

Chutes and Ladders

Book 4 of *Climbing the Ladder*

by Michael Loucks

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The Second Rung
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* Work in Progress

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For Jeremiah

I - Making Plans1

I - Making Plans

July 13, 1983, Chicago, Illinois

"Keiko-chan, «結婚してください» (*Kekkon shite kudasai*)?" ("Will you marry me?").

She smiled, "もちろん結婚するよ!" (*Mochiron kekkon suru yo!*) ("Of course I'll marry you!")

"I take it that means 'Yes'," I chuckled.

Keiko nodded happily then kissed me.

Given our special circumstances, we had agreed to forego the traditional betrothal ceremony, and to exchange rings as soon as they arrived.

"Hold out your hand, please," I requested.

She held out her right hand and smiled, "Remember, this is the traditional hand for Japanese. The right ring finger is said to be directly connected to the heart."

I nodded and slipped the ring onto her finger, then handed her the box with my ring. I held out my right hand, and she slipped the ring onto my finger.

"You look uncomfortable in that suit," Keiko said with an inviting smile.

"Perhaps you should take it off!"

I took her hand and led her upstairs where we undressed, got into bed, and made love, with Keiko on top of me. After we both had our release -- multiple for Keiko -- she stretched out on top of me.

"I love you, Jonathan," she said dreamily.

"I love you, Keiko-chan. I think we should schedule the *yuino* for August 13th. That would be three weeks after you finish this round of chemo, and is enough time for everyone to plan to be there."

"I think that makes the most sense."

"And we should speak to the Shinto priest to choose a day for our wedding."

"We need a Japanese calendar," Keiko said. "We want a «大安» (*Taian*) day for the wedding. The kanji mean 'great peace' and those days are the most auspicious for wedding ceremonies, but also for starting a new business, moving to a new home, or beginning a journey. I actually have one in my drawer, which I'll check when we get out of bed."

"How common are those days?"

"Every sixth day," she replied. "The «六曜» (*Rokuyo*), or 'six days'. The cycle repeats throughout the year, and of course, because of the number of days in a year, a specific date will not be the same type of day each year. Each day has a different auspice.

"The first is «先勝» (*Sensho*), and brings good luck in the morning, and bad luck in the afternoon. The second is «友引» (*Tomobiki*) and it brings good luck all day, except at noon. The third is «先負» (*Sakimake*), which brings bad luck in the morning, good luck in the afternoon.

"The fourth is «仏滅» (*Butsumetsu*), which brings bad luck all day, and is the worst day of the cycle. The fifth is «大安» (*Taian*), which brings good luck all day, and is the best day of the cycle. Sixth is «赤口» (*Shakku*), which brings bad luck all day, except at noon."

"Do you actually believe that?"

"I think the best answer is to ask why we would needlessly tempt Fate or upset the «kami»? And it will matter to the priest. But you should treat it as you would a horoscope, which is basically how I think about it."

"OK, but I do have to ask, but the day you began your cancer treatment?"

"«先勝» (*Sensho*), so good luck when they began the chemotherapy. And Monday is «友引» (*Tomobiki*), so good luck except at noon."

We lay together for about fifteen minutes until Bianca knocked on the door and let us know that dinner would be ready in five minutes. We reluctantly got out of bed, took quick showers, dressed, and Keiko got her calendar from her drawer and scanned it as we went downstairs.

"Perfect!" she exclaimed. "August 13th is «大安» (*Taian*)!"

"So even picking the date was good luck," I chuckled.

"I think Saturday, October 8th or Saturday, November 12th are the best choices, if the priest is free one of those two days."

"Whatever will make your parents, grandparents and the «kami» happy will make me happy."

"Mom is serious about it, my grandparents a bit less so, and my dad thinks the same as I do."

"I'm all for keeping your mom happy," I replied. "At least as far as I'm able to, not being Japanese."

We sat down at the dining room table and Keiko held out her right hand.

