

Max Claus goes to New York

Tag line - "Can one man fix up the horrors created by government's handling of financial crisis and fix up the currency?"



Balaji Viswanathan

If you like or hate the story send me your comments at balajiviswanathan@yahoo.com

Park Avenue, New York.

Mark stops to stare at the rusted street sign after walking aimlessly for more than two hours. During better times the sign would have meant something. Walking past the rubble and empty high-rises, he encounters empty stares from other passerby none of whom are wearing anything remotely closer to the 5000 dollar suits or genuine *Patek Philippe* watches. In fact, the very thought about luxury brings a rare chuckle. Or maybe he is mocking himself.

"Can you spare a dollar?". This is the third bum he met in the last 10 minutes.

He continues his aimless jaunt after giving an angry stare to the bum and walks past the pawn shop at the corner of 42nd street. Even from the street, he could spot a Renoir among all the dirt and din of the joint. He knows not why he feels so dejected at the sight of the naked woman in the bath - is it because such a priceless scene is wasted in the dirt or is it because the vibrant light and saturated color on the canvas reminds of an era that people are trying to forget or the fact that such colossal wastage of art don't shock anybody anymore. There is a small brawl on side of the shop and Mark heard part of a conversation.

"Bulls***t. Do you know the value of a Rembrandt?"

"There are no big millions throw around.... Museums have no more money. They can't even keep whatever they have. 10 grand or try your luck elsewhere"

A drunken man in a tailored suit is clutching his prized possession and coming out of the shop dejected, visibly shaken by the absurd amount the joint owner offered. Though the painting is among the lesser popular of Rembrandt's 40 self portraits, during better times, auction houses and private collectors would go head over heels pay the millions it deserved.

December feels cold and covering his body with the long, dirty coat wondering if he is shivering because of the weather outside or the emotions deep inside. As he continues walking his mind wanders about the discussions on Impressionism and Renoir's portrayal of the nude, in evening parties at his villa in the Hamptons. He would try to impress those wide eyed, Chanel clad women with his apparently profound knowledge of Picasso's Cubism and Dali's Surrealism. God knows whether those nods were a sign of understanding or just an artificial pretense.

"Brother, do you know where the Martini theatre? I need to get tickets for Bloodpire ". *Another alcoholic who has lost direction*, Max thought.

He has already reached the intersection of 42nd and Broadway, and sees a few flickering neon signs. *Mamma Mia!* Is still showing in one corner theatre but the crowd is nothing near its heydays and the fate is shared by many of the top-notch comedy musicals of the bygone era. Victor Hugo's *Les Miserables* is having a slightly better luck given the serious background, but most of crowd is seen in one of those recent musicals of dirty dancing and mindless horror. Art seems to have gone out of the door and even Metropolitan Opera is seeing scant crowd these days. And what about the crowd itself. Gone are the Armani tuxedos and low neckline Prada black silk Silhouettes in the front seats muttering "Bravo!". Unshaven hobos, badly dressed alcoholics, hooting and whistling at the stage actors trying to forget their horrible life outside.

I would not enter those dog houses mutters Mark and walking still further past a decrepit stock exchange and a couple of once great banks that decorated the glorious square once upon a time. Time square is now dark and cold. Maybe it is just the winter night. The street is fully littered with garbage and a lonely news paper cutting flies towards him.

Mark picks up the paper with scant interest. It is talking about the just concluded London Olympics. The article talks about how the show bettered the 1932 Los Angeles Olympics, the writer careful not to draw any comparison to the previous Beijing Olympics. While stooping down to take the paper, a crumpled visiting card falls from his pocket.

***Mark Greenberg, Private Equity Associate.
Solomon Greenberg, Greenwich, CT***

What a Joke!

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Brooklyn, New York.

"So, how is newspeak coming along? Will our Miniplenty give our unemployment due?", John was giggling outside Max's small room.

Max is done with his shift in pizza joint and after coming home is thumbing through George Orwell's 1984. Orwellian dystopia is a topic of a lot of discussion these days.

"Well, I would even prefer a Big Brother to what we have now", Mark said.

"So, you don't like the anarchy. See how much freedom we have these days. You could got an break the shop window next door and not a soul will stop you", John said with a ridiculous furrow.

