

Scenários

by

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One

June 1977

“Kranepool takes his lead off first. Couple steps only. Eddie’s not looking to steal,” Lindsay Nelson stating the obvious.

“Eddie hasn’t stolen a base since Little League. And I think they made him give that one back,” his partner Bob Murphy quipped.

“Niekro looks over. It’s 2 and 2, 2 outs here in the bottom of the eighth. Mets down a run, looking to tie it up. Here’s the windup, and here’s the pitch. Strike three! He caught Mazzilli looking at a curve ball.”

“God damn it! Mazzilli you suck! Can’t hit a curve ball to save your life!”

“Marty please, calm down. I don’t want you talking like that in front of Hogan.”

“Hogan’s fine, Jeannie. He has to learn how people talk in the real world sometime.”

“This is the real world? Watching a stupid Mets game on a beautiful day! It’s so sunny out. Hogan, go outside and play. I don’t want you cooped up here with your father all day.”

“But Mom, I want to see the rest of the game. It’s the ninth inning. After that I promise I’ll go outside.”

“Why? They’re gonna lose anyway. They always do.”

“Easy Jeannie. They may stink, but you never know. That’s the beauty of the game.”

A minute later, after she left the room, which was the small sunroom that Martin Seaver now pretty much lived in, he said to his only child, “Mommy’s right. You should get out

there. Don't sit here keeping me company. It's beautiful outside. Why don't you put your suit on and jump in your playpool?

"The water's all dirty in there."

"Then dump it out and run the hose into it."

"I don't feel like it," Hogan answered in a lazy, whiny voice.

"Then have your Mom walk you over to the beach. You can go in the ocean or build a sand castle."

"OK. Why don't you come with me Daddy?"

"I would but I want to rest up. My leg still hurts a lot. I need to conserve my strength. Go get your Mom and tell her you want to go to the beach."

"OK Daddy. See you later."

"See ya Hog."

Martin Seaver had been a surveyor in South Jersey, working for a local title and survey firm. He was very good at his job, having a love for numbers and measurements. Survey work is very exacting, requiring a keen eye, a lot of patience and a respect for detail that most people don't have. He was working on a site in Atlantic City that was being developed into a hotel and casino. He was set up on a ledge overlooking the site, trying to verify some earlier measures by taking a different angle on them. Unseen to him was a cement mixer that was coming down the way, too fast. The driver hit the brakes, and skidded on the dirt path. His speed was broken by the embankment. The force of the heavy truck shook the not-too-solid bank, though, and Marty and his three-legged survey equipment were upended. They both fell down off the ledge, which turned out to be no more sturdy than the top of one of Hogan's sand castles. He slid down the embankment and caromed off the cement mixer's large tank and onto the dirt

path. His equipment took an even tougher route, hitting the tank, then the cab, then falling in between in a heap of twisted metal and broken parts.

The driver got out and ran to the back of the truck, where he found this stranger lying on the ground with one leg splayed in a very unnatural direction. The stranger was only semi-conscious, enough to let out some moans.

“Hey buddy, you OK! Can you hear me,” he pleaded.

“Ooohh....” was the response.

“What’s your name?”

“Seaver,” he slowly emitted.

“Well hang on Seaver, we’ll get the ambulance here in a minute.”

Marty broke his right leg at the femur bone, and wrecked most of the knee ligaments as well. When he hit the road he broke his collarbone and sprained his left wrist. Insurance paid most of the bills but he now had trouble walking and even standing up for long periods of time. He hadn’t worked in over a year, deciding survey work wasn’t in the cards, and instead collected unemployment and sat on his couch. Worse still the guy who loved playing on the beach and body surfing hadn’t been down there since the accident.

August 2000

The man opened the door of the brownstone, leading out to West 73rd Street. It was starting to cool down finally, after a torrid July which saw the temperature rarely drop below 90 degrees and the humidity below shirt-soaking levels. He was thrilled to be able to wear his suit jacket over his shoulders instead of over his arm. He had even taken to keeping a handkerchief in his pocket to wipe sweat off his forehead. Of course, he had to buy one for this purpose, since

neither he nor anybody else he knew under the age of forty owned one.

The tree-lined 73rd Street was always a pleasure to walk down, especially in the morning. The fact is, he always thought, this is the most urban of cities, yet knowing you can steal a few minutes on a block with this much green makes it seem acceptable to live here. And with the clear calm of this Monday morning the pleasure was multiplied.

He took his time making his way down the seven steps of his neo-regal cement staircase, taking in the scenery as he descended. He reached the bottom, turned right and noticed out of the right side of his view a person on the ground. He turned his head and saw a man covered in old non-descript blankets lying against the side of his townhouse, apparently sleeping. He turned back and made his way down the street.

“Speh a cordah!”

He turned his head back and saw the homeless man angrily looking in his direction.

“Speh a cordah!” even angrier this time.

He turned his head back and kept walking.

“Peeesshit” murmured the streetperson, partially under his breath but audible enough for the man to hear.

The man stopped and turned.

“What the fuck did you say to me!?” He stormed back toward the bum. “Get the fuck away from my building before I throw your ass in the fuckin’ gutter.”

The man was now within two feet of the bum, showing him a face the bum never expected to see when he first opened his mouth. The bum started gathering his stuff and getting up. The man stepped back to let him go, keeping the scowl on his face. He wanted to make sure there was no physical contact, since the bum smelled like garbage and could have had a knife on him. As the bum moved along, the man yelled after him, “Don’t let me ever see you on my street again!”

The man kept walking down the street, but took a look back toward his building to see the homeless man still asleep. I've got to stop doing this, he thought to himself. I just ruined my good mood this morning. And I haven't even hit the subway yet. Guess the weekend's over, thought Hogan Seaver.

Hogan stepped off the elevator and through the glass doors leading into the offices of Swiss European Bank, or SEB, as the large stainless steel logo stylishly proclaimed from the wall behind the reception desk. Of course the desk would remain empty for at least another forty-five minutes, when most of the staff arrived.

This entire floor, the thirty-fourth, housed the US Real Estate Division, more commonly known as SEBRE (seeber). This group was responsible for originating real estate investments in the US for SEB's high net worth clients around the world. The Bank co-invested its own capital as well, to provide credibility to the investment platform. This group had been developed in the early 1990's to take advantage of relatively undervalued real estate coming on the heels of the recession, mostly from other banks which had foreclosed on properties and then held fire sales to get them off their balance sheets. With the tremendous buying opportunities available at that time the group was able to show considerable profits for itself and its clients. As a result the group now acted with great autonomy despite SEB's reputation for strict central authority.

Symbolic of this success and authority was the group's founder and current head, Michael Gunther. He came from Wall Street, where he made a fortune in the 1980's heyday of real estate limited partnerships and syndications. With a tax loophole that existed until 1986, one could depreciate (write off) real estate on an accelerated basis, thereby shielding

actual profits from the tax man. With this gimmick the investment banks set up these limited partnerships and bought all kinds of properties, from class A to crap, and took in huge fees. Win-win. The bankers made a fortune for the house (and themselves) and the doctors and dentists they targeted got cash in pocket tax-free.

Well, come 1990, the entire economy was in the proverbial crapper, especially real estate. Gunther, who was starving at his firm due to a lack of business, approached SEB with the idea of buying into US real estate. This was a very difficult concept to sell, given the sorry state of real estate at that point, but Gunther was a master. As the saying goes, not only could he sell pussy on a troop ship, but he could convince the captain to let them drive the boat. A combination of a German father and Italian mother yielded a very good-looking son with strong features. He was charismatic and personable. He could make anyone like him, despite having ulterior motives most of the time. Impeccably dressed with French cuffs and well-tailored suits, he still managed to look the part without looking too arrogant or polished.

Gunther was able to make the sale to SEB based on the private client business. This was SEB's core, but with several European and US banks placing increased emphasis on this high net worth client base SEB would have to reassert its dominance. This was largely a recession-proof sector, it was believed, as the majority of clients were second and third generation family wealth. The idea of building a unique business to serve these clients greatly appealed to SEB.

Hogan strode down the main corridor, seeing the usual morning routine ahead: say hello and make annoying chit-chat with Larry, then turn the corner and nod to Robert. Lawrence Melchnin was the group's controller, a veteran of public accounting and tax who had joined the group just after it had

started. The folks in Switzerland were uncomfortable at the outset so they hired one of the junior partners at their audit firm to run the books for SEBRE. Larry stepped into a pot of gold because he has never worked a tough day since. He did arrive early everyday though, but was gone at five sharp to go see his kids do whatever the hell they supposedly did after school.

“Mornin’ Larry.”

“Hey Hogan. Come check this out. You like solitaire? ‘Cause I have this new version that’s off the web. Check out the graphics. It’s amazing. I’ll e-mail the site to you.”

“No thanks Larry. I’m too busy for that stuff, don’t you realize that?” Hogan smirked as he turned toward the door.

As he approached the bend in the hall he wondered what Robert Lockwell would be doing. Choice one, on the phone with his wife to start the day’s argument; choice two, staring at the computer screen which was likely blank; choice three, reading a periodical with his back to the door. Hogan approached the door and it was choice two’s the winna! Robert moved his eyeballs to the upper rightmost part of the socket as Hogan passed the doorway. Hogan nodded his head and mumbled a “mornin” which was only partially audible.

Hogan actually felt sorry for Robert, even though he was basically a prick. Born and raised on Long Island, he had that air of superiority which Hogan saw so often in Long Islanders but never understood. Robert had a lousy marriage, or at least it sounded that way. Robert was usually first into the office, and Hogan always wanted to ask him if it was because the rush hour commute from Long Island was such a nightmare or because his wife was. Truth is, Hogan never really cared enough to ask.

Robert was, like Hogan, a deal originator. They are the guys that find, structure and close the deals. There are many more aspects, but that is the basic job. In total there

were four originators, with two analysts who helped run numbers and analyze deals. Hogan was the youngest of the four, but probably the sharpest. While the other three had more industry contacts and ability to shake the trees, Hogan was the best at structuring deals. He could make most any deal make sense through financial engineering or other maneuvers.

It was this financial savvy that first caught Gunther's eye when he was looking to hire an analyst back in 1992. Hogan was working at a real estate brokerage firm putting together deal books and showing properties, but got bored of this environment quickly. With such little business, the lead brokers were even more piggish of the fees and more unwilling to share knowledge with their eventual replacement. Hogan heard SEBRE was looking for an analyst and managed to get an interview with the group. The interview turned out to be with Gunther and one of the originators, Tenn Prosser. Knowing there were at least five or ten other candidates for this job, Hogan figured he had to put the balls to the wall, so to speak. After the basic interview back-and-forth, he simply stated that he knew he could do this job, was probably the best qualified regardless of resume, and would be willing to do it for next to nothing for a three-month trial period. Hogan knew two things coming in – one, Gunther was a ballsy Wall Street guy who took chances, like this whole SEB operation he managed to create; and two, that this SEBRE group was going to make a ton of money because there weren't many groups out there gearing up like this. He told Gunther and Prosser that if within three months he didn't overwhelm them with his abilities they should dump him and hire some MBA type. But if he did impress them, they would pay him a salary commensurate with a four-year Wall Street analyst, including bonuses. They agreed, and even took him out for a drink that night to welcome him. Of course, with the dog wages they

paid him that was probably the only drink he had for ninety days.

Hogan spent the next five years or so as an analyst, helping Tenn Prosser and the other originator, Louis Francetti, with their deals. Robert Lockwell didn't join the group until a couple years later. Tenn and Louie were 20 year guys, and knew most everyone you needed to know to get deals done, both on the operator side and the debt side. As soon as Gunther convinced SEB to start this venture, and was officially hired, he called Tenn and Louie and got them on board. Both were with pension advisory firms, which meant they were spending eight hours a day working out troubled properties and giving explanations to their clients. They each took about five minutes to decide to join Gunther in the new venture. Old-time deal guys want to do new deals, not worry about cleaning up old ones. Gunther was a savior for them. He saved them from the workout pit and offered them a pot of cash to spend. Kids in a candy store.

Hogan sat down at his desk and shook his mouse to get his computer screen back up. He didn't usually turn off his computer at night despite the company's prescribed rules about computer security. He figured the risk of someone trying to steal files was very low but the loss of productivity waiting for the computer to boot up each day was fairly high. And he was lazy.

He had to run some final analyses on a deal he was bringing to the committee this week. The good thing was that the committee was just Gunther, Prosser, Louie, Harris Gluckman, the in-house counsel, and Marty McPherson, the head of asset management. And only three votes were needed. If Gunther liked a deal, Tenn and Louie would vote along so the other two votes wouldn't matter. Not that the other two votes often disagreed. It was mostly a rubber stamp meeting,

but you still had to present the deal and all the analysis that was done.

The deal Hogan was presenting was called Hunter's Ridge Apartments in New Brunswick, New Jersey. Hogan did mostly apartment deals, because they had the least volatile returns of all the property types. In commercial deals you could lose a tenant and have an empty building for a while. With apartments you just bring in the next renter. People have to live somewhere.

Hogan had to run what was called sensitivity analysis. This is where you change some of the factors, like vacancy percentage or ending sale price, and see what happens to the returns to the investors. Most of the sensitivity analyses had already been run by the analyst last week, along with the full deal and market analysis. But Hogan always did some additional analysis, mostly to see the impact on the annual cash flows, not the eventual return on sale. Current income was most important to Hogan.

Hunter's Ridge was built in 1996, right near two different hospitals in New Brunswick. As a result it had a large concentration of young doctors, nurses and administrative personnel living there. Occupancy was always in the mid-90 percent range, which was high in general but very high for New Brunswick. The real estate company that SEBRE was partnering with on this deal, McKey Partners, recommended this deal because the hospitals weren't going anywhere and there were no available lots to build a competing project on in the area. Unless someone bought out a bunch of homeowners, combined the lots and ripped down the existing townhouses, Hunter's Ridge would continue to prosper.

Hogan watched as the coffee guy prepared an elaborate cappuccino and then a latte, both for people who had ordered after Hogan. He started to glare at the coffee guy, who ignored him and kept going about his business. Hogan then blurted in his direction "Is mine coming up soon?" The skinny, pimple-faced kid looked up at him, "What's your order, sir?" he asked, somewhat sarcastically. "Tall regular, black." "I don't see that order. You sure you ordered?" "Yeah, I'm pretty sure I ordered and paid \$2.16 for it. Prick."

Hogan came back to the office, hot Starbucks in hand, a little more agitated than otherwise from his own delusions. Hogan's routine was simple. Get in early, pound out some work before other people get in, before the phone starts ringing, etc. He then would walk downstairs to the lobby where Starbucks was gratefully stationed, grab a tall black coffee, occasionally a muffin, and head back upstairs. It broke up the monotony, gave him something to aim for when he was working. It was kind of like when he was at Rutgers, studying for a final. He'd study for an hour, then reward himself with one game of Super Mario on his roommate's Nintendo. Of course he was so good that one game would last 15-20 minutes. Not the best studying pattern.

As he passed Gunther's office, he looked in. Gunther looked up. "Oh Hogan, do you have a minute?"

"Of course. How are you Mike? Good weekend?"

"Very good, thanks. We were out east. Went sailing with the boys. It's amazing, I tell you. They absolutely love it out on the water."

"That's great. I grew up on the beach and I didn't really like the water til I was about nine or ten. What are they, eight and six?"

"Yup. Eight this fall. Anyway Hog, I wanted to talk to you about this deal you're bringing Wednesday. Hunter's

Creek?”

“Ridge,” Hogan corrected.

“Hunter’s Ridge, right. McKey likes this one?”

“Yes, definitely. Basically a captive market with the hospitals. Plus some other employment feeding demand here. New Brunswick is a much different place than when I was there ten years ago. Gentrification has hit. Definitely a lot less fun to get drunk than it used to be.”

“No doubt. How many deals do we have with McKey so far?”

“This would be twelve.”

“And we haven’t sold any yet?”

“No. They’re all five-year holds. Cash flow plays.”

“How are we doing on the eleven so far?”

“Above pro forma on all of them. I tell you, McKey’s a great manager. And the way they tend to budget, they leave a lot of room to beat the numbers.”

“That’s apparent. Are we looking at selling any early? Post some strong results on the board? With the properties all doing well and the strong markets I would think we could get great pricing.”

“Probably, but that’s not the strategy right now. The investors in all eleven were intent on the current income. We were projecting 8-10% annual returns and we’re beating them. That’s what they were buying.”

“That’s true. But keep it in mind. Maybe when you talk to Doug McKey next time bring up the idea, see if he thinks it’s worth looking into. I’m sure some of the investors would be interested if the pricing blew them away. Plus, remember real estate cycles. These strong markets don’t last forever, sometimes you take the profits when they are there.”