"Does that mean what I think it means?" Kristy asked.

"It does! Jonathan asked me to marry him!"

We received congratulations from Jack, Kristy, Bianca, Juliette, and CeCi, though unfortunately, Deanna was at work.

"Did you pick a date?" Bianca asked.

"We need to check with the Shinto priest," Keiko said, but the options right now are October 8th or November 12th, both of which are Saturdays. Those are 'lucky days' on the Japanese calendar."

"Where?" CeCi asked.

"One step at a time," I chuckled. "Keiko will call the priest tomorrow to find out if either of those days works for him. Keiko, what's a proper venue?"

"A Shinto shrine," she replied. "There are none in Chicago. I think the closest one would be Hawaii, though there might be one in California. A large garden would work."

"What about the Chicago Botanic Garden?" Jack suggested.

"What do you think, Keiko?" I inquired.

"I like the idea! But then we certainly need the October date if we want to be outside. November might be cold. If it's OK with you, I'll call tomorrow and find out if it's possible and the details."

"What's with the rings on your right hands?" Juliette asked.

"That's traditional in Japan," Keiko replied.

"Some places in Europe do that, especially in the East Bloc," Kristy observed.

"Dad has Russian Orthodox friends who wear theirs on their right hand."

"We have to have a bridal shower!" CeCi declared.

"And a bachelor party!" Jack added.

"How about a joint one?" I replied. "I was going to ask you about yours so I can arrange with the usual guys, plus whoever you want me to invite."

"And a joint bridal shower, if Kristy and Keiko don't object," Bianca suggested.

"The problem is," Keiko said, "I can't be around large groups of people."

"We'll figure something out," Kristy said. "Let's chat after dinner."

I figured the bachelor party would be simple -- beer, burgers, and brats in the backyard. Neither Jack nor I were heavy drinkers, and a simple cookout would suit us both.

"Jonathan, does everyone know about Saturday?" Kristy asked.

"Yes," I replied.

Saturday was Keiko's birthday, and unfortunately, I couldn't take her out for a romantic dinner because of her weakened immune system, but Jack and Kristy had offered to cook and serve us a romantic meal in the Japanese room. Bianca graciously offered to make a cake for us. And Keiko's parents and grandparents would visit briefly during the afternoon.

When we finished eating, Kristy and Keiko went to the Japanese room and Jack and I cleared the table, washed the dishes, and cleaned up the kitchen. While we worked, we agreed on the cookout idea, and after checking the calendar, chose August 20th. When we finished, Jack and I went to the Japanese room to see what the girls had come up with.

"We're going to keep it small," Keiko said. "We'll each invite six girls. I'll have to wear a mask the whole time, but I'm OK with that. What did you come up with?"

"A cookout," I replied. "We'll invite about twenty guys, including some of Jack's friends from High School. Is there a best man at a Japanese Wedding?"

"No. The only participants besides the couple and priest are fathers, who make an offering to the gods. You would ask your grandfather or your father's or mother's brother, in the absence of your father."

"I'm not seeing my grandfather agreeing to offer anything to any god," I replied.

"Would my mom's brother be OK?"

"Yes, of course, given it needs to be a male relative. Do you think your grandparents will attend?"

"I have no idea," I replied, "but it's on them, not on me. I'll invite them, and make it clear that it's a Shinto ceremony. Did you two pick a date for the party?"

"We're thinking August 21st," Kristy said. "But I need to make sure Allyson is available."

"If I calculate correctly," Keiko added, "that's the Sunday before the third round of chemo."

"OK. I'll put everything on the calendar in pencil and we can adjust as necessary."

"We'll leave you two to spend time together," Kristy said, getting up.

"We did THAT right after he asked me!" Keiko declared with a huge smile.

Kristy and Jack laughed, then left the room. I went to the kitchen, updated the calendar, then return to the Japanese room to spend time with Keiko. We sat together for a bit, then she called her grandparents and parents to give them the good news, and I called my mom.