"Yeah. With a murder every single minute those NYPD folks don't have time to even track serial killers. Those mad psychos don't even hesitate to slit your throat if they see a speck of gold in it. I would not be surprised if we become the New York City of Kurt Russell's *Escape from NY*"

"Man that movie is scary" John becomes silent for a moment to digest the scary events of the movie where the hero rescues the President held captive in the ridiculously lawless New York society. Then abruptly he started "Do you ever long for those good old days".

Both of them are silent now. Thinking about the past makes people nostalgic even with all the imperfections of the past. Their silence is broken by the sound of the trash collecting track in the street below.

"See those dollar bills scattered around. You think we might be able to use it for something - I see too many of them around", Mark said pointing to the litter below their apartment.

"If it was a bit thinner and softer, I would prefer it for my toiler paper."

"This is what you get if you pour trillions to rescue systems you don't understand and move interest rates to negative. Federal Reserve had far more credibility then and its bills had some respectability. If only they didn't misuse their power and not mismanage the crisis... "

"*We are all Keynesians now*", John was quoting President Nixon.

"You cannot blame all on John Maynard Keynes. He certainly had a few good economical ideas. But, what we had was a bunch of morons who thought pouring money into any random thing and expanding money supply by trillions was a great idea"

"Well, it worked for a few months and in 2009 we had a fairly benign year", John said.

"Baah! All BS", Mark said. His face goes red whenever he discusses the economy policies of that period. Mark strongly feels that the crisis could have been averted with better moderation. He strongly feels that all those excess money poured by the Fed was the precursor to the crisis when the hyperinflation attacked with a vengeance in 2010 and destroyed the fabric of economy. That killed the value of dollar and for that matter most paper currencies around the worlds. Paper accounts show incidents of how Queen's pound are good for shoe shine, Euros for room heating and dollar as baby wipe. Economies work solely on the basis of trust, and unless the other party in the trade have trust on the medium of transfer there is no trade possible. A lot of bartering is going on, in scale unseen in a century, and unsurprisingly gold commands a significant premium.

"So, what you doin on Sunday? It doesn't feel like a Christmas week. Does it?", Mark asked.

"I might throw a party at my *Four Seasons* suite. Don't forget the tux. It's a formal party"

"Oops. That reminds me. I need to give my Bugatti a wash. Also, need to trace the location my trophy wife"

"It's not a tall order. We are just short of a 'this small' miracle. Maybe a red dressed fat man will come". Both of them are laughing aloud and then staring at the passerby in the street.

"Well, what's that?", John is suddenly excited at something. A well dressed man is coming of a 1990s blue Bentley. He is wearing designer Italian suit with a silk hat and a top end Gucci shoe. He is well-built, clean shaven with a nice haircut and well manicured nails. But, what is striking about him is not the things is wearing, but something much more. His confident poise, the radiant smile, the aura of prosperity, and something else...



Central Park west.

The well dressed stranger entered the bar. People couldn't take the gaze from him. They have never seen such style in years.

"Can I have a 1972 Napa Valley?", he spoke in a clear, confident tone.

"A *what?* Do you want gin or rum?", the bartended blurted. And started to say something when the Bar owner who just walked near them, interrupted.

"Yes sir. We might. I will go the cellar to find what we have".

After a few moments the bar owner comes with old luxury bottle in his hand, something he has not handled in the last 5 years.

"This wine tastes good. Can I come down to your cellar to see what else you have", the stranger asked.

"It will be a pleasure". The bar owner now takes him down to the cellar and they both get into a deep long discussion about old wines. After 30 minutes, they both come back to the bar.

"Name the price for the entire collection", the stranger asked.

There was a pause as the owner was staring at the man with the unusual smile. *This man means business. I'm not sure when I will get a use for those stuff* the owner thought.

"Well, it is the most unusual request. I need time to consider and evaluate. Can you leave your contact details and I will leave you a message later in the day?"

"Max Claus, Presidential suite, Plaza Hotel." The stranger then left the table leaving an 1 ounce Krugerrand for the wine. The sight of the South African gold coin that might be worth the turnover of the bar for a week, left the owner gasping.

"Are you sure you need the stuff in this list", the man at the desk could not hide his shock.

The owner of the exotic motors shop in 34th street, could not understand the request. He just received a stranger who gave a list of stuff he wanted. That small chit had a 2007 yellow Lotus Elise, blue Lamborghini Reventon, red Ferrari Enzo and a torch red Saleen Mustang. *Is he some type of lunatic? Is it some kind of a W.J. Turner's story?*

"Well what are you going to do with four such cars", the owner asked again. His assistant went out and then later whispered in his ears that this stranger came in a Bentley.