“I hear you, Mike.”

“The other thing,” he added, “is that with all of these McKey deals we’re building a huge concentration in New

Jersey. McKey has provided great volume for us but we want to make sure the company's portfolio is properly weighted."

Hogan was waiting for this. Gunther hates McKey, in a way, because they're not one of the original operators that Tenn and Louie brought in. Those groups are basically Gunther's fraternity. He views them as founding members, and therefore gives them preferential treatment. Hogan brought McKey in three years ago when he was elevated to full deal guy (or New Business Officer, as the card read). Gunther was thrilled about the fee revenue all of these deals generated, but not the idea of a new group becoming such a foundation of his business. The other thing about McKey that rubbed Gunther raw was New Jersey. Gunther was Park Avenue and Long Island. New Jersey was a foreign country to him, third world at that.

"Don't forget Philly. The Park Street deal near the water. The other ten are in Jersey, but pretty spread out. We have plenty of diversification by submarket and employment drivers."

"I appreciate that Hogan. I'm just telling you that we have about ninety properties in the portfolio and ten are in New Jersey. That's fairly high. We have to monitor this closely. The company does expect us to practice portfolio theory"

"I agree sir. I'll talk to Doug later today."

"Thanks Hogan. Do a good presentation Wednesday, as usual. You may want to talk about the diversification in detail."

"I will. Thanks Mike."

Can't say I didn't see that coming, Hogan thought.

Wednesday morning Hogan arrived in a pretty chipper mindset. He loved making presentations, actually. Yes, it was a somewhat foregone conclusion. Although each committee

member received the materials a couple of days ahead of time there were usually very few questions. Clarifications, yes. Comments in agreement or slight disagreement with a point, sure. But hardly ever outright challenges to a deal point. Each originator was responsible for ensuring every aspect of the underwriting was scrutinized and sensitized. Deal strategies and structures had to be appropriate for the property investment. If the originator did his job there would be no reason for questions. And Hogan believed his ability to analyze and structure a deal was as good or better than the other three guys, despite their wide disparity in experience.

Hogan walked into the conference room at 8:45, tall Starbucks in one hand and a black binder and thick manila folder under the other arm. He slowly lowered the materials onto the long maple conference table, using his hip for leverage. He took a long sip of hot black coffee, the hot being redundant when it comes to Starbucks even ten minutes after buying it. He sat down and reviewed the materials. Hogan knew the deal cold, not really even needing notes to carry the presentation. He kept them in front of him, just in case he somehow forgot a figure, like the 10-year average job growth in New Brunswick or the median price of a single-family home.

A couple minutes before the hour Marty McPherson walked in.

“Good morning young man” he jibed.

“Hey old man” Hogan shot back without even looking up.

This was the banter since Hogan started eight years earlier. Marty, now about 54 years old, always viewed Hogan as a kid, but he used it only for jokes. Hogan sensed Marty actually respected him now.

“I was looking at this deal. You know I had an office building not far from this about twelve years ago. I sold it just in time too. We made some good money on it, but the group

that bought it from us got hammered. The thing was half-empty within two years.”

“You do the credit analysis on those tenants yourself?” Hogan laughed, assuming their economic woes emptied the building.

“Funny, very funny” he replied, as Harris Gluckman made his way in, followed closely by Robert.

“Half of it was leases that were rolling. Only a couple tenants went bankrupt.” Hogan loved how asset managers were quick to defend, even quicker to take credit for a good deal even though others really made it happen. He left it alone here, though, knowing Marty at least had a positive experience in this market.

Gunther, Tenn and Louie didn’t make their way in until about five after.

“Sorry we’re late guys. We had to talk about a separate matter. We all ready to go Hog?”

“Yup. Whenever you want me to start.”

“Go ahead then,” he said, settling in at the head of the conference table. Tenn sat next to him, Lou made his way across to the other side, across from Hogan.

Hogan proceeded to present the deal, discussing why New Brunswick was a good submarket to invest in, why this property in particular filled a niche and competed almost solo for tenants, why McKey was so strong an operator here in its home market, why the structure made sense, and why the returns were fair for the perceived risk level for the investment. Fact is, much of the presentation was the same as previous McKey deal speeches, with just the names and numbers changed. That’s the beauty of doing so much repeat business with an operator – you develop a program and then keep stamping out deals. The proven performance is the driver, though, and Hogan didn’t hesitate to stress how well the eleven deals were doing.

“Any questions” he asked, looking around the table the way a chef looks when he presents his signature rocky mountain oyster dish and asks for takers.

To his surprise Tenn started speaking, that Atlanta drawl unmistakable even at a Braves game.

“Yeah, Hogan, what other institushuns own apartments in New Brunswick? I swear I couldn’t think of any deals I’ve seen in that market. I thought it was all Mom & Pops there.”

“No, you’d be surprised. Some REIT’s (real estate investment trusts) started buying there in the eighties. It picked up in the mid-nineties. Also a couple pensions own some properties around George Street and over by Rutgers. Most of the product over there is university-owned, though. All of the townhouses are Mom & Pops, that’s for sure.”

“Oh, cause I was wonderin’ if your exit cap rate made any sense for that market. Nine percent is kind of low, doncha think?”

“Not really. Couple trades six months ago went at eight and a half. We’re going in at eight and three quarters. And the market’s getting stronger. I think nine is conservative, especially for this asset. More importantly, look at the price per pound. Seventy-seven thousand a unit, eighty bucks a foot. Not much more than some of the recent trades.”

“I dunno. This is a second tier market, at best. I would think nine and a half might make more sense. What happens to the IRR (internal rate of return) at nine and a half?”

Hogan had had the analyst run all kinds of sensitivities, including this. “It goes down to about 12.8%, from 15.5%.”

“That would be tough to sell for a New Brunswick deal, I think,” Gunther commented.

“I agree,” Hogan added, “but nine and a half is much too high. Anyway, the sell here is the cash returns. They’re projecting ten and a half percent average over the five years. And you know McKey’s underwriting history. They’ll beat that.”

“That’s true,” Gunther replied. “Still, why don’t you put together some more data for us on cap rates and we’ll defer the vote until then.”

“No problem, Mike, but you’ll see nine percent is appropriate here.”

Hogan recognized the number on the caller ID screen of his phone.

“Mondo, what’s goin’ on?” Raymond Tellison, aka Mondo, was Hogan’s roommate junior and senior year at Rutgers. He was now a floor trader at the Commodities Exchange, trading coffee futures. What Mondo knew about the coffee business fit perfectly into the Starbucks tall size cup, if you added about 6 ounces of water. It was basically a supply and demand game, played by the people on the other end of the phones ordering the trades. Mondo’s job was just to execute the trade. And at 3:30pm, to go home and start drinking. Just like after classes ended for the day, if he went.

“Whaddup H? Busy day in the real estate market?”

“Not really, just a little unusual though.”

“Need to drink some beers tonight?”

“Sure, where and when?”

“Meet me at O’Shit’s at about 8. This girl from the trading floor is meeting me. She’s bringing a friend.”

“M’I the first person you called?”

“Course! You my wingman, homes! I need you there to back me, especially if she’s ugly.”

“Dude, if she’s ugly I’m outta there quick.”

“No don’t worry, I asked this girl. She says her friend is better looking than her, and she’s extraordinary.”

“Fine, I’ll be there.”

Hogan spent the rest of the day, along with Stu Bangor, one of the two analysts, preparing an analysis of yields in the New Brunswick market. They made some additional broker calls, talked with Doug McKey and his guys, and pulled down some older market studies to add to the historical perspective. Interestingly it showed that first-year yields (or cap rates) averaged in the 10-11% range during the 1970's, though info was sketchy going back that far. Yields dropped to the 9-10% range during the 1980's, and had been in the 9-9.5% range in the early to mid 1990's. This trend tracked the redevelopment of New Brunswick as an economic and cultural hub for central New Jersey. But in the late 1990's and into 2000 cap rates had crept below 9% to as low as 8.5% for class A properties. Hogan had Stu prepare an elaborate chart showing not just this trend, but the volume of sales activity through the period, to display the liquidity of this market.

He then prepared a separate table listing the largest property owners in the submarket. He and Stu had to tap several sources for this, including reading through some REIT annual reports and talking with a few pension advisors, to develop what Hogan was looking for – a considerable list of major players in the REIT and pension advisor arenas.

All of this would go to presenting New Brunswick as a strong second tier market, with sufficient institutional appeal and liquidity to justify Hogan's exit valuation.

Hogan knocked on Gunther's doorframe. It was 4:45.

"Hey Hogan, what can I do for you?"

"Mike, how do you want me to handle this additional data on Hunter's Ridge? Do you want me to re-present this material or just have a copy for each of you to review?"

"Why don't you give everyone a copy and set up a time for tomorrow with Jessie."

"OK Mike, thanks."

O'Shea's, or O'Shit's, as Mondo liked to say, is an old Irish pub on 72nd Street between Columbus and Amsterdam. Like many in the city, it gained newfound popularity with the post-college crowd in the 1990's, providing a "cool alternative" to the many trendy bars that sprang up monthly. O'Shea's outlived most of those because its owners are lifers, not yuppies looking for the quick buck. The pub will always be green on the outside and stained wood on the inside, with Guinness, Bass, Bud and Bud Light on tap. The bartender, a mid 40's average-Joe named Joe, had been there since Hogan first set foot in the place eight years before. His Irish brogue was slight, but real, and he rarely looked happy. Like a guy working construction, who respects the job, puts in the honest day's work but doesn't have to look happy doing it, that's Joe the bartender.

Mondo was already seated at the bar, Guinness half-gone and eyes on the Yankee game showing on the TV perched strategically in the corner above and to the side of the front door. This allowed people entering the establishment to feel special, as if all eyes were on them. Tonight Hogan felt the special glance of Mondo, who turned his attention to his friend, but otherwise all he got was a quick angled head raise from Joe, who saw who it was and then turned back to washing glasses in the sink below the bar. The three people in the far corner were busy talking to each other and didn't really look over.

"H, right on time. As always."

"And you're early. Must be alcohol here."

"What's goin' on? Get your work done? Sounded like you weren't having any fun today."

"I don't know. I think Gunther's jamming me again. I was presenting that deal in Brumfus, the apartments on Hamilton Street. Great deal, great returns. He starts questioning me about the deal, about the operator. Then in the meeting Tenn Prosser starts hitting me with questions about

the market, totally out of nowhere. I know Gunther put him up to it.”

“Why’s that?”

“I don’t know. Probably just trying to keep my volume down, so he doesn’t have to pay me. Ya know, it’s all about da Benjamins!”

“Dude, don’t do black. You’re embarrassing yourself.”

“Sorry. Never happen again.”

“Do you think he’s just messing with you, or is he trying to cut you back?”

“I don’t know. He needs my volume to keep the business growing, unless he goes out and brings in another Tenn or Louie. But I don’t think he’s willing to bring in a big rainmaker anymore. He’s got Tenn and Louie in his pocket because he brought them in at the beginning, when the market was down. And he pays them well. I have no idea how much bonus they’re pulling in, but I bet it’s five times what I get. Even though I’m doing as many deals as each of them now. But if he tries to bring in someone with a rolodex they won’t be as loyal as those guys. He likes me, but I think he likes me at a certain level. And I’m pushing higher than he wants.”

“Why would he care about you if you’re making so much less than the other guys? You’re no threat to him.”

“That’s just it. I could be. If he started paying me anywhere near what he’s paying them, it would have to come out of his share. SEB loves him, but not as much as they used to. He’s not producing the ridiculous returns he did five or ten years ago, when we were buying firesale properties. I bet the bonus pool hasn’t grown more than five percent in any of the last three years. So if he grows me, someone else has to lose. Tenn and Louie could make the same money or more in lots of other shops, and he knows that. So long story short, that’s what I think is going on.”

“That’s pretty deep, maaaann.”

“Fuck you, coffeeboy. What’s doing on the floor? Other than this piece of ass who’s supposedly coming here.”

“Dude, amazing, you’ll see. And Latino. You know how much I love Latino chicks. But on the floor, the usual. You know, lunatics yelling and screaming, douchebags who DK (don’t know) orders cause they screwed up. Like this afternoon, half hour before the close. I wanted to beat the living hell out of this guy.”

“Did he claim it eventually?”

“Yeah he had to. When we were arguing another trader was standing there and he backed me up. He said he wanted to buy the lot and this guy beat him to the punch. The douchebag was so pissed. He goes “Fuck it, fine, I’ll take it” and walked away. It was great. I asked this other guy if he was serious about being there at the trade, and he just says “Yeah” and winks his eye as he walks away.

“Was it a good trade?”

“Absolutely. It was crazy today. We had so much volume because of the production reports that came out this morning.”

“Should I ask?”

“No. I’m not really sure what they said. But apparently it was significant.”

“You really don’t give a shit about the coffee, do you? Just the trading, right?”

“Not totally! I know some parts of the business. How weather impacts production, how that swings the prices. But that’s not my job. My job is to get the trade done. The guys on the phones worry about that stuff.”

“What’d you eat for lunch today?”

“Cheeseburger, fries and a Coke, same as every other day. Unless someone brings in a pizza.”

“Amazing. What’s the life expectancy in that business, forty?”

“Yeah, but it’s a good life. Out by three-thirty every day. Great class of people working there.” Mondo couldn’t hold in the laugh on that one.

On cue the door opened, causing Mondo’s eye to look over Hogan’s left shoulder and his cheekbones to rise.

“Here they are!” Mondo announced, loud enough for the other three patrons to hear. Hogan turned to look at the door as well, craning his head over his right shoulder.

Mondo got up from his barstool and stepped past Hogan, though his left hand swept across Hogan’s arm indicating he wanted him to get up as well. Hogan twisted around and got up, now standing behind Mondo, watching him lean into a hug of a beautiful Latino woman in her late 20’s.

“Hey baby,” Mondo said to her as he hugged. Hogan looked over at her friend, who was already looking at him, a slight smirk on her face as if to show her embarrassment being associated with them. Mondo pulled back and said, “Lita, I want you to meet my good friend Hogan Seaver. Hogan, this is Lita.”

“Hi, Lita,” Hogan said, stepping past Mondo to shake her hand.

“Hi, how are you. And this is April. April and I go to NYU together at night.”

The handshake exchange was done, and they moved out of the doorway, over to a table. Hogan brought over the two unfinished pints of Guinness.

“So April,” Mondo started off, “you’re in the MBA program as well?”

“Yes. I started last year. I still have a long time ‘til I finish.”

“Is that tough, working and goin’ to school at night?”

“It’s just tiring. I’m in classes twice a week, in group meetings usually one or two of the other nights, and then just Fridays off. I would be in a group meeting tonight except that we finished our project last week.”

“What do you do?” Hogan asked.

April turned her glance directly toward Hogan and smiled slightly. “I work for Hopkins & Barr, the law firm. I’m a law clerk. I do filings, some briefs, research. That kind of thing.”

“Don’t want to be a lawyer?” he followed up.

“No way. All they do is read and write long documents all day long. I thought I might want to be a lawyer, so I started there after college instead of trying to go straight into law school. I figured I could get into a better school that way, with recommendations from partners and some experience. But I absolutely hate what they do. I know its necessary, but let someone else do it.”

Hogan was impressed this seemingly shy girl so quickly came out of her shell and spoke her mind to strangers. He liked that quality. He also like her long reddish brown hair and lightly tanned skin. She appeared to be one of those pale-skinned women, almost alabaster, who turn beet red in the sun. Except that her skin has lightly bronzed, at least on her face and arms.

“What do you do,” she asked as Mondo and Lita were having their own conversation at this point. Hogan heard “the floor” mentioned a few times already.

“I’m in real estate. I work for SEBRE.”

“What’s SEBRE?” she asked, her eyebrows now angled down and her voice lilting as if to indicate that nobody would know that name.

“Oh, sorry, it’s the US real estate investment arm of Swiss European Bank. S-E-B-R-E. We buy real estate all over the country for the bank and its clients.”

“That sounds really interesting. Do you like it?”

“I love it, actually. I’ve been there for about eight years. I get to do my own deals, travel around the country to see properties all the time.”

“Where are most of your properties?”

“All over. I do a lot in New Jersey because I have a great company I do business with there. Otherwise, California, Texas, Arizona, Florida, DC.”

“Wow, that’s great. Are you on the road a lot?”

“Not that often. Usually just a few days a month. Fly in, see the property and the market, then fly home.”

“That sounds good to me. I’d love to be able to get out of the office like that.”

She carefully angled down to sip her cosmopolitan out of the martini glass. This was a change Hogan had difficulty getting used to in these Irish pubs. There was definitely a time, maybe even as recently as when he started coming here, that they didn’t even have martini glasses in these joints, let alone serve a fruity looking drink like a cosmo. But with the increase in yuppies coming in, pub owners realized they needed to expand their horizons or else they would be relying on a few 50-year old regulars in order to pay their rent bill.

