

aaargh! what CRAP THEY WRITE AND HOW INACURRATE AND B-S - - ALL TO SENSATIONALISE ANDHURT

:-((

oh, well, when the going gets tough, the tough get going!!!!

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xoxox

i'm doing FINE AND i'm going to continue to help the company through this tough spot!

xox

-----Original Message-----

**From:** Michael Krems

**Sent:** Monday, February 26, 2001 12:06 AM

**To:** Isabel Maxwell; Gideon Mantel; Rip Gerber; Amir Lev

**Cc:** Debbie Kay; [REDACTED]

**Subject:** New York Post Negative Piece On Maxwell Family Touches First on CP, Then Commtouch

Tharp called seeking comment on lawsuit filed by Lionel Glancy...he didn't mention anything about doing a piece on Maxwell family "curse."

IT'S THE MAXWELL CURSE

Sunday, February 25, 2001

By PAUL THARP

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It's nearly a decade since the mysterious sea death of disgraced media tycoon Robert Maxwell, but his heirs are still having trouble shaking the family curse.

Three businesses his offspring have gotten involved in are facing serious financial problems, with huge losses for investors.

Two of the companies have been accused in lawsuits of financial misdeeds. The Securities and Exchange Commission is investigating one of those, Critical Path.

Robert Maxwell at his peak in 1991 owned the New York Daily News, London's Daily Mirror and Macmillan publishing, with a staff of 40,000 working in 29 nations.

London-based Maxwell might have become one of the world's great information barons but his empire sat on a dubious financial footing and he was accused of looting the Mirror's pension funds to keep it afloat.

On Nov. 6, 1991, as his complex corporate web unraveled around him, the portly former Resistance fighter, slipped off the side of his yacht, Lady Ghislaine, and drowned - triggering a financial collapse heard around the world.

That date would prove to be bad luck for his offspring throughout their professional lives.

After Maxwell's death, his sons Kevin and Ian, who held high posts in the empire, were left to pick up the pieces.

Angry British authorities and bitter pensioners hauled the boys into court on a variety of charges. Both ultimately were cleared but said they went broke staying out of jail.

Their three sisters - older twins Isabel and Caroline, and the youngest, Ghislaine - weren't charged and they quietly relocated in the early 1990s to the U.S.

Although Kevin had filed for personal bankruptcy and sold off family possessions to meet expenses, reports persisted in Europe that huge stashes of cash were parked in offshore accounts in Switzerland and the Bahamas.

Isabel, now 49, and her twin Caroline - Oxford grads who had openly hated their overbearing father and refused to work in any of his projects - found a home among brainy nerds of Silicon Valley.

They developed a successful search engine in 1993, Magellan, and sold it to Excite for about \$6.7 million. After dabbling in another Internet venture or two without any big hits, Caroline went her own way and Isabel joined a small software firm, Commtouch, as its president in 1997.

Commtouch shares were trading at \$68.50 last spring but slid in the tech rout, and now trade at just \$1.25 a share.

Last November - on the anniversary of Maxwell's death - one of Commtouch's key investors, Microsoft co-founder Paul Allen, dumped his largest block of its shares and is no longer involved with the company, according to SEC filings.

Just five weeks ago, Commtouch, led by Maxwell's daughter, got a sudden infusion of up to \$40 million from an investment fund in the Bahamas, Torneaux Fund, according to SEC filings.

Commtouch also signed a \$17 million lease for its headquarters in a posh office park in Mountain View, Cal.

Then two weeks ago, Commtouch restated its results and said losses were three times greater than earlier reported. The move triggered the first in a likely flood of investors' lawsuits.

Los Angeles attorney Lionel Glancy accused the company and "certain of its officers and directors with violations of federal securities law." The company said it couldn't comment on the legal proceedings, but said that Maxwell wasn't among those sued.

While the twins worked their way around Silicon Valley, their two brothers found a refuge in their new globe-spanning consulting company, Westbourne Communications Ltd., which helped companies climb aboard the surging Internet tide.

Kevin Maxwell and one of his father's top hands, Larry Trachtenberg, 47, who also was acquitted in the criminal trials, eventually got a major stake in Telemonde Inc. last year, a global telecommunications company based in the Bahamas.

Kevin, who's now 41, became its chairman, and left behind his brother Ian, 38, to run the consulting firm, paying him \$230,000 a year as a consultant for Telemonde.

Since he took control of Telemonde, its stock has crashed from the \$6 range to a measly 23 cents a share on the Over The Counter Bulletin Board.

Last March, Kevin announced to investors that the company had defaulted on \$84 million of debt and might be forced to go out of business.

Last fall - on the fateful anniversary date of Maxwell's death - one of Telemonde's biggest investors bolted. Swiss investment firm Gestibroker Consulting filed to sell 857,000 shares at \$3.88, the largest single block yet traded on the market.

Meanwhile, the baby of the family, Ghislaine, had married a rising star of Silicon Valley, David Hayden. She helped him charm venture capitalists and run the new e-mail provider he founded in San Francisco - Critical Path.

The marriage lasted two years, and Ghislaine split to the New York social scene.

Last spring, before the Maxwell curse kicked in and tech stocks slid, Critical Path was trading at \$116.50 a share. Last week, it stood at \$2.22.

On Maxwell's death anniversary last Nov. 6, one of Critical Path's most important investors - Qwest - dumped the largest single block to date, 1.3 million shares.

Earlier this month, Critical Path said it may have "materially mistated" some results and the stock plunged almost 70 percent before trading was halted.

The company drastically restated its earnings, and ousted two top executives. It also said last week that the SEC was probing its financial results.

Critical Path pushed out its CEO Doug Hickey and President David Thatcher, and gave added duties to its chairman, Maxwell's son-in-law Hayden.

Critical Path also faces a slew of shareholder suits.

Trading had temporarily halted when the accounting flap hit earlier this month but was resumed after the company said its auditors would do a thorough investigation of its results. The company has declined further comment, and calls to its spokesman weren't returned.

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