

## ON THE REBOUND

EX-CEO, 26, SEEKS FUTURE



here do you look for work when the only title you've held since college is co-CEO of a nearly \$1 billion dot-com? What do you do when your personal worth plummets from \$97 million to \$250,000 in two years?

It's enough to give a twenty-six-year-old a mid-life crisis. Just ask Stephan Paternot '96 and Todd Krizelman '96, who

were catapulted into the limelight when theglobe.com—a chat-and-community website they founded in a Cornell dorm room—went public, making the biggest first-day stock leap in history. In August John Wiley & Sons published Paternot's memoir of his life and Internet times, *A Very Public Offering: A Rebel's Story of Business Excess, Success, and Reckoning*. The book traces theglobe.com's rise and fall, beginning with its early days when Paternot and Krizelman lured their first employees with promises of pizza and falafel.

Starting with \$15,000 from family and friends, the pair had raised nearly \$2 million by the time they relocated to New York in 1997. But it was \$20 million from entrepreneur Michael Egan '62 that landed them on the front of the *New York Times* Metro section. "They got a lot of warm, cuddly stories for being these young entrepreneurs who'd started a company [in college]," says Jason Chervokas, a journalist who's covered Silicon Alley since its early days. "They were the poster boys for that kind of story, which was so popular at the time."

Nonetheless, the publicity soon began to sour. After theglobe.com's spectacular initial public offering, it didn't take long for the financial press, shocked by the outrageous inflation of Internet stocks, to zero in on the company. During a secondary offering in

mid-1999, several insiders including Paternot, Krizelman, and Egan sold off a sizeable chunk of their holdings, further shattering investor confidence. Despite increasing revenues, the stock price continued to dip, and in April theglobe.com was delisted from the NASDAQ.



DOT-COM POSTER BOY: PATERNOT AUTHORS A MEMOIR

Perhaps no moment helped define the pair's personalities in the popular imagination more than a CNN Movers special that aired in summer 1999. While the show followed Krizelman playing badminton and relaxing with

friends on Shelter Island, Paternot was captured partying with his girlfriend, model Jennifer Medley, and dancing atop the bar in a trendy Soho club wearing black plastic pants. Then there was an offhand comment—meant ironically, Paternot insists—that he's never lived down: "Got the girl, got the money, now I'm ready to live a disgusting and frivolous life."

When the pair stepped down as co-CEOs in early 2000, Paternot was plunged into what he now brushes off as a "mid-life crisis." He broke up with Medley and began to gather notes about his experiences. Then luck struck again when a chance encounter with a Hollywood agent resulted in his book contract and a potential movie career. (He's been quoted in the press as saying he's relieved to be in L.A., where he can finally hang out with "real people.")

Sporting a brush cut, jeans, and white T-shirt—this despite the noon-time business crowd at a fancy midtown Manhattan steakhouse—the model-handsome Paternot describes the acting bug he's felt for as long as he can remember. "Even theglobe.com was about the art of storytelling," he says. "You convince employees to join, investors to invest, media to listen, and users to visit."

While Paternot hopes his book will help launch a film career, Krizelman is attending Harvard Business School in the hope of better understanding theglobe.com's problems. "I'm always interested in how other managers would have taken on the issues we faced," Krizelman told the *Wall Street Journal*.

While both doubt that more seasoned executives would've fared much better, they acknowledge that their youth and success helped launch an Internet mania that may never be seen again. "We became a pop culture story," says Paternot. "While the Yahoos of the world stayed in the business realm, and their CEOs stayed on CNBC, Todd and I ended up on MTV."

— Paul Zakrzewski