"I'm happy for you, Jonathan," she said. "Keiko is a wonderful girl!"

"Your opinion matches my thorough analysis of the situation," I replied. "So I believe I'm fully aware of that!"

"You can be such a Smart Alec at times!" Mom declared. "Do you have a date?"

"Even I'm not crass enough to bring a date to my wedding!" I teased.

"Will you stop!" Mom demanded, laughing. "I meant, have you decided on a day for your wedding?"

"Oh," said flatly.

"Jonathan Edward Kane!" Mom growled, but she was laughing.

"All three names! I'm in deep sneakers now!"

"Look, Mister..."

"Either Saturday, October 8th or Saturday, November 12th. We're hoping for the October date because we want to have the wedding at the Chicago Botanic Garden. We need to confirm with the Shinto priest."

"Oh, that's going to go over SO well with your grandfather."

"As I said to Keiko, that's his problem, not my problem. I'll invite him and let him know it's Shinto, and he can choose to be a little man or a big man. I have my bets."

"Me, too," Mom replied.

"I should tell you something important that will also likely have grandpa have a conniption fit -- there's a very good chance Keiko won't be able to have kids. Keiko and I will adopt if that's the case, but Bianca and I are going to have one together."

"Oh, for heaven's sake!" Mom said, laughing. "That should send him right off the deep end!"

"If you'll pardon the language, tough shit."

"I work in a High School! Do you think I've never heard that word? And worse?"

"No, but being polite to my mom is important."

"And I appreciate it. I suppose I can't say anything about your choice, given how you came into the world."

"I do NOT need details!" I chuckled. "I know the basic process!"

Mom laughed, "You're too funny. You know I meant the fact that I wasn't married to your dad."

"I know. I'll fill you in on the details once we have them. I don't know all the traditions as yet, but we'll make sure you know."

"How far are you taking those Japanese traditions?"

"I'll be wearing a kimono."

"I think I'm going to buy a better camera than my Instamatic!"

"I'm sure we'll hire my friend Dustin to take professional photographs, but you're obviously welcome to take as many as you like."

"Do I need some kind of special outfit?"

"No. Just normal wedding attire. It'll be outside in early October, hopefully, and temperatures are usually in the 50s. I think they have a banquet hall, but I'm not sure, and obviously I don't know if it's available."

"Just let me know. Congratulations, Jonathan. I'm very happy for you."

"Thanks, Mom!"

We said 'goodbye', I hung up, then went back to the Japanese room to spend time with Keiko before bed.



July 14, 1983, Chicago, Illinois

Late on Thursday morning, I went to see Kendall Roy in Compliance to let him know to expect the application from Overland Park.

"The only hiccup is I begin my annual sensitive leave on Monday. Mr. Matheson will handle any concerns or any client questions."

"Unless the documents arrive tomorrow, the transfer won't be complete until around the 27th. It's coming in as instruments and cash, right?"

"Yes. There's no point in liquidating their current holdings beforehand to transfer only cash. I'll begin re-allocating their holdings when I return."

"Then for sure no earlier than the 27th by the time I complete my review, Legal signs off, and their current broker transfers the accounts."

"OK. There will be a secondary application for their charitable benevolence fund. I'm not sure when they'll request to transfer that account, but I'd expect it in the next two weeks."

"Total amount?"

"Eighteen plus three, so about \$21 mil."

He made some notes.

"OK. Have a nice vacation. Doing anything interesting?"

"Spending time with my fiancée who's having chemo."

"Sorry. I hope it works."

"Me, too," I replied. "And no need to apologize."

"You should have all the paperwork waiting for you when you return."

"Thanks."

I left his office and returned to 29 to continue my research. At 11:25am, I left the office to meet Bev for lunch.

"I asked Keiko to marry me yesterday," I said once we had our food.

"Totally not surprised!" Bev declared. "Did you set a date?"

"Keiko is making some calls today. We're hoping for October 8th."

"Justice of the Peace?"

