EXHIBIT C

Blackwater USA's

ERIK PRINCE

and the Business of War



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calls back home to Michigan. Prince had hurt his right hand and thumb once before, back in high school while playing tackle football in the school gym.

"I was blindside tackled by a kid who was thrown out of three other high schools," said Prince.

That injury also required more than average medical attention. A neurosurgeon had to reattach the tendon to the nerve. This time, Edgar Prince tracked down the same surgeon, who agreed to meet the Princes at the hospital early Monday morning to do it all over again. But there was a hitch: Erik had to be back in Annapolis by Tuesday morning. The Navy was strict about its rules. Edgar Prince called for the company jet.

Prince had the surgery on Monday morning and recovered just briefly before leaving the hospital. On Tuesday morning, he was headed back to Annapolis, feeling confident that he wouldn't get into trouble. He had called ahead and explained what had happened.

Prince arrived in Annapolis on his father's jet thirty minutes late. As he recounts it, the officer of the day didn't show any sympathy for his ordeal, and Prince was written up for his tardiness. It was the last straw for a young man with little patience for rules that made no sense to him.

Shortly after that, Prince decided to leave the Naval Academy. He had already started looking for another school, and he settled quickly on the small conservative campus of Hillsdale College, in rural southern Michigan.

"I visited some other schools before breaking out of the academy," Prince recalled. "I really liked Hillsdale. I really liked their economics and business program." He also liked the school's flexibility. Hillsdale would admit him that year and accept most of his college credits earned at the Naval Academy.

For the young man who prided himself on his deep patriotism, quitting the Naval Academy seemed an astonishing decision. Yet it showed another side to Prince that his father fully understood and supported: a deep, gut-level individualism and sense of right and wrong. While the slight over his tardy return was a matter of rules and regulation, routine in military academies, Prince would have none of it.

Prince may have lost confidence in the academy, but he never lost sight of becoming a sailor, and he had set his sights on getting back into the Navy. He used his time at Hillsdale to build up his resumé for the task at hand. While attending classes, Prince volunteered at the local fire department, where he eventually became an emergency medical technician.

"I was the first guy from my college to do that, and it was great," recalled Prince. "I wore a radio to class and did my training at night and was a fully qualified, paid firefighter."

It didn't pay much, but he wasn't doing it for the money.

"I thought it was a great way to serve and to get to know the guys," said Prince. "It was a great leadership experience because I was a junior guy and earning the confidence of a guy that was a butcher, a guy that was a mechanic; there was a cross section of guys."

Prince turned his back on the Greek fraternity system at Hillsdale and the parties that came with them. He wanted to be sure that if and when the call came to fight a fire, he would be sober and ready to take it on. The thought of being out of control had no appeal to him.

What did appeal to him was Austrian economics. Only at Hillsdale would such a major exist. In 1871 Carl Menger published *Principles of Economics*. He would go on to become the founder of the Austrian school. Menger believed that the science