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A Linux lament

As Red Hat prepares to go public, one Linux hacker's dreams of IPO glory are crushed by The Man.

BY C. SCOTT ANANIAN

At first I thought it was spam. It was probably the hundredth message I had received that day, and I was inclined to consign it straight to my personal spam graveyard. But it was titled "A personal invitation from Red Hat" and in my world, Red Hat -- one of the leading distributors of the Linux-based operating system -- is a big name. So I took a look. And I got excited. On close examination, the e-mail seemed minted of pure gold -- it was a special invitation to participate in Red Hat's imminent **initial public offering**.

This is the story of how that gold turned to lead for about 400 software developers passionately devoted to Red Hat Inc. -- a story from the front lines of a battle between the idealistic world of **open source** and the real world forces who run this country.

Starting July 20, Red Hat sent at least 1,000 e-mails to a group of software developers who had contributed to the products Red Hat sells, in particular a Linux-based operating system. The e-mail began: "Dear open source community member: In appreciation of your contribution to the open source community, Red Hat is pleased to offer you this personal, non-transferable, opportunity."

"Red Hat couldn't have grown this far without the ongoing help and support of the open source community," the letter continued. "Therefore, we have reserved a portion of the stock in our offering for distribution online to certain members of the open source community. We invite you to participate."

The letter also stated that that the stock distribution would be made via E-Trade Securities, and that you needed to establish an active trading account with E-Trade, pronto.

Six hours after receiving the e-mail I was on the 11 p.m. train from Boston down the eastern corridor; 14 hours and a sunrise later I was in New Jersey where my savings bonds, earmarked for repayment of college debt, lay in a safe-deposit box. A meeting with a friendly bank officer, a cashier's check and a signature -- and my application for an account on E-Trade was on its way. E-Trade required a minimum deposit of \$1,000 to open a trading account, and Red Hat's shares were to be sold in 100-block lots, at an opening price of around \$10-\$12 a share, so I had to find at least \$1,200. As a typical Linux hacker I didn't have much ready cash. But I scraped together enough for 200 shares.

Why was I, and at least a thousand other Linux hackers, so excited? **Red Hat** does have **detractors** -- the open source movement that gave birth to Linux owes a lot to **Richard Stallman's** idealistic Free Software Foundation, and commercial ventures have always been viewed by the free software world with some suspicion. "Information wants to be free" is a cardinal principle and rallying cry -- and by "free" I mean the **freedom** to republish, reproduce and refine the code we write. But Red Hat has adhered to these principles, allowing no-cost downloads of its crown-jewel software from its Web site. If you choose to pay Red Hat for their product, you not only pay for support, but you also get a general feeling that you've given back to the community that brought you this kick-ass product.

The word "community" is what's important here. Open-source software is produced by a community of mostly

altruistic developers, who seem to enjoy the visceral speed of chasing code. I entered the fray as a college student, working on a thesis project. I installed Linux, and was awed by how easily I could make the few tweaks I needed for my research. The addiction grew. I found bugs in the software I needed, downloaded the source and fixed them -- then released the fixes to the Internet for the use of others. I became so good at finding and fixing bugs, in fact, that I was asked to take over maintenance of **CUP**, an open-source compiler tool. In time its brother **Jlex** followed. My thesis-time dabbling led to fixing some obscure bugs in the Linux kernel -- the central engine of code at the heart of the Linux-based operating system -- and soon I was adding missing features to that as well. It wasn't long before I made it a condition of employment that any code I wrote be released under the free-forever-to-everyone GNU **General Public License**, because of the thrill I got from knowing others were using my code.

All of this took a good deal of time, of course -- time that could have been spent doing any number of other things. Yes, the stereotypes are often true: Sometimes it is more fun to pound away on the laptop in the dark than to go out dancing. Especially when you're writing a piece of code that Net luminaries might praise you for the next day. I got e-mail from **Linus Torvalds!** From Richard Stallman. Ken Arnold -- the author of the definitive book on the Java programming language -- uses my software! Who wants to go out drinking, when one is brushing shoulders with *giants*?

Of course, this is an alternate universe I'm talking about. None of these names means a thing to my mother, bless her computer-phobe soul. Nor to most of my friends. But, sometimes, when the sun is down and the electrons are wild, I'd sequester myself in the basement of the computer science building for a night of hacking code, in the company of 20 or so of what I considered the finest minds on campus ... *all* of whom would be impressed by my name-dropping. I had achieved fame, importance, honor. My patches were in the Linux kernel: I could code with the best of them.

All that was validated when my e-mail from Red Hat arrived, promising me tangible financial rewards for my efforts on behalf of the community. Sure, I deserved it. How many millions of people use the Linux operating system? Hadn't I written part of the code each one of them uses every single day? And how many hundreds or thousands of students used my compiler tools each semester? The time I spent was worth something, and Red Hat recognized it! Of course, I had no idea how *my* name ended up on their list. We hackers keep so many **lists** of who contributed what to which project that it's impossible to know for sure how Red Hat came up with their own selection. But in any case, all of us who had received the invitation now had a shot at real cash money. It's patently obvious to the Linux faithful that Red Hat is poised to make moolah hand-over-fist. The company's public offering was bound to soar to record levels: And I was being offered stock at the initial price!

I wasn't alone in my excitement. From the discussion that ensued on **Slashdot**, the "News for Nerds" site, every Linux hacker in America was breaking his or her piggy bank to get in on Red Hat's IPO. A flood of \$1,000 and \$2,000 checks were winging their overnight-courier way toward **E-Trade**.

My mental calculation went like this: one day to collect my money, one day for FedEx to deliver the application. Three to five days for E-Trade to process the application. Seven days before the July 28 cutoff date -- if our accounts weren't funded by July 28, the mysterious letter threatened we'd be left out of the IPO. Tight reckoning all 'round -- had I smashed poor piggy for nothing?