"Shinto priest."

"OK, now THAT is a surprise!" Bev exclaimed. "You aren't religious!"

"Neither is Keiko, but it's her cultural tradition, and I get to wear a kimono."

"I'll bring my camera!"

"That's the same thing my mom said when I spoke to her last night."

"I assume there will be a bridal shower?"

"Yes. Kristy and Keiko are planning a joint one, and Jack and I will have a joint bachelor party. You and Glen will receive invitations."

"How is she doing? Be honest, Jonny."

"I think the best thing to say is that the first round of chemo was successful, but there is a long way to go. The doctor didn't give a prognosis because Keiko is in the middle group; not the best, not the worst."

"Which means?" Bev asked.

"That the first round of chemo reduced her leukemia cell count significantly, but didn't eliminate it, and she had some increase in cancer cells afterwards. It's basically a neutral result. That said, there were none in her spinal fluid, which is a positive development. We'll know more after the next round, which starts on Monday. How are things with Glen?"

"Good! He found a teaching job at Lane Tech. He was issued a temporary Illinois teaching license, but it should be made permanent before it expires in two years."

"That's great! How is your job?"

"I like it. I signed up for paralegal classes starting in September."

"Nights?"

"Yes. Glen agreed he'd watch Heather while I'm taking classes."

"And you two?" I asked.

"I expect him to ask me to marry him once he starts his new job in August. I'll say 'yes', obviously."

"Obviously! Are you happy, Bev?"

"Yes. That's not slight on you, Jonny."

"I didn't take it as one," I replied. "All I ever wanted is for you to be happy."

"Are you?"

"Yes. I love Keiko and I'm lucky to have her."

"But her..."

"Bev," I interrupted, "what kind of man would I be if I let that affect how I think about Keiko? Bianca flat out asked me what I'd do if Keiko received a terminal diagnosis and I said I'd still ask her to marry me. I said I wouldn't be able to look at myself in the mirror if I pushed her away because she has cancer."

"You were always very protective of me," Bev said. "Even after I treated you badly."

"I can't even begin to imagine the stress you were under as a pregnant teenager, and then the mess with Bob and paternity, and then wanting to keep your relationship with Glen secret. Did you decide what to do about your parents?"

"I don't want to talk to them."

"I understand that, and it's your decision, but I'd try to reconcile."

"Your mom never reconciled with her parents."

"And after having dinner with them at my uncle's house, I fully understand that. The difference is, your dad isn't a Republican Evangelical Fundamentalist. I'll invite my grandparents to the wedding, but I'll be shocked if they attend, given it's going to be what is, in their mind, a pagan ceremony."

"Did he use that term?"

"No, I actually learned it from my friend, Anala. CeCi uses it too to refer to Christmas and Easter as 'pagan holidays'."

"What denomination is she?"

"Quaker," I replied. "Though not so much that you'd notice."

Bev laughed, "Which means you got her into your bed!"

"No comment," I replied.

"Does anyone at your house go to church?"

"Bianca, occasionally, with her mom or grandmother, to make them happy. Kristy is nominally Lutheran, but stopped going when she moved out of her parents' house. She and Jack are marrying at her mom's church."

"And your Indian friend is Hindu, right?" Bev asked.

"Yes. She goes to a Hindu temple in the suburbs, though I don't know any details. None of the boys go to church, as I'm sure you can imagine."

"No church would have them, I suspect."

"I honestly don't know. Tom and Maria are Catholic, and I know she goes regularly, and Tom occasionally goes with her. But neither she, nor her sister, nor Lily, were fanatical the way my grandfather is, or the way Rachel Kealty was."

"That was the girl who was totally into you, but who was too religious for you, right?"

"Yes. I might have handled that better, but, in the end, someone with an Eastern mindset is a better fit."

Bev smirked, "It fit, alright!"

I laughed, "You told me, that first night, that you were very happy you didn't see it before it was in you because you would have freaked out!"

"Despite wanting to do it, I was naïve."

