recent report by Brad Hintz, an analyst with Sanford C. Bernstein & Company, who estimated that Morgan’s “total risk to France and its banks is less than \$2 billion net of collateral and hedges.”

Zero Hedge could not be reached for comment.

Despite Morgan Stanley’s efforts, the stock ended on Friday down about 10 percent, at \$13.51, its lowest close since the fall of 2008 and the depth of the financial crisis. The stock price was particularly frustrating to James P. Gorman, the company’s chief executive since early 2010. He has been leading the effort to rebuild the company; he even bought 100,000 shares of Morgan Stanley in early August at approximately \$20 a share.

On Friday, Mr. Gorman shared his concerns with senior executives at Mitsubishi, conversations that culminated with discussions over the weekend between Mr. Gorman and Nobuyuki Hirano, his counterpart at the Japanese bank. The two men discussed the market rumors, concurring that they ran contrary to what they felt was going on in the market, said two people briefed on the conversation.

The company is expected to report third-quarter results in two weeks. Those results, these people said, are solid in light of the recent stock market rout. Analysts polled by Thomson Reuters estimated that the bank would report a profit of 36 cents a share.

Mr. Gorman and Mr. Hirano agreed that it would be helpful if Mitsubishi issued a news release expressing its support. That did not come, however, until Monday after the close.

Early on Monday Mr. Gorman decided to speak out himself. “In fragile markets, where fear triumphs over common sense, these things are bound to happen. It is easy to respond to the rumor of the day, but that is not usually productive,” he wrote in a note to employees. “Instead we should let balanced third parties do their own analysis and let the facts speak.”

On Monday, despite Mr. Gorman's efforts, the company's stock tumbled 7.7 percent.

Six minutes after the close, Mitsubishi issued its statement. "In response to recent market volatility M.U.F.G. wishes to reiterate that we are firmly committed to our long-term strategic alliance with Morgan Stanley. The special relationship we have formed remains core to our global business strategy."

Initially, the statement seemed to have little effect on the stock. The cost to insure Morgan Stanley's bank debt with credit-default swaps on its debt continued to rise Tuesday morning, but then fell back, according to Markit, a financial information company. Its shares closed at \$14.01, up \$1.54, or more than 12 percent.

"Mitsubishi's announcement was the equivalent of a Japanese firm saying you are part of the family," Mr. Hintz said.

# Zero Hedge, Felix Salmon, Joe Hagan and conspiracy theories

Felix Salmon, after previously describing the readers of the blog sensation Zero Hedge as loser day traders and getting called out for it by my old friend The Equity Private (now blogging at Zero Hedge as Marla Singer), reconsiders:

Far from reflecting the conspiracy-minded and often-disjointed ramblings of harmful-only-to-themselves retail day-traders, could ZH actually be holding up a mirror to what the market's really like, once you strip away the artificial polish of the PR departments and the urbane investment-banking types?

Uh, yeah. And this is a surprise why? Wall Street traders are among the most conspiracy-minded group of people on the planet. Always have been, as far as I can tell.

That's because (1) some financial market conspiracies are real and (b) without theories of some sort to grasp on to, you're going to get completely lost in the chaos of the market's day-to-day movements. The same goes for technical analysis, a.k.a. chart-reading. Most of it is nonsense, some of it isn't, and without it a lot of succesful traders would be completely lost. Ditto for Austrian economics.

Joe Hagan plays up the conspiracy angle in his excellent article on Zero Hedge in this week's New York mag—as Hagan recounts it, the blog didn't get any traction until founder Dan Ivandjiiski began pumping up the paranoia:

[A]s his posts got more detailed, a theme began to emerge: Wall Street was a vast conspiracy. Nothing could be trusted. All markets were corrupt. The darker his vision the more popular he became.

Former hedge-fund analyst Ivandjiiski (he blogs as Tyler Durden—the New York Post tentatively outed him last month and Hagan does so definitively in his article) had figured out how to tap into that trading-floor longing for order in the chaos. That, plus he's is a wonderfully persistent investigative reporter. Most good investigative reporters are conspiracy theorists, by the way. Ivandjiiski singlehandedly turned high-frequency trading into a big political issue. In the process I'm pretty sure he wildly overstated its significance and dastardliness, but that's part of his appeal.

I always have the feeling when I go to Zero Hedge that I'm eavesdropping on a bunch of conversations between traders. Most of what's said in those conversations is half-baked hooey—as is most of what Ivandjiiski writes. But there is still truth to be gleaned from it. (I should add that most “serious”



journalism—including mine—is probably half-baked hooey as well. It pays to be a critical information consumer.)

So I don't find it all that surprising that lots of serious financial types and journalists looking for scoops read the blog. I can't bring myself to read it more than once every couple of days. But then, I wouldn't survive 30 seconds on a Wall Street trading floor.

Of course, there aren't enough serious financial types out there to account for Zero Hedge's impressive 333,000 unique visitors a month. I would think a significant percentage of current readers are regular folks who are furious about the financial crisis, the bailouts and the state of the economy, and are attracted to Ivandjiiski's paranoid and apocalyptic worldview. Some are also just plain nutters (read the comments to Hagan's article for a taste), but that's true of at least some portion of the readership of every publication/blog on the planet except of course this one.

I would guess that the site's growth will slow as the predicted apocalypse keeps getting pushed into the future (unless of course Ivandjiiski's right about everything, in which case I will start checking Zero Hedge 20 times a day until the electricity goes out). But I don't think it's necessarily a flash in the pan—as long as Ivandjiiski & Co. keep digging up new conspiracy theories and every once in a while one of them turns out to be at least partly true.

**Update:** I missed Matt Taibbi's take from a couple of days ago on the meaning of Zero Hedge. Don't make the same mistake—it's really smart.



**Brooke Binkowski**

@brooklynmarie

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# Okay, God, now do Alex Jones.

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**Satan** @LuciferGOP · Apr 16

Replying to @brooklynmarie @AngrierWHStaff

Just spoke with the big guy, he's willing to do Alex Jones if I throw in Rush Limbaugh.

3

13

141



**Paul Clewell** @paulclewell · Apr 16

I don't see a problem here.

3

40



**Satan** @LuciferGOP · Apr 16

None whatsoever

1

17



**todd harms** @TfredharmsTodd · Apr 16

Could we throw in Laura Ingrham too?

2

29



**Paul Clewell** @paulclewell · Apr 16

Oh! Oh! And Nancy Grace, please!

1

15



**#memoriesoneatatime** @bcyn66 · Apr 16

Ann Coulter?

2

4



**Paul Clewell** @paulclewell · Apr 16

Also good.