"I'm planning to build a fleet collection for a new beach house", Max replied.

"What? Anyway, I might be able to arrange the cars in a week. But, I need to see that you can pay for them", the owner still in disbelief.

"Will this be enough for advance", Max put in the table a roll of Krugerrands, some American Eagles and couple of Canadian Maples.

"40 ounce of pure gold", Max said casually.

That kind of gold would pay twice as many cars as in his list the stunned owner thought, with the gold glitter reflected in his pointed eyes.

He discretely checked if this guy looks like one of those guys in the FBI's most wanted list from the notice hanging in his desk. Not that patriot act or law enforcement matters anymore. But, just curious if he is meeting some big Don.

The stranger quickly signed a contract for the payment, and left the shop in style.

Max stepped into a lonely Bakery in Lexington avenue.

"Can I get biscotti?"

"Yes sir. Of course"

As the old baker is taking out the stuff, Max asked him "You look like a skilled baker. But, why is this place so deserted"

"It is not what used to be", the old man quickly wiped his eyes. " This place has seen two depressions in my father's time and in mine and so many recessions in between. We never went broke or deserted. The year in the crisis we were doing good. We never reduced the quality or quantity and this was place where people sought after to escape the pains of depression. Honestly, I saw more business in that period than during the boom times. And then.."

The old man has gone introspective and his talk has gone slow and soft.

"My son who was working for an Investment bank then went jobless. He came down for a few months to work with me. I thought his Ivy League MBA will help me expand my business while helping him diversify his skills. He has a lot of experience in company analysis and economics, and he was shocked to see that I was not adjusting the production to match the economical conditions. He suggested that I reduce the cakes by 20%, cut choices by 40% and switch to more just-in-time production. Unfortunately my customers took the change as adverse business reaction. They started feeling that the business is not going well, and a lot of times were turned off by the poor choices. And as the customer size started reducing, other customers started feeling the place more deserted and the glamor and fun was gone. We went for further reduction in size and choice. Later I reduced the price and other stuff, but the crowd never returned"

Max felt the story was similar to stories from the Great Depression era. *Some things never change and some people never learn* he thought.

"Will you accept me as your business partner", Max asked abruptly.

The baker was taken aback by the crazy request. But, after a couple of minutes he found something strange about this man, whom he is observing deeply for the first time. Something in the stranger, made him accept the request.

"I will put entire money for the expansion and we will share the operating profits 25-75 in your favor".

A few hours passed and there seems to be commotion outside the Baker's shop. Max took the matter in his own hands and started stupendously changing the whole joint. Max has now gotten luxury dress, shoes, food and expensive art. He brought in 5 artists from Metropolitan Museum of Modern Art to give the whole joint a new color and organization. The passerby was stunned by the boldness of the art they have never experienced. The flurry of construction and the activity made the neighbors curious. Newspapers started coming in droves outside the brilliantly lit store. They wanted to see a bakery

whose walls were decorated with Rothko and Picasso, whose attractive waitresses are clothed in Prada, a Grammy award winner is playing the music, and entrance littered with Ferraris, Bugattis and Lamborghinis.

And then he did something strange. He put a big board threatening to throw out anybody inadequately dressed. Lots of unshaven men, guys with unkempt hair and torn dresses were turned away. He also put the priority of serving will be the based on the attractiveness of the customer. To enter the shop, one has to present the best of him/her. This gave the catalyst for the curious customers to take care of themselves. People felt other worldly and an oasis oozing with positivism.

He made the baker increase choice and quantity to twice the boom era times, but soon they found that wholly inadequate.

"This is the soup line. We get two meals a day from a local charity", a guy in the queue said.

Max walked inside the Church and that is doing the charity work.

"Can I talk to the manager who handles this?", Max asked.

The guy serving the soup took one good look at the stranger, and without a word brought the manager.

"For the food you are giving, what do you expect in return", Max asked.

"This is charity. We don't ask anything in return. This is a service to God", the manager replied.

"Go outside and ask for hands those who feel they need to return a favor for the soup", Max said with authority.

After 10 minutes, the guy returned. Max went outside and a handful of people were putting the hands up while the rest were cribbing about the food and the bad state of society, economy, politics etc.