Then a miracle: The deadline was extended to Aug. 4. Hallelujah! I never saw an official explanation for the sudden generosity, but the **word on the Web** was that Red Hat had pulled strings. All hail Red Hat! Hackers of the world, unite!

But tragedy followed. In the fine print on the golden spam-cum-invitation was the disclaimer:

"All applicants for public offering stock will be required to submit and pass an online eligibility profile at the E-Trade Web site. Public offerings are considered speculative investments and therefore you will be required to answer a series of questions about your investment experience, goals and your financial background."

I can answer questions with the best of them. No problem. But the reports started filtering into Slashdot: People were being denied access to the IPO based on the "eligibility criteria."

What shit was this? The open-source community places great value on ideas and knowledge. We figured we knew as much about the prospects of Red Hat's IPO and the risks involved as any -- probably more, in fact. Hadn't we watched and participated in open-source battles involving **IBM**, Sun and Apple? Wasn't the specter of **Microsoft** always over our shoulder? If you invested and the stock tanked, you would have learned a lesson -- but it was probably worth it because you did the right thing: expressed confidence in a company brave enough to bring our work -- our code! -- to the unwashed masses.

On Tuesday, I filled out the eligibility questionnaire myself. I knew they were trying to weed out inexperienced investors, so on every question that related to experience, I asserted the maximum possible. I knew what I was doing. And it was my money, anyway -- I had a God-given right to risk it on as foolhardy a venture as I liked.

But I had to sheepishly admit (to the unblinking electronic form) that my net worth wasn't all that much. Experience is something you can get from a book, but money isn't found in libraries. And a grad student doesn't make a heck of a lot of salary. But then again, I wasn't investing much, really -- some \$3,000 at most. All I had to give, and losing it would hurt, sure, but it would just mean a couple more years paying off Uncle Sam for my education.

My profile was denied.

So I wasn't going to be rich after all -- even by my modest measure. This was a slap in the face. All my open-source work *was* worthless, then. It takes money to make money, as they say, not skill, not talent, and certainly not altruism. I was going to be shut out of the world of the big boys because I couldn't come to the table wearing the proper suit.

Fuck them! My hair is long and my sandals are worn. That's who I am. That's who all of us are. And we fucking *wrote* the software that Red Hat sells. We own the company in a far more real sense than any of the moneyed lords with sufficient "liquid net worth" to take part in the IPO. They're auctioning *my software* off on the New York Stock Exchange to the highest bidder, and I can't take part!

We coders had been abruptly disenfranchised, after having had silver carrots waved in front of our noses. I'd opened my first money-market account just now, in order to take part in the commercial future of something I *believed* in -- and the door had been slammed in my face.

An hour later, an **article** titled "Barred from Red Hat IPO?" was posted on Slashdot and the floodgates were unleashed. In the first five minutes nearly 40 posts from all over America came pouring in, with hackers telling stories like mine. Most were pissed off. Some were mad at Red Hat, some at E-Trade, most at The Man, for dissing us once again.

The online community is built around words, not appearances, and ideas, not muscle. The most valuable currency is knowledge, and respect goes to the providers. In our world, we *own* Red Hat. We know all there is to know about its product, its strengths, its possible weaknesses. And if code to patch those weaknesses is to be written, we will be the ones writing it. On this battlefield, E-Trade's refusal to credit us with the knowledge we have is outrageous. Stooping to meat-space metrics like "liquid net worth" is bullshit. We *know* Red Hat, and we believe in it. We've created it. We

know the stock will do well, and if it doesn't, it is a failure of our knowledge and therefore our own problem. We deserve to partake. It's absurd that we be banned.

A real sense of outrage has sprung up. Why offer us riches if you're not going to let us have any? This is real money we're talking about here. By my best estimate, at least \$400,000 was sent to E-Trade over the last 11 business days by developers who flunked the eligibility requirements. (About 400 people responded to a poll on Slashdot, saying they had been denied participation because of the eligibility requirements.) None of us expected that the innocuous-sounding "series of questions" from the invitation e-mail would result in over half of us being denied access; there was no explicit indication that a Net Worth was required. Our trust was abused.

Will Red Hat stand up for us this time? They've been our heroes thus far, persuading suits to ditch Microsoft for the work of our hands, convincing major business partners to embrace open source and our community and offering us, the little guys, a chance at fiscal rewards through their stock.

The Net's legend-spinners are whispering that the financial world was miffed at Red Hat for offering us so much of their stock. Whether the story's true or not, that's what I believe. I did get a note from Red Hat's spokeswoman, Melissa London, but it didn't say much: "Red Hat is working closely with E-Trade to work through investor profile problems. I cannot comment on what the plans are, etc., of course."

Red Hat is our challenger, our proxy in the fight for respect. We believe that if Red Hat succeeds on Wall Street, our cause everywhere will be furthered. Now these eligibility requirements have thrown up a barricade against us. We cannot let nothing be done -- won't someone stand up for the penny-ante idealists encountering The Man on his turf for the first time?

This isn't about hackers wanting money for code they gave away for free. We hack for love -- and respect. The eligibility requirements took away that respect, and tarnished Red Hat's empowerment of the giants on whose shoulders it stood. According to some reports, E-Trade has started mailing letters to rejected invitees, offering to let them retake the questionnaire. On Slashdot, hackers are encouraging each other to fill in false answers that will ensure that we pass the test. But we don't want to participate in borrowed clothes, as fictional millionaires with stated trillions in net worth. We want to win this battle on our terms, as ourselves.

We created the revolution. We want recognition. Is that too much too ask?

-- C. Scott Ananian