"Me, too. But it's pretty easy to figure out! And you were not shy about telling me what you wanted!"

"Guys have it so easy!" Bev complained good naturedly. "Orgasms are basically automatic!"

"Poor baby," I teased.

"Did you land that new client?"

"Yes. We sealed the deal while I was in Kansas yesterday."

"You're amazing, Jonny!" Bev exclaimed.

"I know," I said smugly.

Bev laughed, then said, "That is so not you! But the answer *is* so you!"

"You know I like dry humor," I said. "I always have."

"Does that cool ring on your right hand have some special meaning?"

"It's my engagement ring. I thought I'd explained that Japanese tradition -- both the man and woman wear engagement rings. What I discovered last night is that the right ring finger is traditional in Japan, not the left."

"So you can wear your wedding ring and none of the girls at bars will know you're married!"

"You know me better than that," I replied.

"I do, and it was a dumb thing to tease you about. Sorry."

"It's OK."

We finished our meal, I paid the check, left a healthy tip, and then Bev and I headed back to work.



July 15, 1983, Chicago, Illinois

On Friday, as Keiko and I had agreed, CeCi joined Jack, Kristy, and me, and we met Dustin and Archie at Connie's on 26th Street.

"You should have seen the house I shot today," Dustin said after we ordered. "It's the kind of house I expect you to own in a few years! Two-story, 5,500 square foot, red brick, five bedrooms, servants' quarters, hardwood floors, a finished

basement and attic, and a gorgeous fireplace. And get this, the finished basement has a sauna that would hold at least twenty people, along with a whirlpool. And the topper? The guy who owns it is your age and is from a small town in Ohio near Cincinnati."

"What's he do?"

"He's a student at IIT, but he's some kind of computer whiz kid. He ran a computer business in High School."

"What were you shooting for?" I asked.

"Brown Construction did the work and asked me to shoot it for a layout in a magazine."

"They did the work at my house," I replied. "But I don't think my house is going to win any architectural awards!"

"Tell him the best part, Dustin," Archie prompted.

"It has an elevator that goes from the first floor to the attic, with a stop on the second floor!"

"No way!" CeCi declared. "An elevator in a private home? Not just like a dumbwaiter?"

"An honest-to-goodness elevator that two people could use comfortably," Dustin confirmed.

"Crazy!" CeCi exclaimed.

"Now you have your goal, Jonathan!" Kristy exclaimed.

"Where's the house, Dustin?" I asked.

"Woodlawn Avenue in Kenwood. About ten blocks north of the university."

I wondered if that was the guy Anala was seeing. The bare facts fit, and I hoped I'd have a chance to ask her, but she and I had lost touch since she had started seeing the guy from Milford. I'd absolutely invite her to the wedding, and I hoped she'd show up. I also hoped she'd have time to talk, but that was looking increasingly less likely.

"I'd like to see the photos, if that's not a problem," I requested.

"It's not," Dustin replied. "Obviously, I can't give you copies, but I can show them to you. I'll develop them on Monday or Tuesday. Looking for ideas for your next house?"

"More out of curiosity," I replied. "The next house is several years away. I'm planning on buying a two-flat via an REIT at some point in the next year."

"REIT?"

"A Real Estate Investment Trust," I replied. "It's a tax-advantaged way to own real estate for investment purposes. Basically, it's a legal structure to avoid double-taxation by paying out the bulk of the profits as dividends to the shareholders. It's much easier to manage the costs associated with owning and operating rental properties that way, without incurring additional tax liability."

"Can anyone set one up?" Archie asked.

"Yes, but there are rules you have to follow such that an individual cannot simply set one up for themselves. I'll need to have a hundred shareholders, plus

follow the 5/50 rule, which means that any group of five investors cannot hold more than fifty percent of the shares. I'll invite all of you to invest, and the minimum will be low."

"A hundred investors?" Jack asked. "How?"