"Are you guys sure you are ready to return something?"

A moderately enthusiastic response came.

"Well, work can come later. Let's go to the van on the other side. "

The guys had the feast of their lifetime buffeted with fine Belgian chocolates, French wine and Italian desert.

New soup lines were formed all around the city with volunteers serving gourmet food in return for street cleaning, citizen crime watch and babysitting.

"Will you dance with me?", asked the customer, interrupting the waitress who was smiling and telling jokes to the customers.

The bar receives plenty of alcoholics and such advances are not common. But, this guy look nothing closer to her normal customers. His spirit, confidence and luxurious dress had an aura and grace. But, there was something more...

Max went to the owner of the dinghy bar joint, paid handsome money, and got the girl off for the day. He gave her a black satin dress, perfume and diamond jewelry and gave an address in West side.

The girl couldn't believe all this. "Why me?" she slowly demanded him.

"If you can smile often, keep yourself cheerful and make others happy in this squalor, you can handle the pressure the society asks of you. I'm just making an investment on you. In return, I want you to reward people with a pleasant surprise whenever you see a worthy act", the guy just left the table.

In the party that evening she landed in a movie deal that Max is funding. There were many such spirited guys and girls in the party all of whom shared the same disbelief.

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He left a buzz wherever he went and suddenly there is an excitement everywhere. Local newspapers were fully of accounts of how people doing random acts of kindness and community work were surprised to find a Christmas gift in their door step. There were expensive wines, boutique clothing, chocolates and toys depending on the person and their act. Most of the respondents didn't even realize that somebody was watching their act. Though many of these instances are traced back to the mysterious guy that people know little about, there were also reports of other copycat instances with people trying to return their thanks and wishes. Neighbors are now keeping a watch on these community leaders, and volunteer organizations are flooded with able applicants willing to do community work.

And the man who is responsible for the whole thing immediately became Page 1 celebrity and the most liked person in the city. People instantly recognize him and crave to see him. He also got a couple of professional guards now coming with him. He is a high profile target given all the gold in his pocket. So, Max makes a few alterations.

Max enters a dress shop in 34th street. The shop workers instantly formed a crowd around him.

At the end of his purchase, Max stepped to the owner's office.

"I didn't carry much gold with me now. But, I can write you a promissory note and you can come collect the gold at your convenience. Would that be ok to you?", Max asked.

The owner was instantly happy. He could not just be sure of getting the money, but also have the autograph of the man he considered as his hero.

"Will you allow me to keep your autographed note, even after I get our gold?", the owner said in a reverent tone.

"Sure. I will let you keep the note as long as you want, and you can get the gold whenever you want", Max left the note and took his purchases. He promptly stuck a small gold coin on the copy of the note when reached his hotel.

Max started to make hundreds of such purchases with promissory notes, and some of the shop owner went as far as framing the autograph to decorate their walls instead of rushing to get their money. And unlucky shop owners who were never visited sometimes fought to pay a premium to those lucky shop keepers to get their hand at the note.

While Max's assistant waited at the hotel everyday, to give the gold coin in return of the note, he hardly got a chance to meet anyone. Max's signature notes unexpectedly became a store of value and a medium of exchange - in short money...

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21 Club, 52nd st.

"Can I join you guys", the well dressed gentlemen asked the two young men in the next table.

Mark and John were stunned by the request. They could recognize the guy who got down from the blue bentley, couple of days ago. And all the change that went. And what change they went through. The bright lights and all the fanfare for the Christmas eve, outside. Seldom anyone has seen such a pompous Christmas celebration. And Mark and John personally went through monumental change. They both got new jobs in an art house and they made many times the previous wages. There was so much of pent up demand that not many companies could find skilled workers. They would have never come to 21 in their old mindset. They chose to spend their Christmas eve in a prestigious restaurant visited by the A-list celebrities, world leaders and business tycoons. They got their table in the historic Bar room. The ceiling was full with toy airplanes and the aesthetically constructed room had famous people like Richard Nixon and Humphrey Bogart frequenting it. What a surprise? To be accosted by a man, every person in New York wants to take a glimpse of.

"It would be an utmost pleasure", both said in chorus.

The trio got into a serious conversation. Max had so many questions to ask him. But, the discussions went elsewhere. They talked about economics and finance. Max had a lot of questions about his previous job at the Private Equity firm.