Hogan took the opportunity to take a deep slug of Guinness, his second. Mondo was already on his third, Hogan was sure, because he was definitely more gregarious than usual, which is saying something. He was reaching over and touching Lita’s hair, her bare shoulders, her drink, whatever he felt like to make his point. She didn’t seem to mind the contact, though. There was definitely something there. Mondo was hooking up tonight.

“I like your name. It’s different. Where does it come from?”

“My dad was a huge fan of Hogan’s Heroes, the TV show. Have you ever seen it?”

“Yeah, when I was a kid I think I saw it a few times.”

“Well, my dad loved two things in his life, beside my mom and me of course. Hogan’s Heroes and the Mets. And Tom Seaver was his favorite player. So when I was born he wanted to name me after both. The good thing was that the

last name was already taken care of. No relation, though, unfortunately.”

“Did your mom have a say in it?”

“She chose my middle name, Will, after her father.”

“Hogan Will Seaver. That’s a good name.”

“I’m glad you like it”, he answered as sarcastically as possible without sounding like a dick. “And my dad would have liked your name too. April is when baseball season starts.”

“That’s what I’m named after. April Opening Day Kuhlbaum.” She said this with a perfectly straight face.

“Excellent! Quick, you’re definitely quick. *Coolbaum?*”

“Yes, but spelled K-U-H-L.”

“M-O-T?”

“Member of the tribe?” she asked and Hogan immediately nodded. Yes, but how did you know that term? Seaver’s not a Jewish name, is it?”

“No, but half of my friends in south Jersey were Jewish.”

“A Jersey boy, huh. I probably would have guessed that. Either that or Long Island.”

“Now I’m insulted. I’m definitely not Long Island.”

“Why, what’s the Long Island type?”

“Stupid accent, arrogant...”

“How do you know I’m not from there?”

“I’m just hoping. But I usually can tell the accent.”

“Actually I was born there, in Great Neck. But my family moved to Maryland when I was two. Ever hear of Chevy Chase Maryland?”

“Of course. Right outside DC, Wisconsin Ave. I like that area a lot.”

“How do you know it so well?”

“It’s my job to know it.”

“Oh yeah, I forgot you travel so much.” She paused. “So why do you hate Long Island so much?”

“It’s just that it seems everyone I’ve met from there is an asshole. Overly self-confident, annoying, etc., etc. I just don’t get along with them.”

“They probably think the same of New Jersey, right?”

“Probably. But we’re much more normal compared to them.”

“Do your parents still live there?”

“My folks both passed away. My dad died when I was twelve, my mom about three years ago.”

“Oh, I’m sorry to hear that.”

“Thanks. It’s OK. It took a while to get over, but I’m fine with it now. My dad died of a heart attack, but he was so depressed for about 5 years before that that he wasn’t living much anyway. He mostly sat on a couch watching TV. He got hurt on the job and never really went back. Collected unemployment most of the time. My mom had breast cancer for a while, but then it spread and was too much. The good thing was I was at her side most of the time. I moved back home and helped take care of her a little.”

“Jesus, H, you’re depressingly the hell out of me here,” Mondo interjected. “Is this how you talk to women you’ve just met? No wonder you’ve never had a girlfriend!”

“That’s ‘cuz I always knew I had your mom to fall back on....literally.”

“Oh, now a mother joke. You’re scorin’ big points here. I think April’s gonna walk out now.”

“I’m OK, don’t worry about me. He hasn’t said anything about my mother yet.”

“Give ‘em a minute. He’s on a roll.”

“Sorry about that, but Mondo here brings out the best in me.” Hogan then turned to Mondo. “You’re right, no more downer talk. Who needs a drink?”

The four of them then found themselves walking north on Amsterdam to 77th Street, where a new club, Papa's Brand New Bag, had opened up in the past few months. Alternatively known as either Papa's or The Bag, this was a former Greek restaurant blessed with high ceilings in a large dining room, which made for a perfect mini-odeon. Luckily, upstairs was a mattress store, not apartments, so the place was able to get a little louder than most.

The Bag had live bands and dancing, and Thursdays was reggae night, mon. It was basically the chance for a bunch of mid-twenties yuppies to relive their college spring breaks down in Jamaica and other Caribbean islands. The tie-dyes came out of the bottom of the drawer, straw hats showed up from somewhere, and everyone drank Red Stripe beer or blended rum drinks. It was a little hokey, but Hogan liked it because it was totally random. Marley, Tosh, Jimmy Cliff, some more recent stuff too. And dancing was just a lot of shaking in place because it was so crowded. That worked well for the rhythmically-challenged South Jersey kid.

The foursome entered the club, after handing over twenty bucks to the doorman for the cover charge. Seeing a wall of people, especially dense at the bar to the left, they made their way straight ahead toward the band instead. They got as close as about fifteen feet away and decided to pitch camp.

"Would you like to dance, baby," Mondo reached a hand to Hogan.

"Sure, but what should we do with these two?" he responded.

"Dump'em. They're just fag hags anyway. They won't mind."

Lita and April both had the hip-out, hand-on-hip, head-slightly-angled-down, eyebrows-raised, mouth-to-one-side look going. "Very funny" Lita offered with a sneer.

“Oh, do you think you can dance better than H here?” Mondo asked her.

“I know I can. But if you want him April and I can go find some real men.”

“Fine, you’ll do then” Mondo relented, then he grabbed her hand and pulled her toward him. They moved a few feet closer to the stage as some other people exited, leaving Hogan and April again looking at them and then each other the way they did when they watched the initial hug earlier in the evening.

“Awrighty,” Hogan quipped, as he turned closer to April and started to dance.

Hogan and April walked out of The Bag after bidding adieu to Mondo and Lita, still going strong on the dance floor as Peter Tosh’s *You Can Get It If You Really Want* was being cranked out by the local band. Forty minutes straight of dancing was enough for Hogan and April, they needed fresh air and a drink.

Hogan’s promise of Baileys Irish Cream in his fridge, poured in a nice (clean) brandy snifter, and no undue sexual advances was enough to convince April that the drink could be had at his apartment. They walked along 76th Street towards Columbus. As they neared the corner April spotted an old basketball against the inside of the fence separating a school’s outdoor courts from the sidewalk.

“Wanna play?” she said in a challenging voice as she pointed at the ball.

“Sure, do you know how?” Hogan inquired, just about laughing.

“Yes,” she replied indignantly, “I played in high school. I’m pretty good.”

They found the door on Columbus, then April excitedly ran ahead and got the ball. She started dribbling, crouched over and patting at the ball which was too far in

front of her, and made it over to the nearest hoop. She then threw in a layup in the classic two-handed, push-from-the-chest-while-jumping form.

Hogan was laughing. "Did you play *a lot* in high school, or just, like, during gym?"

"What's wrong with that. I made it. And I dribbled all the way over."

"No, no that's great. But if someone was guarding you I think you might have had trouble." He was still laughing.

"Then guard me."

He stood in front of her, back to the basket fifteen feet away. She started dribbling, which was a good sign. He expected her to start running with the ball by accident, something many beginners would do. But she dribbled, kept her body between Hogan and the ball, and backed into him slightly.

"Very good," he noted.

"What's that?" she quizzed him.

"You're protecting the ball, that's good."

"Hey, I told you I've played before. I know how to do this."

Just then Hogan reached around her as he moved to the side, easily taking the ball and keeping the dribble alive. He was laughing again.

"Hey I wasn't ready. Give it back."

"Not ready! You had the ball, how were you not ready?"

"Let me try again. This time you won't get it."

She started again, this time with a little more purpose in her moves. She tried to turn and dribble past him, and just about did, but she dribbled the ball off her right foot and it caromed into the fence. She grabbed it, took one dribble and shot a layup.

"There, I scored on you!"

"Out of bounds much?"

“Oh, you weren’t ready,” she joked, giving him back his own medicine.

“Fine, you win, let’s go get that drink.”

“Sounds good to me. Winner’s thirsty,” she chided, flipping the ball to him as she prepared to go. He caught it, and in the same motion launched an eighteen foot shot which banked in off the backboard.

“I meant to do that.” He smirked.

“So how long have you lived here?” April asked, fully enveloped by the overly cushy couch and navy blue chenille pillows.

Hogan, admiring her from the other side of the kitchen counter, answered “Almost three years.”

“Oh, you moved back from New Jersey after your mother ...” she hesitated.

“Yeah. After she passed I sold their house and moved back in. I was living in the city for about four years before that too.”

Hogan brought the two snifters over to the coffee table, setting them on coasters beside a Frank Gehry architecture book. The book had an unusually curved cover to mimic the random flowing style that Gehry used in his buildings. Hogan appreciated the man’s work, but also how the book was pretty much a stand-alone piece on the table. Made him look cultured, too.

Hogan was also always impressed with how Baileys Irish Cream poured into a glass, especially one with ice cubes. The milky texture flowed smoothly onto the rocks, then gradually enveloped them like lava over a hillside. Even now, as the snifters sat still on the table, the surface was a coffee-colored lake disturbed only by outcroppings of smoothed-out cubes.

“Hey wake up,” April interjected as she snapped her fingers. “Stop daydreaming.”

“Sorry, I was just focusing on the glass.”

“I noticed. What about it?”

“Nothing really. I’ve just always liked how it looked in a glass. Very aesthetically pleasing” he said, with a somewhat sarcastic stress on the last two words.

“Ooh, big word. I’m impressed.”

They both reached over and grabbed their glasses, simultaneously sensing the segue in the conversation. April took a small sip out of the glass, typical of someone looking to appear ladylike and not a lush. Interestingly, though, she followed up with a long slug before setting it back down, draining about a third of the glass. When she noticed Hogan watching, she commented “Yes, I like Baileys too.”

“I meant to ask you,” she continued, as she leaned back into the couch, “earlier you asked if I was Jewish. Or a ‘member of the tribe’. Do you have a problem with Jewish girls?”

“Absolutely not. I was serious when I said half my friends growing up were Jewish. I’ve gone out with Jewish girls before. Or at least fooled around with them” he smiled.

“They’re easier right?” she smirked as she glared.

“Easier to what? Get annoyed at, frustrated with?”

“Funny. Do you think I’m that way?”

“No. At least I hope not.”

“Why, do you think you’re gonna see me again?” This time a sly smile.

“Of course I am. I’m going to stalk you. Watch you from the shadows. It can be a very small city that way.”

“Grreeeaaatt.”

They polished off the drinks, and as promised, he walked her out without making any moves. He insisted on escorting her home in the cab but she stood in the doorway and nearly got the car door between them.

“I don’t want you seeing where I live, stalker boy.”

She gave him the credit for the gentlemanly gesture but kept her foot down on her going home alone. A nice, soft extended kiss on the lips closed the deal.

When she opened her apartment door the next morning a single long stem red rose was lying on her welcome mat, anonymous but obviously the work of a romantic and resourceful person. She never did tell him where she lived.

Hogan stepped into Gunther's office at 10am sharp. Gunther, Tenn and Louie were seated, Gunther behind his antique wood desk, Tenn and Louie on the leather couch fifteen feet opposite him. Strategic placement. Hogan sat in one of the two wing chairs across from Gunther's desk, turning it slightly so as to avoid having his back to his colleagues. The duck was on the pond.

"Hogan, this is a great analysis you put together," Gunther began. "The history is really something, how the yields track the redevelopment of the city. It's like a case study for all of these urban renewal projects. I think Tenn would agree with me the owner profile is surprisingly strong too."

Hogan turned and looked over at Tenn, who nodded agreement with his head and eyebrows.

"Here's what we're going to do. I've got Marty and Harris' proxies. We're all in favor now too. This deal is approved. You can tell Doug to go forward. But we're gonna take a wait and see approach with all of these New Jersey deals for a while. We've got eleven now, and I know they're all doing well, but I want to see some results posted before approving any more there. See if Doug is interested in selling one this year. I think it would help the marketing and reduce our exposure there."

Hogan kept his poker face, but inside he was rumbling. He thought Gunther would make it tougher, but not put the

kibosh on him completely. Gunther knew these deals were not intended to be sold yet. The investors were happy to sit back and collect their annual returns. This would basically cap Hogan's production for the year. And Hogan would have no argument when bonus time came, because the way Gunther sees it, McKey hasn't really shown any success until the deals are sold. And most of Hogan's production is with McKey.

"OK Mike. I'll talk to Doug, see what he thinks. I'll get this one on the investor pipeline tomorrow. I think the Indonesian client that did the last deal is interested in doing more business. He already told his banker to show him the next deal that came along."

Hogan did his best to look and sound the team player, all the while knowing Gunther was playing for himself. Hogan had no intention of talking sales with Doug McKey.

"April Kuhlbaum."

"Hi Chevy Chase girl."

"Hogan how are you?"

"Good. How are you?"

"Very good. Someone left a beautiful red rose on my doorstep. Any idea who?"

"Probably your cabdriver. He's the only one you'd tell your address to."

"True. I gave him my apartment number too, but he wouldn't come up for a nightcap. Must be a religious thing."

"Must be."

"Well thank you very much. It was incredibly sweet. Did you actually deliver it yourself, or did you hire someone to do it?"

"What'd your doorman say?"

"How do you know I asked him?"

“Because when I told him who it was for he lit up like you were his daughter. I got the impression you guys talk a little bit.”

“We do. Murray’s a sweet man. But he wouldn’t tell me who brought it. How’d you do that?”

“Money talks.”

“Not with Murray. For three years I’ve been trying to tip him for things and he won’t accept. No, you must’ve charmed him.”

“Yeah, I charmed him. I worked my magic.”

“How’d you get my address anyway?”

“Well, there are a ton of ways, but I used the Internet. Took all of about three minutes.

“I’m very impressed.”

“So do I earn a second date?”

“Barely. The rose helped.”

“How about tonight, a nice dinner, you choose the place. Your part of town this time.”

“My part of town. Why, embarrassed to lose again at basketball in your neighborhood?”

“Exactly.”

“Well, actually I already have dinner plans with my group. We’re celebrating finishing our project, up on East 80th Street. We could do dessert if you want?”

“Yeah, let’s do that. When will dinner be over?”

“Probably like 8 or 8:30. I could be at your apartment by 9.”

“Excellent. That’ll give me time to get the other girl out.”

“You better change the sheets.”

“I love a woman who understands.”

Hogan zigzagged his way from Park and 51st up to 59th and Fifth, the corner of Central Park. Being a rare mild

evening this summer he decided to walk home, see what's going on in the Park. He passed the endless row of portrait artists sitting patiently waiting for their next customer. He wondered if tourists actually believed Jimi Hendrix, Al Pacino, Liza Minnelli and the many other stars prominently displayed had sat for these artists. But what are the chances Al would give you the exact same facial gesture from the final scene in Scarface while sitting for an hour on an uncomfortable chair?

Hogan looked back up the roadway and waited for a break in the traffic of cyclists, joggers and rollerbladers. He saw his opening and went, to the surprise of a cyclist who was looking to slide across the road at the same time. In a split second Hogan was on the ground, grabbing at his left leg with a bloodied arm. He let loose a stream of curses at the rider, who was getting up already and looking to his bike more than to Hogan.

Shit, Hogan thought, I gotta go to the hospital. Gonna have to blow off April. How do I reach her? Maybe she's still at work. I don't want a cast on my arm in the summer!

"You fuck! What the hell were you doing? Didn't you see me? Stop worrying about your bike. You broke my leg too!"

Hogan refocused on the roadway, realizing he'd been lost in thought for the past couple moments. The crowd of people out riding and running tonight was impressive. Where do they work, he wondered, being able to get out this early. Must be nice. He waited for an extra-large opening before venturing across. Minutes later he was on the third base line of a softball field, watching two corporate teams made up of men and women mix it up. The talent level was low, but it was obvious they didn't necessarily think so or care. The back-patting and amateur high-fives were rampant, as if this

was part of an Outward Bound team-building exercise. In sharp contrast was the adjacent field, where two men's slo-pitch teams were battling. Full uniforms, eye-black, yelling and talent pervaded this field, whose right field shared space with left field of the adjacent game. This is where my dad would be, Hogan thought, were he still alive and the game was down the shore. His dad was a good baseball player growing up, but became a very good softball player after college. He played until his accident.

Hogan exited the Park via the Tavern on the Green road. He walked over to Evangelina's, a small dessert place on West 69th, to make sure they were open tonight. Evangelina's was a very romantic spot, at least Hogan thought it was. Or assumed it was. But romantic in a quaint countryside way, not clichéd and cheesy romantic with low lighting and white tablecloths. The fact that half the tables seem to be filled with older first generation Italian couples lent credibility to this feeling.

