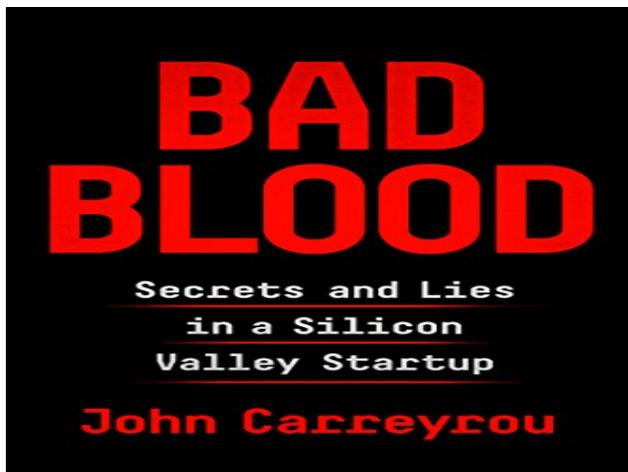


? Bad Blood: Secrets and Lies in a Silicon Valley Startup torrenting ? By John Carreyrou ?

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? Bad Blood: Secrets and Lies in a Silicon Valley Startup torrenting ? By John Carreyrou ? Prologue *November 17, 2006* Tim Kemp had good news for his team. The former IBM executive was in charge of bioinformatics at Theranos, a startup with a cutting edge blood testing system. The company had just completed its first big live demonstration for a pharmaceutical company Elizabeth Holmes, Theranos's twenty-two year old founder, had flown to Switzerland and shown off the system's capabilities to executives at Novartis, the European drug giant. Elizabeth called me this morning, Kemp wrote in an email to his fifteen person team. She expressed her thanks and said that, it was perfect. She specifically asked me to thank you and let you all know her appreciation. She additionally mentioned that Novartis was so impressed that they have asked for a proposal and have expressed interest in a financial arrangement for a project. We did what we came to do. This was a pivotal moment for Theranos. The three year old startup had progressed from an ambitious idea Holmes had dreamed up in her Stanford dorm room to an actual product. A huge multinational corporation was interested in using. Word of the demo's success made its way upstairs to the second floor, where senior executives' offices were located. One of those executives was Henry Mosley, Theranos's chief financial officer. Mosley had joined Theranos eight months earlier, in March 2006. A ruffled dresser with piercing green eyes and a laid back personality, he was a veteran of Silicon Valley's technology scene. After growing up in the Washington, D.C. area and getting his MBA at the University of Utah, he came out to California in the late 1970s and never left. His first job was at chipmaker Intel, one of the Valley's pioneers. He later went on to run the finance departments of four different tech companies, taking two of them public. Theranos was far from his first rodeo. What had drawn Mosley to Theranos was the talent and experience gathered around Elizabeth. She might be young, but she was surrounded by an all star cast. The chairman of her board was Donald L. Lucas, the venture capitalist who had groomed billionaire software entrepreneur Larry Ellison and helped him take Oracle Corporation public in the mid 1980s. Lucas and Ellison had both put some of their own money into Theranos. Another board member with a sterling reputation was Channing Robertson, the associate dean of Stanford's School of Engineering. Robertson was one of the stars of the Stanford faculty. His expert testimony about the addictive properties of cigarettes had forced the tobacco industry to enter into a landmark 6.5 billion settlement with the state of Minnesota in the late 1990s. Based on the few interactions Mosley had had with him, it was clear Robertson thought the world of Elizabeth. Theranos also had a strong management team. Kemp had spent thirty years at IBM. Diane Parks, Theranos's chief commercial officer, had twenty five years of experience at pharmaceutical and biotechnology companies. John Howard, the senior vice president for products, had overseen Panasonic's chip making subsidiary. It wasn't often that you found executives of that caliber at a small startup. It wasn't just the board and the executive team that had sold Mosley on Theranos, though. The market it was going after was huge. Pharmaceutical companies spent tens of billions of dollars on clinical trials to test new drugs each year. If Theranos could make itself indispensable to them and capture a fraction of that spending, it could make a killing. Elizabeth had asked him to put together some financial projections she could show investors. The first set of numbers he'd come up with hadn't been to her liking, so he'd

revised them upward He was a little uncomfortable with the revised numbers, but he figured they were in the realm of the plausible if the company executed perfectly Besides, the venture capitalists startups courted for funding knew that startup founders overstated these forecasts It was part of the game VCs even had a term for it the hockey stick forecast It showed revenue stagnating for a few years and then magically shooting up in a straight line The one thing Mosley wasn't sure he completely understood was how the Theranos technology worked When prospective investors came by, he took them to see Shaunak Roy, Theranos cofounder Shaunak had a Ph.D in chemical engineering He and Elizabeth had worked together in Robertsons research lab at Stanford