"I'll allocate shares to everyone invested in my Cincinnatus Fund, which is about two dozen at the moment. That's how I'll ensure the shares are distributed widely enough. If I can't find a hundred investors, I'll handle it differently. But we're several months ahead of ourselves at the moment. I need to onboard the new client I signed on Wednesday before I even think about looking for the investment property."

"So an adjutant professor of English from Elmhurst College can afford to get into it?" Archie asked.

"You got the job?" I asked.

"I did!" Archie said happily. "I received the offer letter yesterday and accepted immediately."

"Congrats!"

"Is there any way a poor teacher can invest?"

"Beyond the REIT? Absolutely. If you want to invest in the stock market, your best bet is an S&P Index fund, because Spurgeon's minimums are too high. I wish I had a way to allow all my friends to invest at a lower rate, but I don't see those rules changing anytime soon. Two firms -- Fidelity and T. Rowe Price -- offer them, with no minimums. And starting now, you'll eventually have enough to invest directly with me.

"My goal is to be able to allow any friend to invest with me, but I'm not at a point where I can ask for that kind of change. I'll get you the materials and help you through it, but it really is easy. The key is starting now, and investing regularly. As I explained to my new clients on Wednesday, if you start with \$500, then add \$100 a month, and do so for thirty years, at the passbook rate, you'll have around \$90,000. If, on the other hand, you earned 20% returns, which is typical for Spurgeon, but not guaranteed, you'd have just under \$2,000,000 when you're ready to retire."

"Seriously?"

"Seriously. The market return last year was just over 20%, and Spurgeon beat that significantly. This year I'm projecting around 20% for the overall market, and I'll beat it. But you'd earn those returns with the S&P Index."

"So if I follow your plan, I'm a millionaire when I retire?"

"I can't guarantee it, but yes, that's what would happen if I generate the returns I'm talking about."

"Get me the information as well," Dustin requested.

After we ate our pizza, we went to see *Staying Alive*, which was a sequel to *Saturday Night Fever* which starred John Travolta. I'd seen the VHS version the previous year, so I knew the backstory, while Dustin and Archie had seen it in the theatre when it had been released in 1977, and Jack and Kristy had seen it on VHS right after they'd begun dating. The music was great, as was the dancing, but the storyline was mediocre. After the movie, we got ice cream, then Jack, Kristy, CeCi, and I headed home, and I joined Keiko in our bed.

"What did you find out?" I asked.

"October 8th works for the Shinto priest and the Botanic Garden. The priest said he'll hold that date for us; the Botanic Garden needs a deposit of 10% and needs to know how many people we'd have at the reception to calculate the cost. What do you think of sixty? Twenty I choose, twenty you choose, and twenty we negotiate?"

"I think that might work," I replied. "I'll call on Monday and make the arrangements for the deposit."

"It's expensive."

"And will be worth it. Can we get the kimono in time?"

"Yes. I also called the shop in San Francisco. My grandmother will come by tomorrow morning at 9:30am to take our measurements. Then I'll call the shop to place the order."

"Perfect."



July 16, 1983, Chicago, Illinois

"What do you plan to do for the next two weeks?" Bianca asked at breakfast on Saturday morning.

"Take care of Keiko," I replied. "I'm basically not even allowed to *think* about work for two weeks."

"You're joking!" CeCi exclaimed.

"I am, but only to a point," I replied. "I can't trade in any way, shape, or form, because I'm only allowed to trade through monitored accounts at Spurgeon, and

I'm not allowed to trade in those accounts during this time. If something crazy happens in the world, Mr. Matheson will decide what to do, if anything. None of my positions is particularly volatile, and I closed out my July call and put options, so I have none outstanding."

"What are those?" Keiko asked.

"They're the right to buy or sell shares of stock at an agreed price, usually as a hedge to lock in profits or limit losses. There are various ways to use them, and unless you're really interested, just consider them similar to buying insurance, and that will give you the basic idea of how I use them."

"I think we can leave it at that," Keiko replied.