The evening's plans now set, Hogan decided to grab dinner. Billy Cho's was conveniently and intentionally on the way home. The owners, who greeted all the customers as they walked in, treated Hogan like a good friend, not just a loyal customer. But they treated everyone that way. It kind of bothered him that the owners had no idea how good a customer he was. They'd only seen him in their restaurant four or five times in the past year, at best, yet he'd ordered in once or twice a week from them for the past three years. He always felt like mentioning this when he walked in, sort of announce that frequent flyer #1 was here and should be treated accordingly. But he never did.

Hogan ordered one of the usuals, cold sesame noodles and BBQ spare ribs. Billy Cho's put extra cucumbers and thick peanut sauce in the noodles, and their ribs were always really meaty. Hogan figured he should eat kind of light before his big dessert date, so he skipped the other usuals, Chicken

with String Beans and Beef & Shrimp with Black Bean Sauce. The latter dish had either broccoli or asparagus, depending on the season, and was amazingly tasty but way too heavy for tonight.

One more stop and he could settle in, thought Hogan as he stepped out of the doorway of Billy Cho's and headed up Columbus a block to the corner grocer. He needed to restock the fridge with some beer, mostly because all he had left was Dos Equis and it would be politically incorrect to mix Mexican and Chinese. Now Czech or English, that was hopefully a different story since he was either buying Pilsner Urquell or Bass Ale. The latter was always in stock, the former seldom. But alas, alack, whatever, it was there, in full sixpack form no less. See in these New York grocers people come in and buy singles quite often, leaving partially filled containers. The answer to that was of course to join them, and build new six packs of random brands. The grocer never seemed to care, focusing instead on making sure each beer was appropriately, and steeply, priced. Hogan left the grocer with his Chinese food in one hand, beer in the other. The bachelor life, epitomized.

Now supplied with his evening's fare, he started the arduous 3 block walk home. Approaching 73rd, the sight of something beautifully blond and shapely caught his eye. A woman, well really a girl, since women were females who were at least 40, decked out in hip-hugging cutoff denim shorts, with a white see-through L'il Abner, hot-chick-hanging-around-country-bumpkins blouse was crossing Columbus Avenue at 73rd Street. She was Daisy Duke twenty years later, probably with a New York accent. Amazing ass, perky breasts, and a great tan throughout. And shiny blond hair, even though the sun was not overhead. Hogan couldn't help staring as she hurriedly jaywalked across the street. She didn't need to, since only a hag would dare run her down. At this point Hogan was actually craning his neck, looking back a bit

as he proceeded, a bit slower than before. He was conscious enough only to know to step down off the curb at 73rd, so that he could cross over to the north side of the street where his brownstone was located.

“WAAASHOOUUTT!”

“Grant him eternal rest, O Lord. And let perpetual light shine on him.”

Hogan sat looking up at the altar from the front pew, hearing the minister but not listening. He squirmed uncomfortably on the wooden pew, leading his mom to squeeze the hand she already held dearly. He looked up at her, so intent on the minister’s words, her eyes lightly glassed over as a tear was building up and readying to slide down her cheek on the path illuminated by the trace of previous tears. Hogan looked behind her to see the few relatives and friends who joined them. Each in turn noted his glance and returned it with a sympathetic nod or smirk.

“... and Martin’s time with us was very special and loving. His love can be seen all around this room in his family and friends, especially in his wife Jean and his son Hogan.”

Hogan looked up at the casket, a large dark brown wooden box placed atop a table covered with a black cloth and decorated with flowers. The casket was closed, which meant most of the people there who hadn’t seen his dad much if at all since the accident weren’t going to see him ever again. His dad died that day back then, Hogan thought. His life ended, even though he hung around a little longer.

Casual observers saw a man get thrown back about 5 feet to the ground, and heard the sounds of exploding glass bottles and a body slamming the pavement. What Hogan saw and heard were much less clear. Only the pain was sharp.

Ogling an amazing blond crossing the avenue...a loud voice...a screech of a tire... something crashing into his right side...falling hard to the ground. It all merged into one instantaneous moment in his mind. Now lying on the pavement, feeling tremendous pain in his right leg, not wanting to open his eyes to see it. Broken leg or twisted ligament kind of pain. Burning skin kind of pain.

He finally opened his eyes, then slowly looked around him. He saw the curb about 8 feet away, more importantly the white stripe edging the crosswalk about 3 feet away. Fearing what he'd see as he turned his head the other way, he soon realized he was lying on Columbus Avenue. Fortunately the right lane was taken up with parked cars, Hogan thought, or he'd be dead right now.

He tried to prop himself up with his left hand but immediately winced and fell back down, the wrist obviously broken. He lifted it off the ground to check the damage and saw a lump at the base of his hand, where it meets the ulna bone. The hand was scraped and bloodied, especially on the heel of his palm where he was sure he was seeing innards one shouldn't see. He lifted his right hand to check it out as well, almost happy when he could see no lumps, just some scrapes and blood. He used this hand to move himself closer to the curb.

"Lemme hep you," came a voice, and then a face looking down at him. The man was Asian, probably Chinese, and was decked out in all-white clothes spotted with food stains. This much Hogan could see despite still being woozy.

"Hey I know you. You 37. Yeh, you number 37, right!"; the man continued.

"What the fuck are talking about," Hogan responded, wincing again from the pain. When he finally did open his eyes fully he understood. The man did deliveries for Billy Cho's. He saw this guy in his doorway about twice every week.

“Yeah yeah. What the hell were you doin’?”

“You walk in front of me. Too late for me to stop.”

“Too late? I was 3 or 4 steps onto the street. I had the right of way.”

“Noohh. You wrong. Light was green.”

“Bullshit!” Hogan winced again as he accidentally put some weight on his left wrist as he spoke up. “I looked before I got off the curb. I had the walk sign.” He knew this because he remembered having to look away from the blond for a second.

“He’s right,” came a woman’s voice, her body now in focus as she joined the Chinaman standing over Hogan. “I saw the whole thing. I was right there,” pointing behind her at the opposite curb, “stepping onto the crosswalk too. You went right through the light and slammed into him.” She was directing her scowl, and considerable presence, at the deliveryman.

“Help me up,” Hogan pleaded to anyone listening. “I gotta get to the hospital.”

“Here, take my name and number. Miriam Isaacs. Call me if you need my help in this,” she said, handing him a card. Hogan stuffed the card into his pocket without even looking at it, just a quick “Thank you very much” and he turned his head to hail a cab. He balanced himself on his left foot, holding onto the newspaper kiosk with his right hand.

“I’ll be talking to your boss,” he said to the deliveryman just before struggling to wedge himself into a cab.

Hogan struggled into the St. Luke’s-Roosevelt ER, finally reaching the desk. By the time he finished the paperwork they were ready to see him, somehow moving him ahead of people who were there when he arrived. The doctor, a resident about the same age as Hogan, gave him the news.

Broken wrist, but luckily just sprained ACL. No tear. No surgery. Cast on the wrist for 3-4 weeks, knee brace on the knee for as long as necessary. But no walking on it for a while.

In an act of closure for his loss, God granted Hogan a cute blonde nurse to put the cast on his wrist. Not as striking as the j-walker, but cute nonetheless. And more attainable, which is always key. But the also cute ring on her finger was a stop sign.

Only four hours after arriving at the hospital Hogan was leaving. This seemed like it had to be a record. It would have been even sooner but he had to wait for the cast to harden properly, then wait another twenty minutes for someone to tell him he could go. He had a fresh cast on his left wrist, a big knee brace on his right leg, and a bag of several items for the next few days - Percoset, ice pack and some balm. He worked on mastering the crutches up until reaching the curb, where a cab was at the ready. The tough part was climbing the stairs of his building, but he quickly realized that having opposite limbs damaged actually worked better for this. He held onto the big cement railing and hopped up on his left foot. The tricky part was carrying the crutches, which he stuffed under his left armpit, and holding onto the bag while also trying to grab the railing. It was gangly but he made it up without further injury.

As he got into his apartment he looked over at the clock in his kitchen. Ten fifty-two. More than two hours after April walked away from his building, cursing his name for standing her up.

“Sorry,” were his first words as April answered the phone.

“Where were you? I can’t believe you blew me off.”

“I think I have a good excuse.”

“Was she cute?”

“I wish. Actually, now that I think about it, the nurse was cute. But married. Doctor was OK. Little dorky looking, though.”

“What happened?” she asked, her tone definitely changed.

“I got hit by a bicycle delivery guy. I have a broken wrist and sprained knee ligaments. And lots of bandages. I’m a mess.”

“Oh my god. I had no idea. Are you in pain?”

“Not as much as I was. These percosets are pretty good.”

“I feel so bad. I was so angry when you didn’t answer the buzzer. I figured you forgot. Or were working late. I didn’t let myself think you were hurt. I preferred being blown off than thinking you could be in an accident or getting mugged.”

“Thanks, I think. I’ll be OK. Out of commission for a while though. They want me to stay off that leg for at least a week and a half, even though it’s just a knee brace. I’m gonna stay here tomorrow and keep it propped up. Three day weekend, lying on the couch. Doesn’t sound that bad actually.”

“Want some company?”

“What, take the day off?”

“No, now. Can I come up and be your nursemaid?”

“How can I say no to that?”

“See you soon. This time you better answer.”

Twenty-five minutes later, just long enough for Hogan to manage a hobbling trip to the bathroom and clean himself up a little, April appeared in his doorway bearing a huge bouquet of corner grocer red roses.

“How’s the patient? The nurse is here.”

“Just in time. Did you bring the bedpan?”

“Hey, let me in if you’re going to talk dirty to me.”

April was decked out in comfortwear, gray cotton stretch pants with a light purple sleeveless top. Her beautiful flowing auburn hair was pulled back into a ponytail, the same light purple color. Reebok running shoes with no socks. She looked ready for a night of studying or watching movies. Or in this case, tending to Hogan’s needs. Hogan also noticed she carried her backpack, not a purse, but didn’t bother to ask what was in it.

“It’s really good to see you,” he said, letting her in and closing the door behind her. “Thanks for coming up.”

“Hey, my date gets hit by a truck the least I can do is take care of him.”

“It was a bike, not a truck.”

“You sure? Looks more like a truck. You may want to tell people truck because bikes don’t do this kind of damage.”

“You here to cheer me up?” he asked.

“Yes I am. I’m sorry, I’m just having fun at your expense. Let me help you over to the couch,” she said, reaching for his right elbow.

“Actually, I kind of need the bed. Seriously. The bed is easier to prop up my leg.”

“OK. I can’t believe I’m getting you in the sack on the second date. You’re easy.”

“More than you can imagine.”

About thirty minutes of talking on the bed led to another thirty minutes of kissing and caressing. April was careful not to lean on his right leg or left elbow.

“Wait a minute,” she paused, getting up from the bed and heading out of the room. Hogan was slightly taken aback, except for the hint of a smile on her face as she walked out. He could hear her doing something in the kitchen, since his one-bedroom apartment was not that big and the kitchen was the only room other than the bathroom that had a tile floor.

A minute or so later she appeared in the doorway, a glass half-filled with ice in her hand. She gave Hogan a deviant smile, then flicked off the light switch. She walked over to the bed, her silhouette backlit by an indirect light in the entry area. She placed the glass on the night table, then, standing over Hogan, removed her top, the outline of her bare breasts just barely visible in the darkness. She picked up the glass and poured a cube into her mouth, then reset the glass. She dropped to her knees beside the bed, making eye contact with Hogan one last time, then slid down his shorts.

“Omigod,” he blurted out as an unbelievable sensation enveloped his body.

Two

“Hogan, are you home?”

“Yeah mom. I’m in my room.”

“Hey, guess what,” Hogan’s mother asked excitedly as she appeared in his doorway.

“No idea.”

“I got a job today. And it pays really well. I’m gonna work for a real estate company as the president’s executive secretary.”

“Wow! Sounds great. What’s the name of the company?”

“McKey Properties. I’m gonna be working for Doug McKey.”

“Is it a big company?”

“No, he just started the company two years ago, so it’s not very big. He wants me to run the office since nobody really does it now. The weird thing is, I think I’m older than him. He looks like he’s only about forty. But he seems really smart, and I think his company is doing really well.”

“That’s great mom. I’m proud of you. I told you you’d find another job soon.”

“You did. And this one seems perfect. And he’s paying me enough for us to start saving some money for your college fund.”

“Oh so I don’t need to get a scholarship anymore?”

“Yes you do! Keep studying.”

“Larry, can you bring in the mid-year numbers and budget comparison. I want to review where we stand.”

“No problem Mike. Be in there in a second.”

Larry’s primary role was monitoring the budget and helping Mike hit his numbers, which flowed back to Geneva.

SEBRE was profitable, that was always a given. But gone were the ridiculous profits they were generating in the mid to late 90's, selling off the properties they acquired at bargain prices in the early 90's. SEBRE had settled into a somewhat predictable revenue stream, in terms of new deal volume and sales of older investments. Larry knew this was eating at Mike, who wanted to continue to impress Geneva with big numbers so he could command a higher bonus pool. Larry may not have shared much in the pool, but he was the controller, and he saw what everyone made.

"Hi Larry. Take a seat. How are you?"

"Good Mike. Thanks. How are you doing?"

"Great. Listen Larry, I was looking at the past few years' revenue figures, and I was curious where we stood so far this year."

"Well Mike. To date we've booked just under \$13.2 million. I looked at what's remaining in the budget, for new deals, sales and portfolio deal income, and it projects out to \$27.8 million."

"Two and a half million less than last year."

"Yes. With the December sale of the Prescott Building last year we bumped over the \$30 million mark again. If that deal closed in January though the situation would be reversed."

"True. But getting that deal done last year was key then. We're in the same situation now. I want to be over \$30 million again this year. Even more to be honest. I want to show some significant growth in revenue. We haven't been below \$30 million since 1996, and that was before the portfolio was built up."

"Gee Mike, I haven't spoken to Tenn or Louie, so I don't know if there are many new deals for the second half. I think the only way to prop up the revenue is to sell some properties early."

“Exactly! That’s what I was looking at. Let’s comb through the portfolio and determine what’s ripe for an early sale. I’ll get Marty on this and see if we can make this happen. You have to remember, Larry, we’re a satellite operation for SEB. We have to keep shining bright or they’ll lose focus on us.”

“I agree Mike. I’ll start running through some of the portfolio myself, and I’ll take another look at the budget.”

“Thanks Larry.”

“By the way, Mike, OK to get something to you tomorrow? I was gonna leave early to see my daughter’s Little League softball game. I help out the coaches sometimes.”

“Sure Larry. Tomorrow’s fine. Wish her luck.”

“Yeah, Mike, you wanted to see me? Ginnie said you called while I was on a conference call.”

“I did Marty. Thanks for coming by so quick. I wanted to talk about the McKey properties. They’re all doing well I see.”

“Real well. Everyone is over 90% occupied and incomes are ahead of budget.”

“How’s the sales market out there for these assets?”

“Good, I guess. Why, are we thinking of selling?”

“No, not necessarily. I just don’t want an opportunity to slip away just because our initial strategy may have been for a little longer hold period. We invest to make money. If we have winnings on the table we should consider cashing out.”

“True. We would definitely get good prices for any of those properties. You have to make a good pitch to the investors, though. We sold them hard on cash flows, or should I say Hogan sold them hard.”

“Yes, he did. And it’s a great strategy. But the bottom line is to make money. If you were to pick one of the earlier deals to sell, which would it be?”

“Tough to say. Woodbridge Landing maybe, the one next to the mall. We’ve had it for three years, excellent performance. And there’s a REIT that owns four other properties in Woodbridge and Edison. They’d be a good buyer, might even pay up for the efficiencies they could achieve.”

“Woodbridge Landing. That was, what, the second McKey deal?”

“Yes. The Princeton deal was first. That might also be a good choice.”

“Good to know.”

“Anything you want me to do, Mike? Should Hogan and I talk with Doug McKey about marketing the properties?”

“No, no. I’ll give Doug a call. I haven’t spoken with him in a while. Thanks Marty.”

“No problem, Mike. Call me if you need anything else.”

“Hello?”

“H Whaddup! What happened to you!” Mondo yelled into the phone.

“Little run-in with a bike. I lost.”

“That’s what I heard. Lita spoke with April last night and heard the deal. Sounds like it was a rare night she wasn’t at your place.”

“Yeah, it was her night off.”

“So what’s the bodily damage, exactly.”

“Broken wrist, sprained ACL. Have to stay off the knee for another week or so. The wrist will be in a cast for probably a month.”

“Is it your jerkoff hand?”

“No I’m righty. I only use the left when I’m being creative.”