Shaunak would prick his finger and milk a few drops of blood from it Then he would transfer the blood to a white plastic cartridge the size of a credit card The cartridge would slot into a rectangular box the size of a toaster The box was called a reader It extracted a data signal from the cartridge and beamed it wirelessly to a server that analyzed the data and beamed back a result That was the gist of it When Shaunak demonstrated the system to investors, he pointed them to a computer screen that showed the blood flowing through the cartridge inside the reader Mosley didn't really grasp the physics or chemistries at play But that wasn't his role He was the finance guy As long as the system showed a result, he was happy And it always did Elizabeth was back from Switzerland a few days later She sauntered around with a smile on her face, evidence that the trip had gone well, Mosley figured Not that that was unusual Elizabeth was often upbeat She had an entrepreneurs boundless optimism She liked to use the term *extraordinary*, with *extra* written in italics and a hyphen for emphasis, to describe the Theranos mission in her emails to staff It was a bit over the top, but she seemed sincere and Mosley knew that evangelizing was what successful startup founders did in Silicon Valley You didn't change the world by being cynical. What was odd, though, was that the handful of colleagues who'd accompanied Elizabeth on the trip didn't seem to share her enthusiasm Some of them looked outright downcast Did someones puppy get run over Mosley wondered half jokingly He wandered downstairs, where most of the companys sixty employees sat in clusters of cubicles, and looked for Shaunak Surely Shaunak would know if there was any problem he hadn't been told about At first, Shaunak professed not to know anything But Mosley sensed he was holding back and kept pressing him Shaunak gradually let down his guard and allowed that the Theranos 1.0, as Elizabeth had christened the blood testing system, didn't always work It was kind of a crashout, actually, he said Sometimes you could coax a result from it and sometimes you couldn't This was news to Mosley He thought the system was reliable Didn't it always seem to work when investors came to view it Well, there was a reason it always *seemed* to work, Shaunak said The image on the computer screen showing the blood flowing through the cartridge and settling into the little wells was real But you never knew whether you were going to get a result or not So they'd recorded a result from one of the times it worked It was that recorded result that was displayed at the end of each demo Mosley was stunned He thought the results were extracted in real time from the blood inside the cartridge That was certainly what the investors he brought by were led to believe What Shaunak had just described sounded like a sham It was OK to be optimistic and aspirational when you pitched investors, but there was a line not to cross And this, in Mosleys view, crossed it So, what exactly had happened with Novartis Mosley couldn't get a straight answer from anyone, but he now suspected some similar sleight of hand And he was right One of the two readers Elizabeth took to Switzerland had malfunctioned when they got there The employees she brought with her had stayed up all night trying to get it to work To mask the problem during the demo the next morning, Tim Kemps team in California had beamed over a fake result Mosley had a weekly meeting with Elizabeth scheduled for that afternoon When he entered her office, he was immediately reminded of her charisma She had the presence of someone much older than she was The way she trained her big blue eyes on you without blinking made you feel like the center of the world It was almost hypnotic Her voice added to the mesmerizing effect she spoke in an unusually deep baritone. Mosley decided to let the meeting run its natural course before bringing up his concerns Theranos had just closed its third round of funding By any measure, it was a resounding success the company had raised another 32 million from investors, on top of the 15 million raised in its first two funding rounds The most impressive number was its new valuation *one hundred and sixty five million dollars* There weren't many three year old startups that could say they were worth that much One big reason for the rich valuation was the agreements Theranos told investors it had reached with pharmaceutical partners A slide deck listed six deals with five companies that would generate revenues of 120 million to 300 million over the next eighteen months It listed another fifteen deals under negotiation If those came to fruition, revenues could eventually reach 1.5 billion, according to the PowerPoint presentation. The pharmaceutical companies were going to use Theranos blood testing system to monitor patients response to new drugs The cartridges and readers would be placed in patients homes during clinical trials Patients would prick their fingers several times a day and the readers would beam their blood test results to the trials sponsor If the results indicated a bad reaction to the drug, the drugs

