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July 22, 2011

## Wikimedia Foundation, Wikia Inc. and Wikileaks

Dear Jonathan,

You have asked me, as General Counsel for the Wikimedia Foundation (WMF), to clarify the relationships between WMF and Wikia Inc (Wikia) and the Wikileaks organization, as the former has been raised by the UK Charities Commission and the latter has recently been the subject of some confusion in the media and elsewhere. I have served as General Counsel for approximately five months, so my knowledge of the below is based on the review of certain reports and inquiries with certain employees.

I should begin by clarifying that the use of the term "wiki" is not at all restricted to WMF projects. It refers to any website using wiki software, the earliest example of which is the WikiWikiWeb software first launched in 1995, many years before any of the WMF projects were launched. This software was initially used by Wikipedia, the earliest of the projects now owned by WMF, when it launched in 2001.

Though Wikipedia has undoubtedly become the best known wiki, it is only one of very many wikis belonging to a multitude of owners to use the wiki format, which WMF in no way own or control. From 2002, Wikipedia switched to the MediaWiki software it had developed itself, which is free and open source software and now also used by a large number of independent wikis.

## Wikia

Wikipedia was originally owned and financially supported by Jimmy Wales, until around 2003, ownership was transferred to WMF, a US non-profit with 501(c)(3) status. Later in 2004, Mr Wales started the corporation now called Wikia as an entirely separate commercial enterprise for hosting wikis for a wide range of users, drawing revenues from advertising placed on the wikipages, which is something the Wikimedia projects have never done, except for their own fundraising. Until a name change in 2006 Wikia was called Wikicities.

Two other WMF directors, Angela Beesley and Michael Davis, were also involved in Wikia, Ms Beesley from the start, and Mr Davis from 2006. Ms Beesley resigned as a WMF director in 2006 and Mr Davis in 2007, but Mr Wales remains a director of Wikia and WMF. Ms. Bessley serves on the advisory board of Wikimedia Foundation.

In the period 2004 to 2009 there was some sharing of facilities and donation and renting of office space between WMF and Wikia, the details of which are set out in the Appendix, which gives relevant Related Party

Transactions notes from the audited accounts from 2004 through 2010. All these accounts except for the latest are available in PDF form from the WMF website (<a href="http://wikimediafoundation.org/wiki/Financial\_reports">http://wikimediafoundation.org/wiki/Financial\_reports</a> "Financial statements" links). The transactions recorded may be summarized as follows:

2005-2006: Wikia donates office space to WMF, value \$6,000

2006-2007: WMF shares some hosting and bandwidth buying with Wikia (and receives about \$5,000 as fair value from Wikia in fiscal 2008).

December 31, 2007 to January 2009: no known transactions

January to October 2009: WMF rents office space from Wikia, paying \$28,270 in total.

October 2009 to date: no known transactions

Overall, Wikia has made donations to WMF, and there have been some transactions conducted on an arms-length basis between the two organizations, but there has been no "private benefit" arising whatsoever. Wikia will occasionally provide technical advice at no cost to the Wikimedia Foundation.

## Wikileaks

The founders of Wikileaks have no connection with WMF or Wikia, and there is no relationship between WikiLeaks and Wikipedia or Wikimedia.

The domain names wikileaks.com, wikileaks.net, wikileaks.us, wikileaks.biz, and wikileaks.mobi previously had a "Registrant" or "Registrant Organization" listed as Jimmy Wales' company <u>Wikia</u>, and some had Michael Davis (who is Chief Operating Officer of Wikia), listed for "Registrant Name". These sites showed content from wikileaks.org. In response to a question on his talk page on 8 December 2010, Wales stated:

To answer your question, when Wikileaks first launched they put out a press release calling themselves something like "the Wikipedia of secrets". We had no idea who they were, whether it was a scam or spam or who knows what, so some domain names were registered defensively. We contacted them immediately to see what was going on and they apologized for being careless with the Wikipedia name and everything was sorted right away with no problems... except for them actually concluding the technical aspects of the transfer.

Further, according to a previous statement by Wales on 1 October 2010:

Wikia does not serve any of the sites. The <u>CNAME records</u> in <u>DNS</u> direct the traffic to www.wikileaks.org.