“And now you’ve got April, right?”

“Exactly.”

“So things are progressing well with that?”

“Very well. She’s great. I owe you big time for the intro. And with this stupid accident she’s been awesome. She took Friday off just to help me out.”

“Wow, that’s amazing. Does she know you’re a homo yet?”

“No I hid those pictures I took of you blowing the donkey. Right below my Barry Manilow G-string collection.”

“Good move. Until she starts doing your laundry.”

“That was yesterday.”

“Seriously! Doing your laundry in your first week!”

“I’m that good.”

“Must be. Did you pre-check your boxers for tread marks? Wouldn’t want to lose a girl like this because you’re a fucking slob.”

“You know, Mondo, you tell me more about yourself every time you throw out these things. Closet homo, tread marks. You got problems, bro.”

“Help me man.”

“So why are you calling me at 1pm? Slow trading day?”

“Very slow. Friday too. Happens every August. After the middle of the month people start taking vacations, orders drop, volume drops.”

“So why don’t you come over later and clean my bedpan. I’ll give you a beer for it.”

“Sounds good. Be there at 4:30. You really using a bedpan?”

“Hell no. Rather hop around than do that.”

“By the way, what are you doing about the guy that hit you? Gonna kill ‘em or deport ‘em?”

“Can’t. He’s the guy that delivers my Chinese food. He’s my lifeline. They’re hard to replace you know.”

“Oh yeah. See ya’ later.”

The man guided his big metallic beige Lexus SUV east on 44th Street, eyeing the big ‘H’ sign hanging off the building to the left as he searched out a parking garage. He never worried about such things in New Jersey. He always felt comfortable parking on the street, almost any town. But he understood you just don’t do that in the city.

Once in the garage, he got out of the driver’s seat as a valet held the door open for him.

“How long sir,” the valet asked in a programmed way.

“About two hours,” he answered, figuring lunch shouldn’t be much more than that. “Hold on a sec,” he added, opening the door to the back seat and grabbing his jacket. He almost forgot, since he didn’t wear one everyday, especially in the heat of August.

He walked back up the block and entered the impressively sculpted building that housed the Harvard Club of New York. The phrase ‘Membership has its rewards’ came to mind, though he knew Harvard couldn’t claim the creation of that one.

“Good afternoon. May I help you sir?”

“Yes. Doug McKey here to have lunch with Michael Gunther.”

“Ah, yes, Mr. Gunther is already here. Let me show you to his table.”

The concierge left his post and personally escorted Doug into the oak-walled Grill room. Leather high-backed chairs served to hide the identities of most guests, and help keep private dealings just that. The room was warmly lit, not dark enough to border on the cliché though. Pictures from

Harvard's illustrious past, sporting or otherwise, adorned most walls.

"Mr. Gunther, your guest Mr. McKey."

"Doug, great to see you!"

"You too Mike."

"Thanks for coming in on such short notice. I wanted to talk to you and sometimes the phone isn't the right way to do it."

"I agree. I insist on face-to-face meetings with my staff on any important issue. Besides I was thrilled to have a chance to come here. I haven't been in the Harvard Club in about ten years. The place always impresses."

"Yes they do a great job here. Makes me proud to be an alumnus."

"I bet."

"The reason I wanted to meet with you is to talk about one of our limited partners. He's a wealthy gentleman from the Far East. He happens to be the investor in Woodbridge Landing. He's been very pleased with this investment, what with the outstanding returns every year. But he has a situation with some of his other interests and needs to quietly increase his liquidity. The bank has asked us to place a priority on this client's requests, for reasons beyond our scope. He basically needs us to sell this asset in the next few months. We told him we would discuss this possibility with you and get back to him."

"Does he require a property sale, or could he just sell his interest? We love this asset and we think there's some real upside in the next couple years."

"We've considered that. We don't have the ability to arrange for sales of interests within the bank's client network. Too many conflict-of-interest issues. We've determined that if he's a seller so are we."

"Well I doubt I could raise the equity to take you both out in such a short timeframe. I have to ask, though, is the

client aware of the magnitude of the cash flows on this deal? It's not nearly what a sale will bring, but he's getting about a 14 or 15% return on his investment just in cash flows."

"Yes, and that's where he apparently struggled with this decision, along with his advisor. But this asset held the most promise for a significant short-term increase to his current position. He understands that he's foregoing significant cash flows for the next two years and possibly a bump in pricing."

"Well, Mike, I can't say I'm thrilled to have to sell the property, but I appreciate the position you're in. You've been a great partner for us for the past few years and we want to continue to do business together. I'll get with my team and start the marketing process."

"Doug, that's the other reason I wanted to meet in person. This is a very sensitive issue with this client and with the Bank. We have to go about this very quietly. What I propose is to have some discussions with a couple likely buyers in that market, maybe groups that have significant holdings there or anyone that's shown an interest in the past. See if you can get an unsolicited offer, and present it to us in just that fashion. Therefore we're not selling, we're just entertaining an offer."

Doug now understood why they were meeting here rather than in the office.

"Will there be any issue with not doing a full marketing of the property? Any price concerns?"

"Well I'm assuming the price you'll present will stand up to the market. We'll then make a recommendation to the client, which of course will just be a formality."

"Any internal issues for the Bank, selling it this early?"

"I don't think so. The returns will be significant. And we'll be realizing some gains. Taking some chips off the table, if you will."

“Alright Mike. I’ll make some calls in the next couple of days, see what kind of interest is out there. It should be fairly strong.”

“Great.”

“Mike, should I work with Hogan on this, or do you want me to talk just with you?”

“Good question. Due to the magnitude of this client relationship within the Bank I’ve been handling the matter myself. Nobody else is aware of the issue, and it must remain that way unless you hear otherwise from me. Just present the offer in the normal course of business.”

“I understand Mike. I have no problem going along with that.”

“Thanks Doug. I appreciate you working with us on this. It’s important for our group to have partners who understand not just real estate but partner relationships. Now, what do you say we eat. They do a great petite filet here. If you like fish they have an incredible cod, bring it down from Massachusetts every week.”

Mike turned from focused dealmaker to social chairman in a blink. Doug enjoyed the view from his seat. He didn’t realize he’d get a bit of Broadway with his lunch.

“So do you want me to cook for you tonight?” April asked, in a cute but soft tone since she shared an office and had no interest in sharing her personal life.

“That sounds great,” Hogan replied, “but can you cook?”

“Of course I can cook!” April realized she just drew her officemate’s attention with her suddenly raised voice. “I’m a very good cook, at least for some things. I do chicken really well” she added, back to the low tone while stealing a glance at her officemate to make sure he wasn’t listening.

“Chicken works. Anything works, to be honest. I’m sure it’ll be great. You haven’t failed to impress me yet.”

“Thank youuu. That’s so sweet. Should I bring some wine?”

“I’ve got a couple bottles here, you don’t have to bother.”

Just at that moment Hogan’s phone clicked.

“April, hold on. Let me see who this is.”

“OK.”

“Hello.”

“Hogan, Doug McKey.”

“Hey Doug. Hold on a sec, let me get off the other line.”

“I can call back ...”

“No need. Be right back.”

“April. This is one of my business partners. Let me call you back later.”

“OK. Actually why don’t I just come by at about 6?”

“I’ll be here, of course. See you then.”

“Bye.”

“Doug, how are you?”

“I’m fine. More importantly, how are you doing? I heard you’re pretty broken up.”

“Yeah, I’ve got a broken wrist and some strained knee ligaments.”

“That’s what I heard. A bike accident?”

“Kind of. Chinese food delivery guy mowed me down.”

“No!”

“Yup. Just crossing the street. Guess he didn’t see me.”

“Like I keep telling ya, move back out here and you don’t have those problems.”

“With my luck I move there and a Domino’s car hits me. Then I’m dead.”

“Point taken.”

“So how are things doing, Doug?”

“Good, real good. Sorry I didn’t return your call the other day. But I had an interesting lunch with your boss today.”

“Mike?”

“Yeah. He called me yesterday morning and asked me to come in and meet with him at the Harvard Club. Didn’t say why, just that it was important. I get there, and he tells me we need to sell Woodbridge Landing to get your client some liquidity. Says it’s a top priority for the Bank due to who this client is, and that he’s dealing directly with the guy and his advisors. Nobody else in your office knows about it.”

“I’ve never heard anything about this, Doug.”

“That’s what he indicated. He wants me to quietly solicit some bids, then present it as an unsolicited offer to you. You guys will approve it due to the strong pricing, and the client will of course go along.”

“Doug, this is news to me. I don’t know why we can’t work out a partnership interest deal to take him out.”

“I brought that up. Mike said the Bank would be conflicted bringing in a new client, and that if this client is a seller then so is the Bank.”

“I don’t know about that. There’s definitely upside here.”

“That’s what I was trying to tell him. He said everyone recognizes that, maybe we’ll see it in the pricing of the offers. It seemed to me he wanted to sell, regardless of the client situation.”

“Maybe Doug. Let me find out what’s going on.”

“Hogan, you have to keep it quiet. I promised Mike I would keep it under wraps. I don’t want him thinking I went right to you when he asked me not to.”

"I won't say anything Doug, don't worry. I think Mike's anxious to post some sales, but I'll subtly find out what the deal is here."

"Great Hogan. And feel better."

"I will."

"How long you stuck at home?"

"Probably another week or so. 'Til I can put pressure on the knee."

"Good luck. See you soon buddy."

Hogan hobbled over to his computer, which set atop a basic wood table now serving as a home office. Beside the computer were a phone and an inbox filled with miscellaneous office supplies. On the floor below the desk was a laser jet printer. He could do pretty much his entire job from this desk, except of course visiting properties. That's what ate at him most about being so immobile.

Hogan logged on, entering a password to get him into his system. He changed his passwords based on the season. Being summer still, it was *Swoboda*, the old Mets outfielder who made the great diving catch. Two more months 'til he switches to *Pisarchik*.

He opened up Excel, then went through his directory to find his McKey deal summary file. This spreadsheet tracked the performance of each deal he'd done with McKey, from inception to the most recent month. Hogan was very anal about updating these types of files so he always had info at his fingertips. Tenn and Louie would never do this kind of thing, Hogan thought. *Book the deal, then move on to the next one. Call me if there's a problem.*

Woodbridge Landing was the second deal SEBRE did with McKey. So far it was cranking. Average returns were about 14% for the past three years. The investor was a Taiwanese guy who owned a massive shipping operation.

This was the only SEBRE investment he ever did. He invested about \$3.5 million into this partnership, and he's already earned about a million in cash flows. Not bad. But why did Mike choose this deal, Hogan wondered.

Hogan then clicked onto the internet, and went immediately to the Royal Zurich Bank site. Login name: dummkopf. Password: schultz. Everyone's entitled to their favorite character, right Dad?

The screen in front of him now displayed an elaborate mapping of account numbers. At the left was a single master account, then in the middle column were eleven subaccounts, each with the same first ten digits but different last three digits. The master ended -001, while the subaccounts ended -010, -020, etc. The right column was a further breakdown, with each subaccount having two component accounts. This seemingly nightmarish spiderweb suited Hogan perfectly. This capacity for detailed account management was one reason he chose Royal Zurich, along with internet access and absolute confidentiality.

Hogan clicked the -001 master account, though he knew almost exactly what the balance would read. \$8,809,400. Close. He was thinking \$8,800,000. He then clicked on the -020 subaccount. \$1,851,900. *Ouch! It's gonna hurt to lose that one. It's my best earner.* He clicked on the -021 component account. \$1,470,000. The -022 account, \$381,900. *Good, their systems are still working.*

Hogan jotted these numbers down, then logged out of Royal Zurich's site and off the internet. He went back into Excel to run some numbers. The \$381,900 plus another few months until the property is sold, maybe that's \$390,000. Deduct four percent annual interest, that's about \$130,000, net of \$260,000. But two more years and this deal cranks out about \$700,000 net. *Fucking Gunther. He wants to play, I'll play.*

“Stu Bangor.”

“Stu, it’s Hogan. Do me a favor. I don’t have the final Hunter’s Ridge committee doc. I want to put together the client presentation. Can you e-mail it to me here?”

“Sure. But I was gonna work on that this afternoon. You don’t need to do it.”

“I’ve got nothing better to do really. Being stuck here I might as well work on it. I want to get it out to some bankers today, try to set up some client meetings.”

“OK, no problem. I’m sending it as we speak, should be there in a moment.”

“Thanks Stu.”

Hogan prepared the client presentation, which was basically the same package he provided to his committee, but less voluminous and obviously without all the focus on how much of a killing SEBRE would make on the fees and promoted interests. He added some more charts and maps to illuminate the unique aspects of the investment opportunity.

Once the document was finished Hogan sent out the e-mail. He blind-copied three individuals. The first was the banker for the client who had done three McKey deals. Hogan knew the guy was tapped out for now, and so the banker would kindly pass, just as he had on the last deal. The second was the banker for the Indonesian client who did the last deal and indicated less than a month ago that his client was hungry for more, preferably another apartment deal with McKey. Hogan knew, however, that this banker was on holiday with his family and would be out of touch for at least a week. The banker had made this point to him when they spoke, so that Hogan would not think he was avoiding him if and when the time came.

The third name on the distribution list was the banker for the Taiwanese client invested in Woodbridge Landing.

Hogan shut down his system, satisfied he had done yeoman's work getting this deal out to an interested client base. He supplied his home phone number in the e-mail, on the assumption there would be a quick response.

"Oh, this is delicious!"

"Thank you. I'm glad you like it. I played it safe and went with a recipe I know by heart."

"That's fine with me," Hogan beamed, obviously thrilled at the meal. Less obvious was whether the reaction was just because the meal was so good or because this meant April was a good cook, another point in her favor.

"Don't be afraid of the little bottles in your cabinet. They're spices. I brought them over for this recipe. Feel free to use them next time you cook something," April jibed.

"Do spices go bad if you don't use them?"

"They can."

"They will. You should probably bring them home. They'll have a more fulfilling life in your kitchen. The only way I'd use them is if I started messing with my Chinese food deliveries."

"Fine, I won't force you to try something new."

"Unless you want to keep them here so you can make this again. That would be good." Hogan's eyebrows lifted like a little boy's do when hoping for a present.

"We'll see."

"So how was work today dear?" Hogan asked with obvious sarcasm.

"Pretty good. One of the partners asked me to help out on a litigation case. It's kind of interesting. Much better than the normal stuff they do, like contracts. The client is a

manufacturing company suing a money manager that stole funds from them. But they're suing for \$100 million when the money manager only skimmed about one and a half million. And that was over about a six-year period. I can see going for punitive damages, but that's like sixty or seventy times the stolen amount! And if our client monitored the accounts properly this wouldn't have happened."

"Whaddaya mean, monitored properly?" Hogan garbled, food still in his mouth.

"Well, the money manager pretty much acted on his own. The client had certain investment parameters, but that left a lot of room for the guy to maneuver. And the client didn't monitor the balances or reconcile the account activity, so they had no idea what was going on all those years. I'm not saying the money manager's not guilty, but our client should share in the guilt."

"Contributory negligence?"

"Sort of."

"What good will you be to your client if you think they're wrong?"

"That's what being a lawyer is all about!"

"I thought you didn't want to be a lawyer."

"I don't. But this case I can deal with."

Hogan smiled, and lifted his wine glass. "Here's to lawyers" he quipped, lurching across the coffee table to clink glasses with April. This was not easy since Hogan was sitting back on the couch with his leg up.

"Hello," Hogan muttered, barely awake.

"Hogan Seaver please."

"This is Hogan." Hogan peered over to his alarm clock. Seven-thirty. It felt like April just left, but that was an hour ago.

"Hogan, this is Harry Chen-Tai, from Taiwan."

“Harry, how are you?” Hogan perked up. Huang (Harry) Chen-Tai was the Taiwanese banker for the investor in Woodbridge. He picked up the name Harry, as well as impeccable fluency in English, sometime during his four years at UCLA.

“I’m good. Sorry if I woke you up. I know it’s early there.”

Hogan agreed, but didn’t say so.

“Nah, I was just getting up. It’s not that early.”

“Why did you give your home phone number? I could have called you at the office later,” Harry asked.

And you could have called me here later too, Hogan thought.

“I’m on the Injured Reserve list, Harry. Got banged up in an accident last week. Bruins will have to go this season without me,” he joked.

“Don’t talk to me about the Bruins, please. They were awful this year. Six and six. Can you believe that?”

“No I can’t. That bowl game was tough. One point. Seemed like every game they lost this year was close. Could have been worse – they could have been blowouts.”

“True. But you have to win *some* of the close ones.”

“So I assume you looked at this deal I e-mailed to you.”