We finished breakfast and Keiko and I went to the great room so I could watch CNN Headline News, which I usually did on weekday mornings at work, and occasionally did on weekends at home. The lead story was about a terrorist bomb which had exploded about two hours earlier at Orly Airport in Paris. Initial reports were that there were fatalities, but details were sketchy, which was to be expected in such a situation.

"Does that impact anything for work?" Keiko asked.

"Given it was in the terminal, and not aboard an aircraft, it'll briefly affect the French franc, but by Monday morning in Hong Kong, Tokyo, and Singapore, things will have calmed down that the markets won't react very much. Had it been aboard a plane, that airline's stock would have plummeted as soon as trading began, assuming regulators didn't prevent it from trading."

"They can do that?"

"Yes. There are a number of reasons a stock might not open for trading. That said, it's almost always possible to execute a private transaction which doesn't go through an exchange."

"Isn't that cheating?" Keiko asked.

"No. Stock exchanges exist to create orderly markets, but nothing prevents me from buying and selling stock underneath a buttonwood tree or in Tontine Coffee House."

"I take it those both have meanings?"

"Yes. The traditional meeting place for brokers in the 18th century was under a buttonwood tree in New York City. The Tontine Coffee House is where they met after signing the Buttonwood Agreement, which, in effect, created the New York Stock Exchange. They met there because it was a place where traders, underwriters, bankers, and politicians met to conduct private and public business. They used that facility until 1817, and then met in various buildings until they moved to 11 Wall Street in 1865.

"The first shares traded were the Bank of North America, the First Bank of the United States, and the Bank of New York. The First Bank of the United States closed when its charter ran out in 1811, and its successor bank actually still exists -- Girard Bank -- though there are rumors it's going to be taken over by Mellon Bank in the next month or so. The Second Bank of the United States wasn't chartered until 1816. The Bank of New York still exists with that same name, while the Bank of North America is now part of The First Pennsylvania Banking and Trust Company."

"You know all that just off the top of your head?"

"One of the modules I had to study covered the origin of the various stock exchanges. The banking information I know because banks are an important part of my job on the FX Desk. I've actually expanded my analysis to include Savings & Loans."

"How does it work with Bianca and Jack being here?"

"Neither of them has a securities license and isn't in a position to take any action on my behalf. They won't need to take the time off, either. There's actually no regulation that requires it, but it's considered a good practice for anyone in a position to manipulate client accounts."

"The only person with a brokerage license at Spurgeon who doesn't have to take time off is Noel Spurgeon. Everyone else has to take ten consecutive trading days of vacation. That does two things -- ensures we take a real vacation and helps ensure we aren't engaged in any illegal trading schemes or manipulating client accounts."

"What could you do?"

"The big one would be to hide losses, which I could do with complex transactions that are, in effect, akin to kiting checks, if you know what that means."

"I do. I remember from our personal economics class that it basically means writing a check from Bank A and depositing it in Bank B without enough money in Bank A, then writing a check from Bank B for the amount of the Check from Bank A."

"In a nutshell, yes. And there are more complicated schemes that use multiple people, and if done successfully, can multiply the money many times until someone cashes out and the entire scheme collapses. You could do it at stores as

well, if they offer cash back, and again, if done successfully, you could multiply the money you had until you walk away and the scheme collapses."

"So you would know how to do that?"

"Yes. Both the classes I attended and the study material from Spurgeon explain all the things that are illegal in some detail so we know how to spot them, and know what we can't do. Mainly, that's a banking problem, but you could easily do it with stocks as well. The most common illegal practices in the legitimate securities industry are front-running and churn. On the illegitimate side, it's pump-and-dump.

"Front-running is buying or selling before a large trade by a client to take advantage of the market movement. It is, in effect, stealing part of the client's profits. Churn is trading securities instruments -- stocks, bonds, options, and so on -- for the sole purpose of driving up commissions and fees. Pump-and-dump is an illegal scheme to raise the price of a generally worthless stock, then sell it."