The domain names were legally transferred to Wikileaks a long time ago, but for unknown reasons, Wikileaks never completed the technical aspects of the transfer. Wikia has made multiple requests to them to do so, with no result yet. Mr. Assange has indicated that he is very busy right now, which seems likely to be true, given recent news events.

In early December 2010, the domains showed parking pages or site unavailable pages. On 27 January 2011, the domain name registrations were assigned to <u>Julian Assange</u>.

I should emphasize that the account of events relating to Wikileaks above does not come from my direct knowledge, as WMF itself was not involved, but I believe this is what happened, based on <a href="http://en.wikipedia.org/wiki/Wikipedia:WikiLeaks">http://en.wikipedia.org/wiki/Wikipedia:WikiLeaks</a> is not part of Wikipedia.

I hope the information I have given is sufficient to clarify matters, but please do not hesitate to let me know if I can provide any further details.

Sincerely,

Geoff Brigham General Counsel

Wikimedia Foundation

Appendix: Related Party Transactions notes extracted from the audited accounts of the Wikimedia Foundation

## Related Party Transactions notes extracted from the audited accounts of the Wikimedia Foundation

**FY 09-10**, page 11, note 7

Beginning in January 2009 (and ending in October 2009), the Foundation rented between 400 and 600 square feet of office space from Wikia, Inc., a for-profit company founded by the same founder as Wikimedia Foundation, Inc., in order to accommodate staff hired for the usability initiative. Rent paid to Wikia, Inc. for the years ended June 30, 2010 and 2009, respectively, totaled \$14,800 and \$13,470. After October, 2009, the office rental with Wikia, Inc. came to an end. After October 2009, there is no financial relationship between the two organizations.

**FY 08-09**, page 11, note 7 (KPMG)

Beginning in January 2009 (and ending in October 2009), the Foundation rented between 400 and 600 square feet of office space from Wikia, Inc., a for-profit company founded by the same founder as Wikimedia Foundation, Inc., in order to accommodate staff hired for the usability initiative. Rent paid to Wikia for the year ended June 30, 2009 totaled \$13,470. After October 2009, the office rental with Wikia came to an end. While Wikia and the Foundation share the same founder, after October 2009, there is no financial relationship between the two organizations.

During fiscal year 2008, Wikia, Inc. reimbursed the Foundation \$5,000 for shared hosting and bandwidth costs through December 31, 2007. This was recorded as an offset to the Foundation's Internet hosting expense.

**FY 07-08**, page 10, note 7 (KPMG)

The Foundation shared hosting and bandwidth costs through December 31, 2007 with Wikia, Inc., a for profit company founded by the same founder as Wikimedia Foundation, Inc. Wikia, Inc. reimbursed the Foundation \$5,000 in fiscal year 2008 which represented fair value of the shared costs and has been recorded as an offset to the Foundation's internet hosting expense. While Wikia and the Foundation share the same founder, after December 31, 2007, there is no financial relationship between the two organizations.

FY 06-07, page 9, Note E (Gregory, Sharer & Stuart)

The Organization shares hosting and bandwidth costs with Wikia, Inc., a for profit company founded by the same founder as Wikimedia Foundation, Inc. Included in accounts receivable at June 30, 2007 is \$6,000 due from Wikia, Inc. for these costs. The Organization received some donated office space from Wikia Inc. during the year ended June 30, 2006 valued at \$6,000. No donation of the office space occurred in 2007.

Through June 30, 2007, two members of the Organization's board of directors also serve as employees, officers, or directors of Wikia, Inc.

FY 04-05 and 05-06, page 9, Note E (Gregory, Sharer & Stuart)

The Organization receives donated office space from a related entity, Wikia, Inc., a for-profit company founded by the same founder as Wikimedia Foundation, Inc.

| officers, or directors of Wikia, Inc.  |   |
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| Note: The directors mentioned are Jimmy Wales (stil<br>Michael Davis (to November 2007). | ll serving), Angela Beesley Starling (to July 2006) and |
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Two current members and one former member of the Organization's board of directors also serve as employees,