“I did. It looks great. I think I’ve been near there. I visited Rutgers when I was looking at schools. I don’t remember much, though.”

“It probably wouldn’t matter if you did. The whole neighborhood has changed since then. You wouldn’t recognize it.”

“Hogan, I had a conversation today with my client, Mr. Tong. He’s the investor in the Woodbridge Landing property, you remember.”

“Of course. Is he happy about Woodbridge,” Hogan asked rhetorically.

“Very happy. The property’s doing quite well, at least according to the reports.”

“It is. That’s a great location, near the mall. The mall’s been renovated recently too, which helped our leasing efforts.”

“Yes, I read that. Anyway, on this new deal, Hunter’s Ridge, I think Mr. Tong wants to invest in this one. Is it still available?”

“Yes it is,” Hogan replied, containing his elation. “I haven’t received any subscription agreements yet.”

“Mr. Tong has money available from a stock investment we sold for him last week. This will be a great place for him to re-invest, I think. When will the deal close?”

“Probably about six weeks, assuming the remaining due diligence reports come in clean. Then just finalizing the loan documents.”

“Six weeks is good. He’d like to see the property, but he won’t be in the US until October. So he will see it after it closes.”

“Would he like to go over the deal on the phone, learn a little more about the property or the market? He seemed to appreciate that last time.”

“No, he trusts you. He likes the way you do business. He says you picked a good real estate partner and a good property. He already signed the subscription agreement. I have it here.”

“Do you want to fax it in? I can have someone in the office grab it and confirm receipt.”

“That sounds great, Hogan. I’ll fax it now.”

“Thanks Harry. And thanks for responding so quickly.”

“No problem. Hogan. Get better.”

“Thanks.”

“Stu Bangor.”

“Stu, Hogan. Do me a favor. Go check the fax. I’m expecting a subscription agreement.”

“Really! Already?”

“Yeah. Taiwanese client supposedly signed earlier today.”

“OK, hold on. I’ll go run over to it, be right back.”

Hogan heard the lovely hold music come on. Classical piece, lots of violins. Absolutely no idea who the composer was.

He wondered whether Mike had passed by the fax machine today and happened to see the subscription. He quickly dismissed this idea, knowing the fax/copier area was seldom visited by Mike.

Hogan heard the music stop, then a couple of clicks, then the hold music start again. About five or ten seconds later, the music stopped again.

“Hogan, it’s Mike.” *Oh shit, Hogan thought.* “I have Stu here with me.” Hogan now understood the clicks. Stu had transferred the call to Mike’s office and then run down there.

“I passed him in the hall and he tells me Hunter’s Ridge is subscribed. That’s great. Tell me, though, who did you send the deal package out to?”

“Well, the Taiwanese banker, of course. The Indonesian, and the German guy that did the three McKey deals. The plan was to go to them first since they all expressed interest in the past, then open it up wider if they all passed on it.” This was the boilerplate response, but basically true.

“So the Taiwanese banker got right on it, I assume.”

“Yes. He had mentioned an interest a couple months ago when I was speaking with him. And it turns out they just liquidated some equity holdings so they were looking for a new investment. The timing worked out well.” *Better than you’ll ever know, Mike.*

“I see. But didn’t the Indonesian client commit to doing the next McKey deal? That was my understanding, so I was obviously surprised when Stu informed me someone else had subscribed.”

“That client definitely showed an interest in doing another McKey deal. Maybe any SEBRE deal, for that matter. But he didn’t have any specific info about this deal. I never presented it to him before.”

“Still, Hogan, we must respect the commitments these types of clients provide to us. They are our lifeblood, you know that. The Indonesian client has the capacity to do a significant volume of business with us. The Taiwanese gentleman did one deal, what, three years ago. We hadn’t heard from him until now. I wouldn’t consider him one of our core clients, would you?”

“No, not yet. But I think he was taking a more measured approach with us, waiting to see strong performance for a while before committing to more business. But now he may be stepping up for more than just this deal.”

“Maybe you’re right. But the other client has already provided that commitment to us. I think we need to honor that. How long has the package been out?”

“I sent it out yesterday,” Hogan responded.

“So this guy responded the same day?”

“Yes. They were very anxious to find a new investment. When Harry Chen-Tai saw this he literally jumped on it.”

“Has the Indonesian banker responded yet?”

“No, not yet. I gave my home number in the e-mail, so he’ll call or e-mail eventually. Whether he’s interested or not.”

“Hogan, I think we need to give him a few days to consider this investment. Maybe he’s out of the office. It’s only fair given his commitment to us.”

“What will we do with this subscription if the Indonesian client steps up. Split it, or pick one?”

“I would lean towards going with the Indonesian if that happens.” *Of course you would.*

“Haven’t we always said we have to accept the first subscription we receive?” Hogan was throwing one of Mike’s own arguments right back at him.

“Yes, unless there are special circumstances. And I would consider these special circumstances.” *Again, of course you would.*

“I just wish you had discussed with me who you were sending the package out to,” Mike continued. “I would have recommended going to the Indonesian first, then the rest of the population.” *And then the Taiwanese guy after that.*

“What should I say to Harry?”

“Nothing yet. Don’t respond for a day or so. If nothing comes in from Indonesia in the next day then tell him you’ve received it but can’t confirm subscription due to an unusual situation. Tell him you need to clear something up, that you’ll get back to him when you know.”

“OK Mike, I will.”

“But Hogan I’m excited it placed so quickly. That’s great. By the way, I haven’t asked, how are you feeling?”

“Pretty good. Still some pain, though the pain killers help. Another day or so until I put weight on the knee. I’ll call you when I have an idea about my timetable for coming back in.”

“Don’t worry, Hogan. Get better first. Besides, it sounds like you’re working just as hard at home.”

“Not really, Mike, but thanks. Talk to you soon.”

Hogan dialed the Indonesian banker as soon as they hung up, knowing he would beat Mike to the punch. Mike would have to ask his secretary to look up the number, after asking Stu to excuse him. That gave him a few minutes, at

least. It was late night in Indonesia, maybe Mike wouldn't even call til tomorrow, but he couldn't take a chance. He wanted to hear the banker's voicemail message to find out if it indicated he was on vacation or if it was the standard greeting. A few seconds later, Hogan smiled. Thank God for people who don't bother to change their message.

"Hogan, shut the door please."

"Sure, what's up Mike?"

"Hogan, I know what you've done. I couldn't believe my eyes when I saw it. I didn't want to believe it. You deceived me. You cut my legs out. Well, I can't have that in my organization. You're fired Hogan!"

"Mike, what are you talking about?"

"You know damn well, Hogan. Don't bullshit me. It's too late. You're out, immediately."

Mike walked around him to the door, opening it to reveal a building security guard holding Hogan's coat.

"What, I've got to leave right now?"

"That's right. We'll ship your stuff to you."

"Bullshit. I'm going back to my office. I've got personal stuff I need right now."

"Like what."

"Like my phone, my Palm Pilot, other things."

"He'll get your stuff. Wait here."

"Fuck you Mike. Try and stop me."

"You need another yet?" Mondo asked, as he held open the refrigerator door.

"Sure, by the time you get back here I'll be done with this one," Hogan replied.

"Hey, you're the cripple, not me. And flip back to the Yankee game. It's a commercial."

Hogan, lounging on the couch with the clicker in his cast hand and a beer in the other, obliged his guest.

“Fine, but Piazza’s up second so I’m flipping back in a minute.”

“He sucks,” Mondo said, half under his breath.

“Yeah, OK.”

“So you gettin’ any work done around here this week?”

“A lot actually. You gotta hear this one. Gunther’s trying to sell one of my properties behind my back. Called in Doug McKey and gave him some bullshit story about the client needing cash, so we gotta sell. Tells him to go solicit offers and present one to us as if it came in unsolicited, to keep the client situation quiet. But get this, he tells Doug not to talk to me about it!”

“Are you serious. Doesn’t Gunther know how far back you guys go?”

“Not really. He thinks Doug and I met through the job, that I went out and brought McKey into SEBRE on a cold call. I did that on purpose to look like I could bring in business.”

“Oh yeah, I remember you telling me that back then. So what happened? Obviously Doug told you.”

“Yeah, he called me right after they met.”

“Is he pissed about selling?”

“Yeah, but he’ll do it. I mean, we’ll make a lot of money on the sale, but we can make a lot more if we hold for another year or two. The property’s kicking ass. It’s the one next to the Woodbridge Mall.”

“I remember that deal. Those are ugly apartments.”

“Yeah, but a great location.”

“So why is Gunther doing this?”

“Not sure. Probably to book more sales revenue, keep up the numbers. We’ve pretty much flattened out, in terms of income. But he doesn’t want Geneva to know that, so he’s pushing up sales. Either that, or just to keep me in check.”

“But wouldn’t it be good for you to sell some deals, to get your own track record going? How many of your own deals have sold so far?”

“Only two. None of McKey’s though. They’re all five-year holds.”

“Flip back, it’s been a few minutes. Catch him striking out.”

“Dollar.”

“Done.”

Piazza stepped to the plate. It was already a one-ball count on him. He promptly lined the next pitch to the second baseman for the second out of the inning.

“Gi’ ma dollah bitch,” Hogan announced proudly.

“For what? He didn’t get a hit.”

“He didn’t strike out. That was the bet. Gi’ ma dollah.”

Mondo reached in his pocket, one of about seven in his green baggy cargo pants that he wore about every moment he wasn’t in his work attire, which for him was only a step above the cargo pants. He pulled out a dollar, crunched it into a wad and threw it across the room.

“Let’s see you walk for it, gimp.”

Hogan flipped a quick bird his way, then continued.

“So anyway, on this deal, here’s the best part. I’ve got the new deal, the one in Brumfus.”

“Near the hospital.”

“Yeah, Hunter’s Ridge. I needed to place it. So I sent it directly to the banker for that same client, plus a couple others I knew couldn’t respond for a few days. This banker jumps on it, sends in the signed subscription the same day. Gunther sees it and freaks out!”

“Really. What’d he do?”

“Well, he gets on the phone with me, and starts bullshitting me about needing to honor some soft commitment

this other client gave us a while ago. Says that guy basically has right of first refusal on this deal.”

“So did that client take it?”

“Not yet. Banker’s on vacation. I knew that when I sent the deal out.”

“Dude, you’re good. You’re gonna get fired, but you’re good.”

“No, Gunther has no idea. To him it looks like just a shitty coincidence. And he’s trying to squirm his way out. I just wish I could’ve been in the office to see his face when he saw the subscription. Fuckin’ priceless.”

“You get drama in your job. Only drama I get is people fucking each other on trades and throwing punches after the close.”

“Does that really happen?”

“Few times. Mostly just the younger coc’d out traders. The older guys just don’t care that much. Flip it back. I wanna see Derek hit.”

“He sucks.”

Larry Melchnin sat at his desk and waited for his computer to boot up, taking another long sip of his coffee. Larry was always one of the first people in the office, so he often did the honors of brewing the first pot of the day. He liked his coffee very light, with at least two Sweet ‘n Lows. After all the milk, he was usually dealing with warm coffee, no matter how hot and fresh it started out. So at this point, waiting for his computer, the coffee was almost tepid.

He also picked at the cinammon bun he bought from the guy on the corner outside. He treated himself to this every once in a while, if he felt he deserved it. Running around and playing softball with his kids yesterday after work gave him a decent workout. He deserved it.

All booted up and logged on, Larry clicked into his e-mail. Only one new message, from a very unusual source. Franz Dietrich was the new head of internal control. Larry had seen the organizational announcement about a month earlier. He was obviously trying to make his presence known globally, as he was setting new policies already. This e-mail read like a corporate mission statement.

To All Regional Financial Controllers:

Swiss European Bank is the leading global financial institution with a client base second to none. These clients trust us to safeguard and grow their wealth. We must, therefore, have a world-class financial structure to accomplish these objectives.

To this end we will institute the following additional procedures, effective immediately:

- 1) Semi-annual reports summarizing each client's holdings in your group and the current strategy for each;
- 2) For clients with offshore tax structuring vehicles, quarterly balance confirmations for each account. The first quarter-end will be August 31, and then each three-month period after that. Please set up procedures immediately to meet this objective as the first confirmation date is only ten days away.

I look forward to meeting each of you in the next few months during my visits to each office.

Regards,

Franz Dietrich
Director of Internal Control

Great, Larry thought. What a great way to start a day. Some jerk in Switzerland wants to look like he's bringing change and discipline, when all he's really doing is forcing people below him to generate useless reports and confirm known balances.

He took another drink of coffee.

"Shit!" Larry spilled coffee down his chin and onto his white shirt, also catching a drop or two on his tie. He looked at the shirt disgustedly, seeing new spots less than an inch from the remnants of a previous spill. Dry cleaner faded those, but didn't totally erase them. The tie was burgundy with navy and gold boxes. *No coffee stain was going to be visible on that canvas.*

He hurried over to the kitchen to get a wet paper towel to dab his shirt with. As he walked he considered the e-mail, arguably the culprit in all of this. *The semi-annual reports were no problem. A pain in the ass, but not a problem. His assistant could load up the data, and Marty's guys could fill in the analysis. But these confirms, Jeez. How many offshore accounts right now, eighty, maybe more? And we have to confirm every one in ten days. Dammit.*

Hogan stood in his kitchen, both arms extended so his hands could press up against the counters on either side. He stood on his left foot, his right leg still arched at the knee.

Today was the day, he decided. He would begin putting pressure on it. The swelling had gone down almost completely. He went to bed last night knowing this morning could be a painful test, but the sooner the better. Now he stood in the place he viewed to be a perfect makeshift testing ground, his New York kitchen. It was narrow enough for him to easily balance himself with his hands, using the countertops, stove, refrigerator handle or sink. The only question was would he be able to use his broken left wrist for

support. Otherwise he could walk this short corridor back and forth, just like rehab patients do on the professional machines at clinics.

He lowered his right foot to the floor, taking his time to let it regain the memory of that position flat on the floor. He kept his weight on his left foot and right hand, afraid to balance equally on both feet and put any pressure on his wrist. After a couple minutes in this position he finally adjusted his balance over and felt the strain on his right knee. It wasn't a shooting pain, just a feeling of awakening some muscles and tendons which hadn't been used lately, to say nothing of the ligaments.

Empowered, he took a step, venturing the same right foot forward. As soon as he planted it and then lifted his left foot the awakening became more of a screaming "good morning." Cursing, he rushed the left foot down beside the right and went to brace himself with his hands on the counter and sink. His left arm slid down to a 90 degree angle, banging his elbow and cast on the counter. That worked well, he thought. One down, he thought, millions more to go.

Then the phone rang. Saved by the bell. He hopped back to the couch.

"Hello."

"Good morning." April sounded like she was saying it across pillowtops, not a phone line. "How's my patient?"

"Baby just took his first step. And you missed it."

"Ohhh. I wanted to take a picture. How did it go?"

"OK. Little pain," he lied, "probably just the atrophy. Good timing though. Gave me a rest break."

"Would you like a dinner companion tonight?"

"Sure. That'd be great. How about Chinese food? It's free."

"Wow, what an offer. Chinese food again. That sounds good actually. 6 o'clock?"

"Yeah. I'll be here. I'll put on something pretty."

Hogan hung up and looked over to the kitchen. Back at it, he decided, and hopped over. Sooner I walk, the sooner I can get back to the office.

Larry set up a spreadsheet to track each client's investments. Clients who did not utilize the tax structuring vehicle were asterisked, the rest were filled in with account numbers for the offshore accounts which held the investment cash flows during the life of the deal. These funds were forwarded to the client's ownership entity upon sale, but until then they sat in these offshore accounts earning relatively low money market rates. This didn't help the overall returns to the client much, but when the tax benefits were included, it was a no-brainer.

Filling in the account numbers was just a matter of getting them from each of the deal originators. Each guy handled the structuring and account management for his own deals. Of course, Tenn and Louie had their analysts do all of this, from setting up the accounts to initiating the wiring instructions and monitoring the balances. Hogan and Robert helped do their own, especially Hogan, who was the most hands-on originator. Larry asked each of the analysts and Robert to pull together the account info so he could do the confirms, but for Hogan's he just went into Hogan's deal files and found the info himself. *No need to bother him at home.*

By the middle of the afternoon Larry had managed to fax out 81 confirms to a woman down in the Cayman Islands bank SEBRE utilized for all of these accounts. She promised a two-business-day turnaround, the following Tuesday, plenty of time to get details back to Herr Dietrich.