"So, your main job was to do financial engineering to boost up the company's balance sheet", Max asked.

"Yeah, I was an associate working on restructuring the steel mill. Initially we did a bit of changes at the operations and technology level. Later the management saw that was too lengthy procedure to get the mill to profit. So, we focused most of our effort on restructuring the debt, and all those financial juggling. And our management was rightly rewarded when we took the public. The analysts loved the balance sheet and we got a 600% return on our investment in just two and a half years. But, the underlying problem was never solved by our gimmickry. And once the financial crisis started blowing away the financial façade, we were caught naked in the room. "

"You did your MBA at a top school. Did you ever consider a better job than what you did?", Max asked.

"I started for MBA with the dream of running my own company. I'm an engineer by profession and specialized in Nanotechnology. I dreamt of a day when I could utilize the research in carbon nanotubes and nanomechanics to produce dramatically cheap and durable houses that could be programmed like

your PC. You could change the shape, color and texture of your house at the push of a button if that dream succeeds. I thought I will earn the seed money and the experience in Wall Street. Well that was 10 years ago. ", Mark said.

"The biggest crime of the previous boom was not that it didn't satisfy people's dreams, but that it gave people the wrong dreams and a wrong set of goals to follow. We had engineers, artists and scientists lured into black magic to produce heat equations predicting markets, pseudo psychological process to gauge the wisdom of the crowds and engineers doing financial engineering. And all these intelligent folks never realized that finance is just a tool to achieve a constructive purpose, but doesn't become the purpose itself". Max said and continued his thesis on the trouble with financial worlds. He gave numerous examples of how the previous system misallocated labor resources and wastage continued for years without economic restructuring due to various sticky forces. Governments, common public, corporations all took part in this mass paranoia.

"Follow your inner dreams and be true to your inner self. When in doubt listen to your inner pole star for direction. You will be best only when you do what you are destined by be good at", Max concluded finally.

"Mr. Claus, I hope you won't mind. None of us know about your past. We are all wondering how such an incredibly lovable personality was never noticed by us common people." Mark asked.

"You will know when the right time comes", Max said with a mysterious smile.

In a few minutes the trio parted company.

In the morning Mark saw a small black bag outside his apartment. There was a letter, a couple of documents and bunch of coins.

It read, "Mark, we had a great talk yesterday. I was very impressed by your energy and the nature of your nanotechnology idea. I hope you will pursue that and will give the society what it needs - matching talent with the right set of problems. Someday I hope to see houses that are really programmable and will revolutionize housing in third world countries. I attach 500 ounces of gold that I hope will give you the seed to move in that idea. After checking your background in your previous employer, I'm also completely convinced that you are the honest and capable person I'm looking for to continue the work I started. I'm not interested in charity or throwing away money on people who don't deserve. I have set things in motion to establish a trust and I want you to lead as a trustee in that to reward people for the right acts. And continue to hold gold for the promissory notes that I issued and issue some more promissory notes for the remaining gold. Till people start evolving a new trusted currency this will lubricate the monetary system"

Mark ran to Max's hotel and he seems to have already vacated the room. The hotel is in festive mood for Christmas and you never know the reason the people are celebrating. Is it because of the religious occasion or the fact that most people have gotten the jobs and the depression seems to be coming to an end? But, there is no sign of Claus anymore.

Mark goes to wait in the lobby in the vain hope if Max turns up for some reason. He picked up the Washington Post and while casually perusing the contents, his attention was drawn to a small news item in International column.

American Yacht rescued by Indian Navy near Somalia

12-25-2012

Kochi, India - Indian Navy has rescued the luxury yacht of Mr. T.M. Greenberg off Gulf of Aden near Bosaso, Somalia. The yacht was attacked by the pirates three years ago and the crew were held captive since then. Greenberg and the crew are safe and are held by Indian authorities for questioning. Greenberg has been on FBI's dragnet for more than three years and is indicted on 10 counts of fraud, market manipulation, tax evasion and insider trading while running his hedge fund. He is believed to have been heading to his private island in Pacific when the pirates attacked. In one of the biggest heist in history, the pirates are also believed to have stolen a small consignment aboard the ship that is believed to have contained 1 million ounces of gold, mostly in South African Krugerrands and some precious collectibles. One of Greenberg's assistants, Mr. Max Mulligan is missing and presumed to have been shot dead by the pirates.