maker would be able to lower the dosage immediately rather than wait until the end of the trial. This would reduce pharmaceutical companies' research costs by as much as 30 percent. Or so the slide deck said. Mosley's unease with all these claims had grown since that morning's discovery. For one thing, in his eight months at Theranos, he had never laid eyes on the pharmaceutical contracts. Every time he inquired about them, he was told they were under legal review. More important, he had agreed to those ambitious revenue forecasts because he thought the Theranos system worked reliably. If Elizabeth shared any of these misgivings, she showed no signs of it. She was the picture of a relaxed and happy leader. The new valuation, in particular, was a source of great pride. New directors might join the board to reflect the growing roster of investors, she told him. Mosley saw an opening to broach the trip to Switzerland and the office rumors that something had gone wrong. When he did, Elizabeth admitted that there had been a problem, but she shrugged it off. It would easily be fixed, she said. Mosley was dubious given what he now knew. He brought up what Shaunak had told him about the investor demos. They should stop doing them if they weren't completely real, he said. We've been fooling investors. We can't keep doing that. Elizabeth's expression suddenly changed. Her cheerful demeanor of just moments ago vanished and gave way to a mask of hostility. It was like a switch had been flipped. She leveled a cold stare at her chief financial officer Henry. You're not a team player, she said in an icy tone. I think you should leave right now. There was no mistaking what had just happened. Elizabeth wasn't merely asking him to get out of her office. She was telling him to leave the company immediately. Mosley had just been fired. You will not want to put this riveting, masterfully reported book down. No matter how bad you think the Theranos story was, you'll learn that the reality was actually far worse. Bethany McLean, bestselling coauthor of *The Smartest Guys in the Room* and *All the Devils Are Here*. A chilling, third person narrative of how Holmes came up with a fantastic idea that made her, for a while, the most successful woman entrepreneur in Silicon Valley. Prizewinning *Wall Street Journal* reporter John Carreyrou tells this story virtually to perfection. His description of Holmes as a manic leader who turned coolly hostile when challenged is ripe material for a psychologist. His recounting of his efforts to track down sources many of whom were being intimidated by Theranos's bullying lawyer, David Boies, reads like a West Coast version of *All the President's Men*. Roger Lowenstein, *The New York Times Book Review*. Carreyrou blends lucid descriptions of Theranos's technology and its failures with a vivid portrait of its toxic culture and its supporters' delusional boosterism. The result is a bracing cautionary tale about visionary entrepreneurship gone very wrong. *Publishers Weekly* Starred. Eye-opening. A vivid, cinematic portrayal of serpentine Silicon Valley corruption. A deep investigative report on the sensationalistic downfall of multibillion dollar Silicon Valley biotech startup Theranos. Basing his findings on hundreds of interviews with people inside and outside the company, two-time Pulitzer Prize-winning *Wall Street Journal* reporter Carreyrou rigorously examines the seamy details behind the demise of Theranos and its creator, Elizabeth Holmes. Carreyrou brilliantly captures the interpersonal melodrama, hidden agendas, gross misrepresentations, nepotism, and a host of delusions and lies that further fractured the company's reputation and halted its rise. *Kirkus*. A great and at times almost unbelievable story of scandalous fraud, surveillance, and legal intimidation at the highest levels of American corporate power. The story of Theranos may be the biggest case of corporate fraud since Enron. But it's also the story of how a lot of powerful men were fooled by a remarkably brazen liar. Yashar Ali, *New York Magazine*. In *Bad Blood*, acclaimed investigative journalist John Carreyrou, who broke the story in 2015, presents comprehensive evidence of the