"How would that work?"

"Usually with what are called 'penny' stocks -- that is, stocks with so little value they can't be traded on a regular exchange. Someone buys up as many of the shares as they can as cheaply as they can, then uses a telephone boiler room to entice unsuspecting people to buy shares, often with outlandish claims. When the price reaches a target point, the original purchaser sells the bulk of their holdings to the marks, the price collapses, and everyone loses money except the schemers. It works because often the only person willing to buy the shares is the schemer, so nobody can get out."

"Is that what happened in 1929?" Keiko asked.

"A lot happened in 1929, but the biggest problem was speculation with borrowed funds, either on margin or from banks, on the belief that the market would go up forever. Right before the crash, British investor Clarence Hatry and some associates were jailed for fraud and forgery, which created a crisis of confidence. Markets became extremely volatile, with wild swings in prices.

"Then, on Black Thursday, October 24th, 1929, the market dropped about 10%, and trading was so heavy that quotes were delayed and almost nobody knew their positions during the trading day. Leading investors tried to offset the problem by buying shares at inflated prices, but margin calls -- that is, a requirement to add money to an account against which you've borrowed to buy stock -- increased, forcing many people to sell when they couldn't come up with the funds.

"The market lost another 10% or so on Black Monday, October 28th, 1929. The same level of losses occurred on Black Tuesday, the 29th, for a two-day loss of over 20%. Losses continued, though there were occasional upturns, until 1932, when the market had lost about 90% of its value. At that point, the market began a slow, steady climb.

"Following the crash, regulations were enacted, beginning with the *Glass--Steagall Act* in 1933, which mandated separation between commercial and investment banking, and created the FDIC which insures bank deposits. Additional regulations included the *Securities Act of 1933* and the *Securities Exchange Act of 1934*. They've been updated, and other regulations passed as well."

"Could it happen again?"

"A serious decline in the value of the stock market? Absolutely. The key is, banks wouldn't fail, and margin investing is heavily regulated, as is short selling. So while it would hurt, it wouldn't cause a repeat of the Great Depression. A much

larger risk is runaway inflation and a stagnant economy. That's why we saw the Feds raise interest rates into the stratosphere, though they're coming down now."

"Changing the subject, are you doing your usual Saturday tasks?" Keiko asked.

"Yes, Bianca and I will go to the grocery store and dry cleaner, and after lunch, we'll resume working on a baby. Other than that, I'm all yours!"

"You're seeing Violet tomorrow, right?"

"That's the plan, unless you have some objection."

"No, not at all. I don't want you sitting around the house because I have to."

"I love you, Keiko, so I'll do whatever you need me to do."

"Yes, but as I've said, you need to take care of yourself and spend time with your friends."

"And I will. I had lunch with Bev on Thursday, I was out with Jack, Dustin, and Trevor last night, and I'm seeing Violet tomorrow."

The doorbell rang, interrupting our conversation, and I went to answer it. As expected, it was Keiko's grandmother who had come to measure us for our wedding kimono. She, Keiko, and I went to the Japanese room, and Atsuko used a cloth tape to take our measurements, marking them down in a small notebook she had brought with her. Once she had completed that, I served green tea, and then Atsuko left. Keiko called the shop in San Francisco, spoke for about ten minutes in Japanese, and once she'd completed the call, she explained the conversation.

"He promised he could have the kimono to us by August 15th. Mine would be traditionally white, with the proper «角隠し» (*tsunokakushi*), a formal white hat. Yours will be a black jacket over a black upper garment and a grey-and-white striped lower garment. I assumed it was OK for him to charge your same credit card."

"Yes, it is. As soon as we marry, I'll have cards issued in your name on a joint account. Are the kimono coming from Japan?"

"Originally, but they have a stock and might have the appropriate sizes in their storeroom. If not, they'll call on Monday to arrange for appropriate ones to be sent."

"Then, we should start making our guest list."