



Beautiful Minds:

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Math Geniuses May Solve Lawsuit-Hypocrisy Problem

Quantlab's Ed Bosarge Bankrolls Anti-Tort PAC While Suing Ukranian Whizzes Behind Quant's Lucrative Algorithms

One of the great unsolved mysteries is how to explain the fact that Texas' top anti-lawsuit PAC is backstopped by so many litigious tycoons. Now two math geniuses may tackle the vexing problem after having been sued—twice—by a big new backer of Texans for Lawsuit Reform.

Rice University math professor Wilbur “Ed” Bosarge headed an oil company and co-founded Houston’s Quantlab Financial. Quantlab hired two Ukranian Ph.D.s in 2001 to help write the algorithms that drive its high-speed securities trades. Six years later Quantlab fired the math whizzes, Andriy Kuharsky and Vitaliy Godlevsky, after they sought more of the hundreds of millions of dollars that they say their code produced.¹

Ed Bosarge's Contributions (Since 2010)

Amount	Recipient
\$900,000	Maverick PAC Texas
\$50,000	Texans for Lawsuit Reform
\$25,000	George P. Bush
\$15,000	Gov. Rick Perry
\$10,000	A.G. Greg Abbott
\$5,000	Justice Jeff Brown
\$5,000	Justice Phil Johnson
\$2,500	Patricia Grady
\$1,012,500	TOTAL

Top Contributors to Texans for Lawsuit Reform (Jan. and Feb. 2014)

Amount	Contributor (Affiliation)
\$75,000	Paul Foster (Western Refining)
\$75,000	Woody Hunt (Hunt Bldg. Corp.)
\$50,000	W. Ed Bosarge (Quantlab)
\$50,000	John Nau (Silver Eagle Dist.)
\$25,000	Dian Graves Stai (Owen Health)
\$25,000	Jeff Sandefer (Sandefer Capital)

The fired Ukranians formed a competing start-up called SXP Analytics. Quantlab sued SXP in state court in 2007, alleging that it used Quantlab’s proprietary code. A judge dismissed that suit the following year after the FBI launched a related probe that never produced criminal charges. In 2009 Quantlab again sued the Ukranians for allegedly taking its intellectual property. Seeking unspecified damages, that case is pending in Houston before U.S. Judge Keith Ellison.²

Quantitative Lawsuits Filed in Harris County By Ed Bosarge, His Petrodome Energy and Quantlab Financial

Case No.	Case Name	File Date	Court No.	Action
201228005	<i>Petrodome Energy Vs. Pinner, Melinda</i>	5/14/12	334	Note
200958526	<i>Quantlab Vs. Shi, Jingpu</i>	9/14/09	270	Declaratory Judg.
200956454	<i>Petrodome Energy Vs. Anloc Llc</i>	9/2/09	157	Breach of Contract
200950815	<i>Quantlab Vs. Xu, Yongzhong</i>	8/10/09	061	Declaratory Judg.
200734953	<i>Quantlab Vs. Kuharsky, Andriy Leonidovich</i>	6/8/07	113	Declaratory Judg.
200734954	<i>Quantlab Vs. Godlevsky, Vitaly</i>	6/8/07	125	Declaratory Judg.
200623768	<i>Quantlab Vs. Able Cabling Service</i>	4/12/06	234	Breach of Contract
200538556	<i>Bosarge, W. E. Vs. TPMC Realty</i>	6/9/05	129	Premises Damages
200044209	<i>Quantlab Vs. Rowady, E Paul Jr</i>	8/30/00	234	Injunction
198217856	<i>Bosarge, W. Ed Jr Vs. Bosarge, Brigitte</i>	4/14/82	311	Divorce

Just in Houston’s state district courts tort-reformer Ed Bosarge and his companies have filed 10 lawsuits. Half of the Texas candidates bankrolled by Bosarge also are running judicial races. This suggests that this Texans for Lawsuit Reform tycoon distinguishes between plaintiff lawsuits that seek justice and those that constitute lawsuit abuse. But what, precisely, differentiates the two classes of lawsuits?

Lobby Watch urges math geniuses—including those currently or formerly employed by Quantlab—to quantitatively determine if the following theorem solves this stubborn problem at long last:

Justice = *Big Money* Vs. *Little Money*

Whereas

Abuse = *Little Money* Vs. *Big Money*



Notes

¹ “Fast Traders Fight Over Secret Code,” *Wall Street Journal*, April 3, 2014. “Receiver Suspects Huge SXP Profit,” *Milwaukee Journal Sentinel*, February 25, 2013.

² *Quantlab Technologies Vs. Vitaliy Godlevsky et al.*, Case 4:09-cv-4039.