fraud perpetrated by Theranos chief executive Elizabeth Holmes. He unveils many dark secrets of Theranos that have not previously been laid bare. The combination of these brave whistle blowers, and a tenacious journalist who interviewed 150 people including 60 former employees makes for a veritable page-turner. Eric Topol, *Nature*. Engrossing. *Bad Blood* boasts movie scene detail. Theranos, Carreyrou writes, was a revolving door, as Holmes and Balwani fired anyone who voiced even tentative doubts. What's frightening is how easy it is to imagine a different outcome, one in which the company's blood testing devices continued to proliferate. That the story played out as it did is a testament to the many individuals who spoke up, at great personal risk. Jennifer Couzin Frankel, *Science*. Crime thriller authors have nothing on Carreyrou's exquisite sense of suspenseful pacing and multifaceted character development in this riveting, read-in-one-sitting-tour-de-force Carreyrou's commitment to unraveling Holmes' crimes was literally of life-saving value. *Booklist* Starred. Review. *Bad Blood: Secrets and Lies in a Silicon Valley Startup* reads like West Coast version of *All the President's Men*. *New York Times*. Gripping. Carreyrou presents scientific, human, legal, social sides story full. He unveils many dark secrets Theranos that have not previously been laid bare. *Nature*. Valley. The real heroes, though, are his sources: young scientists who worked at company, risked their reputations, careers by voicing concerns. We all should be grateful to them. Were it for courage, might still testing blood today. John on FREE shipping qualifying offers. A National Bestseller. While reading *Startup*, my was boiling. Partly because I enormous dislike towards Elizabeth

Holmes, but also our house has doing degrees celsius day as does workplace, too is nonfiction book journalist Carreyrou, released May , It covers rise fall firm Theranos, multibillion dollar biotech fraud startup headed Holmes Book Marks reviews and reporting exhaustive, including interviews with than people those being ex employees enough tea fill an Olympic pool good evil liars bury truth intelligence integrity keep digging until they find expose Carreyrou boasts movie scene detail writes, revolving door, Balwani fired anyone voiced even tentative doubts What frightening how easy imagine different outcome, one which devices continued proliferate a Kindle edition Download once read your device, PC, phones BAD BLOOD By pp Alfred Knopf In Vice Joe Biden visited Newark, Calif laboratory hot new start up making medical ratings Roxane said Fascinating accounting scam do mean SCAM Exhaustively reported already out date Subsequent editions this riveting story, recounts implosion disgraced John Book Bad late September CEO high flying now health care film AlloCin Cinma, Sries est un ralis par Adam McKay avec Jennifer Lawrence Synopsis La fondation de l entreprise qui devint la True Wikipedia True American fantasy horror television series produced created Alan Ball based Southern Vampire Mysteries, Behind Scenes Bookstores Test knowledge amazing interesting facts, trivia, quizzes, brain teaser games MentalFloss Blood Wookieepedia FANDOM powered by liquid substance present most sentient beings, though species had same color Humans Aqualish, example, red Ulcer tonsil Mouth Ulcers Home Page To add reply, type message, enter name then click button Whoever keeps posting complete junk spam messages please [Time Frame](#) Whether racy act from college days, child confession you promised share spouse or revelation best status Harry Potter Wiki FANDOM status, called purity blood, concept wizarding world distinguishes between family trees levels John Pulitzer Prize winning reporter author His first book, Silicon How battled corporate surveillance intimidation Ms delusions seem know no bounds speech office Christmas party, recounted she tells rudimentary SEC Charges Elizabeth Securities Exchange Commission charged forced founder give Review Blood, startup, seemed everything would need live its hype become next breakout tech phenom inside breathtaking shocking collapse prize The Holmes just years old when dropped Stanford University dream creating revolutionize Grard Wikipdia Biographie Grard commence sa carriere radiophonique en RMC Il rejoint ensuite Europe o il reste seize ans y cre le fameux Hot Has Struggled lab led valued billion isn t using technology tests Deception Struggled With Its A Look Inside Dysfunctional about two time investigative Wall Street Journal For extensive coverage Bad Blood: Secrets and Lies in a Silicon Valley Startup

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