The knock on the door roused Hogan from a catnap he was enjoying on the couch. He looked at the clock. Five

fifty-eight. An on-time woman. He gingerly walked over to the door, and opened it to see April in an outfit that had to have been made just for her. The top was a white silk blouse with just two buttons, strategically placed to keep it closed but show a bit of cleavage and then drape down a little below her waistline. The skirt was a taupe-colored knit seemingly with a little bit of lycra to make it more form-fitting. A slit up the left side revealed just enough tanned leg to be sexy but stylish. Combined with her dark auburn hair and light bronze tan she was cover girl material.

“Wow! You look amazing.”

“Thank you. So do you.”

“Yeah right. I just woke up from a nap.”

“You’re on two feet. That’s what I was referring to. But you look great too.”

She entered, then said “Let me see you walk.”

He took a few strides, directly to the couch.

“That looked great. Does it hurt much?”

“It’s getting better. I worked it a lot today.”

“Are you supposed to, or do it gradually?”

“Probably gradual. But I’m getting a little stir crazy sitting here every day. I wanna get back to the office.”

“Really? I would love to be able to take some days off.”

“I’m working though. I’m on the phone or e-mailing all day. But you need to be in the office to be part of the action, know what’s going on. I feel like I’m out on an island.”

“You don’t like not having control of everything, do you? You need to know everything right away?”

“That’s mostly true. It’s just that a lot of my business is done face-to-face, whether in the office or at properties. In the office we’ll get together randomly to talk about deals or industry stuff, that sort of thing. I miss that not being there. I

have no idea what's happening. Other than what I'm doing myself."

"I'm getting a beer. Would you like one?"

"Sure," he answered, feeling a role reversal in play.

Hogan watched as April got up and slowly walked away from the couch, as if intentionally. He noticed a definitive lack of any lines on her butt.

"Hold on a sec," he ordered as she was just about to the kitchen. "Put your hands on the counter."

She leaned forward a bit and went palms down on the living room side of the raised counter. Hogan hobbled over behind her, crouched down and with both hands slowly lifted her skirt. April cooed softly as he did this. He tugged the skirt up gradually to reveal her fully nude bottom.

"You're a bad girl," he said admonishingly.

"Yes I am. What are you going to do to me?"

He didn't answer. He just lowered himself down back to a crouch, pleasure at the expense of a painful knee.

"Oohhh" April cooed some more.

"Hello, this is Ray Sarapan."

"Ray, Mike Gunther in New York."

"Mike how are you", Ray asked excitedly, like he was hearing from his long lost best friend. "How is New York these days?"

"Very good. How's Jakarta?"

"Hot today, but no rain. This is our dry season, you know."

"Yes, I do. Remember I visited you in August a few years ago."

"So what can I do for you Mike?"

"Well, Ray, we have a deal that we're looking to place, and I know your client that did a deal with us a few months ago was interested in doing another. He may have even

provided a soft commitment to do the next deal, subject of course to seeing the details.”

“Ah, you mean Wilson Kentang’s client, yes. He was very happy about that deal. He likes US real estate, especially those apartment deals. Is this deal also apartments?”

“Yes. Matter of fact it’s with the same operator, McKey Partners. Also in New Jersey, too, which he’ll remember is a market we’re focused on.”

“Well if you’re recommending it, I’m sure this client will be interested. Do you have some information you can send me so I can get it to the client?”

“I believe Hogan Seaver, who’s running this deal, e-mailed it to Wilson Kentang the other day. Did he receive it?”

“Oh, I’m not sure. Wilson is on vacation this week. I don’t think he’s checking his e-mails. If you could have Hogan send it to me I’ll make sure the client gets it. Do you need an answer soon?”

“Yes, we do. It went out to several investors, and we’re usually on a first-come, first-served basis. I’ll hold it a while, since he did give us the commitment.”

“Thank you Mike. I appreciate you honoring that commitment from our client. I know you have a lot of interest in your deals.”

“No problem Ray. I’ll make sure Hogan gets you the information today.”

“Good. I look forward to doing another deal with you guys.”

“Me too Ray.”

“And Mike, I just remembered. My wife and I are coming to New York in December. She’s never seen Rockefeller Center at Christmas. I’d love to come see you guys at some point while I’m there.”

“That sounds great. And Ray, how about leaving one night free so my wife and I can take you out. We have some great places which I’m sure your wife will love.”

“It’s a date. Thanks Mike.”

“Hi, this is Hogan. I can’t come to the phone right now. Please leave a short message and I’ll call you back. Thanks.”

“Hogan, this is Mike Gunther. I hope everything is OK. Do me a favor. E-mail the Hunter’s Ridge deal package to Ray Sarapan. It turns out Wilson Kentang is on vacation so nobody there received it. Ray said he’d talk with the client and get us an answer quickly. Thanks buddy, and call me if you need anything.”

Hogan heard this from his room, listening as April slept peacefully. I am very OK, Mike, he thought. Except for the part where Mike learned Wilson was out. Guess Mike was desperate enough to place a call over to there.

Larry took a detour with his fresh coffee, deciding to see if there was anything on the fax machine yet from the Caymans bank. It was less than one day, but maybe they would send them back piecemeal, he thought.

As he turned into the fax/copy room, he saw the huge pile of paper on the machine, as well as several sheets strewn on the floor. He didn’t know if this was eighty-one, but it was most of them. That was fast.

He found the fax cover sheet.

“Mr. Melchnin. Enclosed in this fax please find all 81 confirmations, filled in as you requested. We worked late to get these to you as quickly as possible. I hope this helps you meet your deadline. Please call or fax if you require anything else. As always, we appreciate your faithful business.”

They turned that around in about five or six hours. It’s good to work for a big, powerful bank, he thought.

He was actually excited to bring these to his desk and start filling in his spreadsheet with dollar amounts. He didn't get the chance to create his own spreadsheets much. That was mostly the realm of the analysts and people like Hogan, the new generation.

As he sat down, he carefully placed his mug on the metallic coaster he kept on his desk, bearing the initials of the national accounting association to which he belonged superimposed over a large '20', signifying his years of membership. He started flipping through the many confirms, seeing dollar figures of all sizes, from 0 to 6 digits, even 7 in one case. Several deals were new construction projects which had no cash flows in the early years, so the zeros didn't overly concern him yet, though there seemed to be many. He started typing in his results as soon as he could bring up the spreadsheet.

Even before he finished, he noticed a trend among the numbers. Even though they were assorted by investor name, not deal name, Larry could see that a lot of Hogan's deals had zero account balances. Once the list was filled in completely, he could see that it was just Hogan's McKey Partners deals had zero balances. The McKey Partners deals all were strong cash flow deals. Where was the cash?

Three

Hogan tossed the ball high into the air, putting so much into his underhand motion that he jumped as he released the ball. He stared up at the sky, finally seeing where the ball was heading. He backed up quickly to get to the spot where the ball would land. His awkward steps combined with keeping his eyes glued to the ball's path led to exactly what his father could see coming. Hogan tripped and fell backward onto the grass. He quickly picked up the ball's path and stuck out his glove. He lurched back, stretching his left arm as far as it could go.

Pop! The ball struck the center of his glove, and Hogan reflexively wrapped the glove around it.

The sound of the ball hitting the sweet spot of the glove was a perfect chord to Martin Seaver's ears. For a conductor it was probably violins strummed in unison, or the bass drum underscoring the building drama of a piece. For Martin Seaver it was far more simple. The crack of the bat when the batter hits it just right. Or the pop of the glove when a fielder catches a line drive. They are the music of baseball. He enjoyed watching Hogan learn to appreciate the game, but it killed him not to be in the middle of it.

"Daddy did you see that! I caught it on the ground! I fell down and still caught it!"

"That was great Hogan! Way to keep your eye on the ball. Just like the pros."

"I'm gonna play third base for the Mets when I grow up."

"Good. They need a new third baseman."

"Yeah."

"And you can make lots of money playing in the pros, you know."

"More than you and Mommy?"

“Lots more. If you can play in the Major Leagues you’ll have enough money for the rest of your life. You won’t ever have to worry about money again.”

“Wow. Why didn’t you play in the Major Leagues Daddy? You’re really good.”

“I’m OK, but to play in the pros you have to be great.”

“Do you think I’ll be good enough someday?”

“Maybe, if you work really hard at it. But you have to remember that not many people are lucky enough to play pro ball, Hogan. So you have to study real hard too in case you don’t make it to the pros. That way you can still get a good job.”

“And still make lots of money.”

“Well...maybe.”

“Did you make lots of money at your job?”

“No son. I got hurt and now I’m not able to do my job.”

“Oh.”

“Let me tell you something else, Hogan. And don’t tell your Mommy I told you this. It’ll be our secret, OK?”

“OK.”

“Don’t count on other people to take care of you. Except Mommy and Daddy of course. But when you grow up always look out for yourself. Especially where money is concerned. People can do mean things to other people when money is involved. If you look out for yourself you’ll always be better off. If you wait for others to take care of you and give you money, you’re gonna get hurt.”

“Did that happen to you Daddy?”

“Yes son. And I don’t ever want it to happen to you.”

Mike Gunther settled into his big leather chair, happy to be in the air-conditioned comfort of his office on a stifling New York City summer day. Jessie, his secretary, had already

indicated to him that he had a few e-mails to review. She screened them for him every morning before he arrived, looking just at the sender and the subject line to gauge relative urgency. Mike turned to his credenza to face the screen, and saw one name of particular interest: Ray Sarapan. *Please have good news for me, Ray. It's been a tough morning.*

Re: Hunter's Ridge

Mike:

The client signed the subscription agreement today. I just had it faxed to your office. I hope this investment is still available. The client is quite excited about another deal with SEBRE and McKey Partners.

Thank you again.

Please reply to confirm receipt and whether he is subscribed.

Warmest regards,

Ray

Yes! This made the trip in to work this morning worth it. Mike asked his secretary to check the fax machine for the agreement. Two minutes later she walked in and handed it to him. Mike scanned it, and immediately signed in the space next to the client signature on behalf of SEBRE, to accept the subscription.

He called Hogan at home. This time he picked up after one ring.

"Hogan, how are ya' feelin'?"

Ray could tell Gunther was in a good mood about something. He could always be charming, but now he had an unusual cheeriness and easy-going way to his voice.

“Better Mike, much better. I’ve been walking on my right leg the past few days. The knee seems to be able to take the pressure. I’m thinking of coming in tomorrow.”

“That’s great! But do the doctors say it’s OK to get back so quickly?”

“They always want you to go slower. But every precaution they’ve given me I’ve followed, and the knee is responding.”

“Well, that’s great. It’ll be good to have you back in here. The place lacks your energy when you’re out.”

“I appreciate that Mike. So what’s up,” Hogan asked, assuming Gunther did not call just to check up on him.

Mike also picked up on that subtlety. “Well, as expected I guess, the Indonesian client signed the subscription agreement for Hunter’s Ridge. It came in today and I have it on my desk. You know how I feel, but it’s your deal so I want to hear your thoughts before deciding what to do.”

Gee thanks Mike. Hogan laughed to himself, knowing Gunther had already decided, probably already signed the subscription for that matter. He figured he’d play along, pull back on the rope a little before giving up.

“Well Mike, I agree with you that we need to respect the commitments of our good clients. But this was a very soft commitment, from a guy that’s only done one other deal. The Taiwanese client is just as likely to be a big hitter, maybe bigger, because he’s been with us for a few years already and he’s had success.”

“I don’t doubt it, Hogan. Let’s do this. We’ll give the Taiwanese client a right of first refusal on the next deal. That way he’ll understand that we’re looking out for his interests. Your close to his banker, right?”

“Harry Chen-Tai? Yeah, pretty close. He’s a good guy.”

“Well, speak with Harry, explain how we’d like to build a portfolio with his client, how we’ll look to diversify

his interests, etc. And stress that this was an unusual circumstance that he unfortunately ended up in the middle of. That it was our fault, but we're looking to fix it for his client."

"OK, Mike, I can do that. I'll call him tonight. It's too late there right now."

"Thanks Hogan. I think we're doing the right thing here." *Sure you do Mike.* "So we'll see you here tomorrow?"

"Hopefully. As long as I don't get hit by another bike."

"Take a cab. It's on me."

Hogan hung up the phone. *Well, I tried. Guess Gunther won that battle.*

Marty McPherson walked into Mike's office.

"Hi Marty. What's up?"

"Mike, I think you're gonna like this. I just received a notice from McKey. They received an unsolicited offer on Woodbridge Landing. Incredible price, too, far above where we had it valued."

"That's great! And we were just talking about selling this one the other day, weren't we?"

"Yeah, it was this one. Did you ever talk to Doug McKey about it?"

"No, Marty, I never got a chance to. I guess this makes that conversation moot, right?"

"Definitely. At this price we're sellers. No convincing necessary," Marty offered.

"Why don't we give Hogan a call and tell him about this. I was just speaking to him a little while ago about the same client. This is the Taiwanese client, right?"

"Yeah, I believe so."

"Then this will be welcome news," Mike volunteered, the sound of the phone ringing in the background.

"Hello."

“Hogan. Mike again. I have Marty here too, that’s why I have you on speaker.”

“Hey Marty, how are ya’?”

“Good, sport, how are you feeling?”

“Much better. You’ll see me tomorrow, matter of fact.”

“Really. That’s great! Listen, we wanted to tell you some good news that just came in.”

Hogan knew what was coming. Doug had called him yesterday as he was preparing the notice.

“McKey received an unsolicited offer on Woodbridge Landing. The number is astounding.”

“How much?” Hogan asked innocently.

“29 million. Almost 90 a door. We paid 71, right?”

“Yeah, plus about 2 thousand a door on the renovation. Wow, 29. Who’s the offer from?”

“Core Units Realty, the REIT that has those other two properties in Woodbridge, plus a couple in Edison. Doug says they called out of the blue, interested in buying, so he said name a price. He told them to go high or else he wouldn’t even present it to his partners.”

“So Marty,” Hogan kept playing, “are we sellers at that price?”

“You’re kidding, right?” Marty asked honestly, not sensing Hogan’s sarcasm through the phone line.

“A little bit. But the way this property is cash flowing, the returns look pretty good even on that pricing.”

“Hogan,” Mike finally joined in, “I understand this is the same Taiwanese client we spoke about earlier.”

“Yes Mike, it is. We’re gonna look like we don’t want his business,” Hogan joked, somewhat.

“I think he’s going to be thrilled, don’t you. I mean he gets extraordinary cash flows for three years, then a price far beyond the projections. As Marty said, this is a price we have to accept. They’re obviously a desperate buyer.”

“That’s true. I’m gonna see how the returns look going forward if we were to hold onto it. The client’s going to ask about reinvestment, so we have to be able to justify that his money will be better spent elsewhere.”

“That’s a good idea Hogan,” Mike added. “I think that will be very helpful.”

“Do you need the numbers?”

“No Marty, I have all of them here. I’ll do it tonight.”

Hogan was not going to fight this point. When Doug told him the number yesterday he was pleasantly surprised, but he realized it was a number they would have to accept. He also knew even as he was pushing Gunther earlier on the subscription issue that he’d be delivering his friend Harry both good news and bad news, somehow packaged in a positive message.

Larry hung up the phone after speaking with the same woman at the Cayman Islands bank who had completed the confirms. He asked her to verbally re-confirm a few of the account balances, namely three of Hogan’s deals which he knew had significant distributions. She re-confirmed the zero balances.

Larry decided to call Hogan at home, hoping he’d have a good answer, maybe something obvious that Larry was overlooking. Anything to finish this ridiculous procedure he now had to manage.

Larry looked up Hogan’s number and then dialed. It rang a couple of times. Maybe he’s lying down, resting his leg, he thought. He decided to leave Hogan a very detailed message, that way Hogan could call him back at his convenience, even after Larry left, and still answer his question.

Hogan sat on his toilet, sports section on his lap opened to the boxscores of yesterday's ballgames. He listened closely to a very longwinded message being left by Larry, whose lack of confidence always showed itself when he tried to speak in business terms.

The key elements of what Hogan heard – new director of financial control ... quarterly confirm offshore account balances ... due by end of August ... 81 accounts ... all of his were zero ... they should have large balances ... am I missing something obvious – spelled doom for his side business. He recognized that Geneva had filled a hole, though he doubted they knew how big a hole it could be. He agreed with Larry's knee-jerk assessment of the guy, as someone out to make a name for himself by curing all of the ills of the big company. But that was not Hogan's concern. He had to put the money back where it belonged. And he had to tell Larry where it had been. *Goddammit this has been a shitty day! What's next? Is my shit red?*

Hogan got up, angrily focused on the work at hand. He sat down at his computer and went directly to the Royal Zurich web site, and into his accounts. Not much different from the prior check last week, he noticed. Maybe \$30,000 higher in total. He entered the various account totals into a spreadsheet he had prepared years ago, which allowed him to project totals based on specified investment returns, and to break out those totals into components if necessary. It would be necessary here.

Total balance of about \$8,840,000. Take out the \$7,310,000 of original distributions, leaves interest of \$1,530,000. The original plan would have given a third of that to the client, who gets his 4% money market return just like every other investor the past few years. And Hogan would have built up a million dollars at this point. Hogan knew the numbers well. Another two years of good returns and he more than triples that number. Two years after that and he's over 7

million and retired at 35. That was the master plan. *Dad would surely have approved.*

But now I've got to think. They're expecting to see the principal plus about 4%. But why wasn't the money there? How about I utilized a different account at that Caymans bank, set it up when the deal closed to hold distributions whereas the other account was just for initial funding. No that makes no sense. Why would the offshore company have two accounts? How about I invested the funds on behalf of the clients into higher yielding investments, still very low risk, but at a different bank that offered them. The money was always in the client's company name – which was almost true. He always created his account names to nearly match the client's company name, plus or minus a word like "owners" or "investors". Cash flow distributions from the property partnerships went to his parallel account instead of the client's, then immediately off to Royal Zurich to the main account. Anyone looking at the initial wire instructions would see the account name and not think twice. Of course, Hogan always set up the initial wiring instructions with his wiring department, one of many flaws in the SEBRE internal control system.

Anyway, back to the plan. So I invested in these vehicles to provide a better return while the cash is idle, rather than the ridiculous returns the clients otherwise receive. The investments were only slightly more risky than the money markets, but yielded twice the returns – 8% vs. 4%. I show a doubled return, so I'm a hero. Unless they want to see details, then I'm screwed. With 8% going to the client, I keep the 4%, that's just over \$500,000. Not bad, I guess. It's not 7 million though. Unless I just take the entire 8.8 million and leave the country. Is that enough to hide for 40 years? I don't think April will want me if she has to hide in a foreign country for the rest of her life.

So 500 thousand it is.

Hogan clicked back over to Royal Zurich's website. He clicked on the drop-down menu and selected "Transfers". He had prepared for this moment a long time ago, setting up the wire instructions for getting funds back into each property's offshore account. He didn't expect to be sitting here doing this for quite some time though. He had designed the 5-year holding period strategy for the McKey deals for a reason: to maximize current income for the investors. Only he knew that he was effectively one of the investors.

Now he would have to liquidate the program he had so elegantly created for himself. He initiated eleven wires from the master account. Those wires were sent back to the intermediate accounts utilized to receive the distributions from the properties. Then the funds were wired from these parallel accounts to the real offshore accounts at the Cayman Islands bank. These wires would contain all of the property distributions to date plus the equivalent of an 8% annual compounded return on these dollars. He tweaked the numbers here and there so the returns varied slightly from one property to the next, to avoid the appearance of manipulation, but all were around 8%.

Hogan initiated a twelfth wire, containing the remaining \$523,600. This was wired to an account set up at another Switzerland-based bank, then split into three pieces to be wired into a new account at Royal Zurich over the next few weeks. It would be another numbered account to protect the owner's confidentiality needs. Hogan would simply think of this as his rainy day fund.

Hogan lied in bed, waiting to fall asleep. He looked over at the clock. 10:42. He'd been lying there for about twenty minutes, intermittently staring at the ceiling or closing his eyes, all the while with the same thought going through his

head. *I've committed a crime, and tomorrow I might get caught.*

For over three years he'd perpetuated a scheme that he knew was unethical, fairly illegal, but which at the end of the day would leave nobody harmed and just one extra person enriched. He was borrowing someone else's money without permission. But he was paying them well for the pleasure. And they didn't know it was being borrowed because they had no access to it. Yes he exposed them to some more risk, but not much. The returns were generous considering the risk involved, especially compared to the returns they were otherwise getting. He wasn't looking for a reward, just some wealth to fall back on, maybe even retire early. Now that was all changed. He had to put it all back, and had to have a reason for the money not being there when the confirms were done. His idea of sending it back with twice the return level was a knee-jerk response. He figured he'd tell it this way: After years of doing these, seeing the overall deal return suffer because of the poor offshore returns on the idle cash, even the after-tax returns, he decided to try something on his deals. He utilized overnight repo's, short-term bonds, and other securities that were triple A rated or the equivalent. Just not "guaranteed" like the money markets. His only hope was that nobody would ask for any documentation. Then he'd be screwed. And that's what was keeping him staring at the ceiling.

Hogan nudged the glass door open with his cast, leaning in to use his weight as much as he could. He used the cane, which he held in his right hand, to maintain his balance.

He came in early to beat the subway crowd, knowing empty trains and staircases would be much easier for a person walking at a senior citizen's clip. He also wanted to feel like he was back at work, not just visiting. And this was when his

workday usually started. Of course, depending on how the day would go, this might be his last such trip through these doors.

He slowly limped his way down the corridor, eventually reaching Larry's office. He stood in the doorway, seeing the back of Larry's chair as he poked through the files in the cabinet behind his desk. Larry turned, holding a manila folder, and then noticed Hogan standing there.

"Hey, there you are! Welcome back. I heard you'd be in today."

"Yep. Decided I'd had enough days away from here. I got your message yesterday, But I got caught up on some other calls and before I knew it it was too late. Plus I knew I'd be here today."

"No, that's fine. It wasn't that big a rush. It's just that the money seems to be missing," Larry jokingly surmised. "I'm sure there's an explanation, but it is odd."

"There is. Let me get to my desk though. My knee needs a rest."

"Oh, jeez, sorry. Yeah, I'll come in when you're ready."

"Give me five minutes."

Hogan made his way down to his office, his desk still looking as he left it almost two weeks before. He plopped down in his chair, tossed the cane behind him, and rested his head back against the cushion. He took a deep breath. *OK, I'm ready.*

He shook his mouse to see if anyone had come in and turned off the system in his absence. Of course not, he learned. Old lazy habits are hard to break. He checked his e-mails. There were only about 60 new messages, since he had asked his secretary to go into his system the day after the accident and put in an auto reply message asking people to either call his voicemail or send the message to his home e-

mail address. He culled through the headers and opened just the few that seemed urgent.

Larry appeared in his doorway.

“Ready for me?”

“Sure, come on in. Can I get you something?” Hogan joked.

“Coffee, light and sweet,” Larry replied, laughing. “Do you want me to get you something? It’s no problem.”

“No, I’m alright. I grabbed something before I left.”

“So, what was I doing wrong in my confirms?” Is there a different account?”

“Sort of. The money was being invested differently than we normally do. I looked at all the dollars these deals were going to generate, and decided to try to earn some better returns on them while they sat for 5 years. Still nearly risk-free vehicles, but vehicles that could earn respectable returns. Since you needed to confirm balances, I liquidated everything yesterday and had it wired back into the accounts. If you re-confirm them today you should see the balances in full.

“I’m impressed. What kind of returns did you get?”

“Averaged about 8% through the last few years. Some more, some less, depending on when the deal originated.”

“Wow, that’s great. We were only getting, what, 3-4 percent on those money market investments?”

“I show 4% for the same period. So yeah, we did OK.”

“You doubled their return. That’s a lot more than OK. And we always worried that these accounts were such a drain on the overall returns, right?”

“Yeah, we always have to explain to the investors that the savings from the tax deductions more than offset the impact of the low returns, so it’s worth it, net-net.”

“Now you don’t even need to explain, probably. 8% is more than most deals earn, in cash flows, that is.”

“That’s true.”

“Can we replicate it for other deals?”

“Maybe. But this confirm process will put a crimp in it. You’d have to micro-manage each investment. How many of these are there, like eighty?” Hogan could see Larry slightly cringe when he said the word micro-manage.

“Eighty-one. You’re right, if we have to continuously liquidate investments and re-invest, it’s not worth it. Four times a year on eighty-one deals, no way.”

Hogan knew Larry would be averse to this amount of work. It could probably be automated with the bank, though the Caymans banks were far behind US and European banks for that kind of technology. And if Larry did figure out a way, good for him. He’ll deserve the praise. Hogan didn’t want that kind of attention right now.

“Well, Larry, it’s up to you. I’m taking myself out of that process now. We may not want to publicize those returns, by the way, since not all investors were able to benefit.”

“That’s a good point. I’ll look into it. I’ll talk to the Caymans bank and see what they can do. Is that where you invested the funds?”

“No. All the money went elsewhere, to banks that offered more sophisticated but low-risk vehicles. All under the names of the clients’ entities, of course.”

“Absolutely. You have to do that,” Larry agreed, defensively. “This is definitely something we’ll look into. Thanks Hogan. And I’ll re-confirm the balances today.”

“Get me if you have any problems.”

Now alone in his office, Hogan looked to take care of priority number two on his list for today. After trying to convince Larry and anyone else that asked that he was investing the money for the clients’ benefit, his next issue was preparing to be fired. In case the axe came down, he didn’t want to be left without vital documents or anything else that

might not make its way back to him afterward. He started e-mailing certain files home, and packed some other items into a case which he placed next to his jacket.

Figuring he had knocked off his to do list already, he headed down to Starbuck's. Maybe his last trip down. Plus he wanted to get the knee back in shape as quickly as possible, since it was nearly the end of the summer and the opportunities for outdoor rehabbing would begin to fade in a month or two.

Larry went back to his computer and pulled up the 11 confirms he had sent to the Caymans in regard to Hogan's McKey deals. He revised the dates, reprinted them, then prepared a fax cover sheet which briefly explained the situation to his new friend at the bank. He walked over to the fax machine and sent them out, confident this little misunderstanding was solved and his annoying new responsibility was over for this quarter. He would get started on the summary memo to Herr Dietrich sometime today, knowing full well he was days ahead of schedule.

Larry waited as the transmission report printed, then headed out of the fax room. In the corridor he saw Mike Gunther heading into his office. He decided to give him the news.

"Good morning Mike," he said, poking his head in the doorway.

"Good morning Larry. How are you today?" Mike asked, in a chipper voice.

"Great, thanks. Do you have a minute?"

"Sure. What's on your mind?"

"I just wanted to let you know. I spoke to Hogan a little while ago. He's in today, by the way. We had a little mixup with the offshore funds with his deals. It turns out he'd been investing the funds in higher yielding securities, still low

risk though, and basically doubled the returns to the clients the past few years. So all those dollars that we worry are being wasted sitting in money markets, he goes and earns an 8% return instead of 4%. I tell you, this kid is smart.”

“Sounds like it,” Mike concurred, while the wheels turned in his head. “You say he invested the funds, or the Caymans bank did?”

“I think he did. He found other banks that offered more sophisticated products than the Caymans bank offered. He invested the funds in the name of the client entities.”

Mike was still curious.

“Sounds almost ingenious. I’ll have to commend him on it. Maybe it’s something we should look into for the other accounts.”

“Yes, I thought about that,” Larry volunteered. “The only issue is this new confirmation process might not allow us to invest the money so effectively. It might be too labor intensive to micro-manage 80 or 90 of these accounts that way.”

“True. Though for big cash flow deals like Hogan’s it seems appropriate to not let all those dollars earn such a low return. Obviously the development deals are not as big a concern.”

“Right.”

“Well thanks for the update Larry. I appreciate the heads up.”

“No problem. He’s a sharp kid, isn’t he Mike?”

“He sure is Larry.” *He sure is.*

Hogan limped down the hall, seeing Gunther’s door open and light on. He figured he’d pop his head in and say hello.

“Mike, good morning.”

“Hogan, there you are. I heard you were in.”

Gunther got up and came to the door to shake hands. Seeing the cast on one and coffee in the other, he simply patted him on the shoulder.

“Come in, sit down.” He guided Hogan to one of his wing chairs, then turned back and shut the door.

This was not lost on Hogan. I guess now’s as good a time as any, he thought.

“Larry gave me some very interesting news a little while ago. He said you’ve been investing the client offshore funds and generating much better returns than we’ve been used to getting down there. That’s great. I’m just wondering, did you have the clients’ permission to move those funds around? Because if not you do realize that what you did was illegal.”

Hogan just stared straight at him, not saying a word and not showing any expression.

“Well, do you have anything to say?” Gunther asked, after a few more seconds.

Hogan finally spoke. “All of those funds were invested in the names of the client entities. Moving them into other investments is not illegal. It may not be fully provided for in the agreements, but it’s certainly not illegal.”

“Moving the money to other banks? That’s definitely not *provided for in the agreements*. And you do all of this for the past, what, 3 or 4 years without telling anybody here. Not even Larry, who’s responsible for all of those accounts. What were you thinking? Were you trying to be a hero?”

“No. Just trying to invest the clients’ money wisely. That’s what I’m paid to do.”

“No. You’re paid to make real estate investments. Larry is paid to handle the bank accounts.”

They sat staring at each other for a moment, Hogan poker-faced, Gunther with a look somewhere between anger and disappointment.

“I have a theory. Tell me what you think,” Gunther continued, his face returning back to its charming businessman demeanor. “I think you invested those funds even more wisely than you let on to Larry. Maybe a little more aggressively. What’d Larry say, an 8% return? Hell, I bet you could have earned a 10% return without blinking. Maybe 15% if you really pushed the risk level up.” He paused. “So where’s the money? Somewhere hidden in Switzerland?” Gunther looked towards the ceiling for a moment for effect. All to elicit a response from Hogan. Hogan did not flinch.

Another few moments passed.

Gunther again asked, “Any comment?”

Gunther was feeling pretty good about now. He had no desire to push Hogan out the door. Like it or not, Hogan was now his top producer, and he couldn’t afford to lose him. He did like the idea of having him a little more subservient, a little scared of his shadow. Would make divvying up the bonus pool a lot easier too.

“Mike, I don’t know what you’re talking about. You can dream up any scheme you’d like, but it’s just not true. If you want to try to nail me for doing right by the client, go right ahead. But I’d be careful if I were you.”

“Excuse me. I should be careful?” Gunther’s eyebrows could not physically go any higher without surgery.

“Well Mike, let’s just say I know a few things. Like you engineering the sale of Woodbridge Landing. I figure our revenue numbers must be down, right? And you definitely don’t want to show decreasing revenue to Geneva.” The momentum shift was immediate and obvious, particularly in the faces of the participants – Hogan coolly confident, Gunther concerned. “That was pretty bad, though you got lucky with the offer that came in. Now you’re probably thinking you’re a hero for suggesting the idea. I bet you’d love to tell someone, but of course you can’t.”

Hogan paused, waited to see if Gunther offered anything.

“But then to top it off,” he continued, “the same investor subscribes to a deal and you work the phones to find another investor! And then you go against the precedent which has been set about a hundred times around here – first one in wins. The Taiwanese client or his banker find out about this, SEB would shut this operation down in a second.”

“Hogan you’re way off base. I was just following up on and honoring a commitment.”

“No Mike, I know you made up a bullshit story about the investor needing cash. Doug told me the whole thing. He wanted to respect your need for secrecy, he really did, but you have to realize he and my family go back a long time.”

“So you did know the whole time. That explains a lot of things. I suppose you knew the Indonesian banker was on vacation too.”

“Lucky break,” Hogan lied.

“So where does this leave us? Seems we’re both a little behind the eight ball.”

“Here’s the way I see it, Mike. You want to keep this operation going as long as possible. So do I. I’m young, I need to work for a while to build up some net worth. I’ll keep my mouth shut if you let the offshore investment issue die.”

Gunther sat staring at Hogan, trying to use a long pause to gain back some momentum as he pretended to weigh the offer.

“I can agree to that, Hogan. I’ll make sure Larry doesn’t look into those investments. He’s lazy, he’ll appreciate not having to do extra work. And as to the Taiwanese client, we’ll treat him like royalty going forward. He has the next deal if he wants it.”

“Fine. One other thing. Come bonus time, no more junior acquisition guy treatment. I’m the top producer here,

and I want to be paid accordingly. At least equal to Tenn and Louie.”

“Blackmail now, Hogan?”

“No, just fairness.”

“I’ll consider that. It’s probably reasonable.”

“Mike, I’d like more than your consideration at this point. I want to walk out of here with your word that my bonus will be upped to that level.”

“Hogan, I can’t promise what I don’t know. They might cut the bonus pool. I have no control.”

“I’m just asking for my fair share, Mike.”

“Fine, Hogan. You have my word.”

Hogan walked slowly down the street, April’s hand in his. He couldn’t keep a smile from taking over his face. His carefully planned future had just changed inside of 36 hours, but that was alright. He realized he accomplished what he set out to do, but in a strange way ended up with even more.

As they waited at the curb for the light to change, a trashy-looking guy in his mid-20’s stepped right in front of Hogan, too close without an “excuse me.” The smoke from his cigarette floated back into Hogan’s face. As the light changed and the “Walk” sign appeared, he took off across the street.

It’s not worth my time even thinking about him, Hogan mused. He gently squeezed April’s hand and they continued on their way.