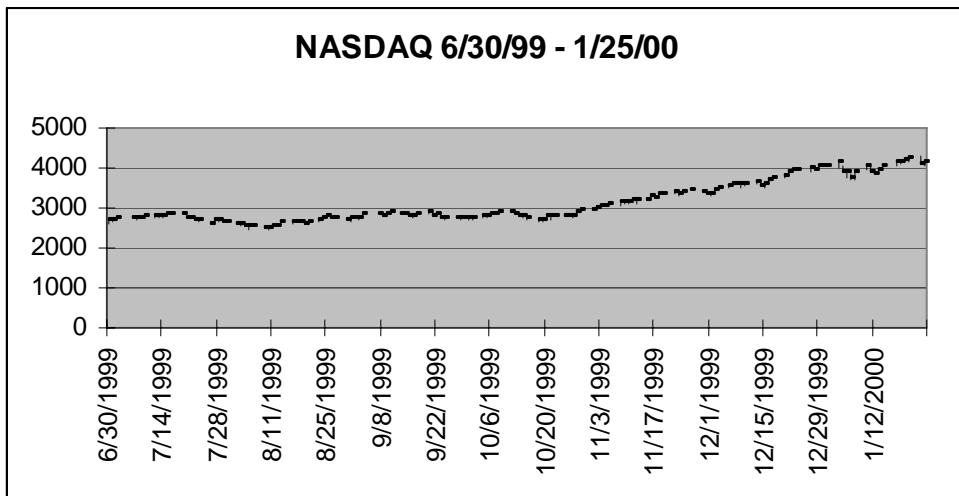
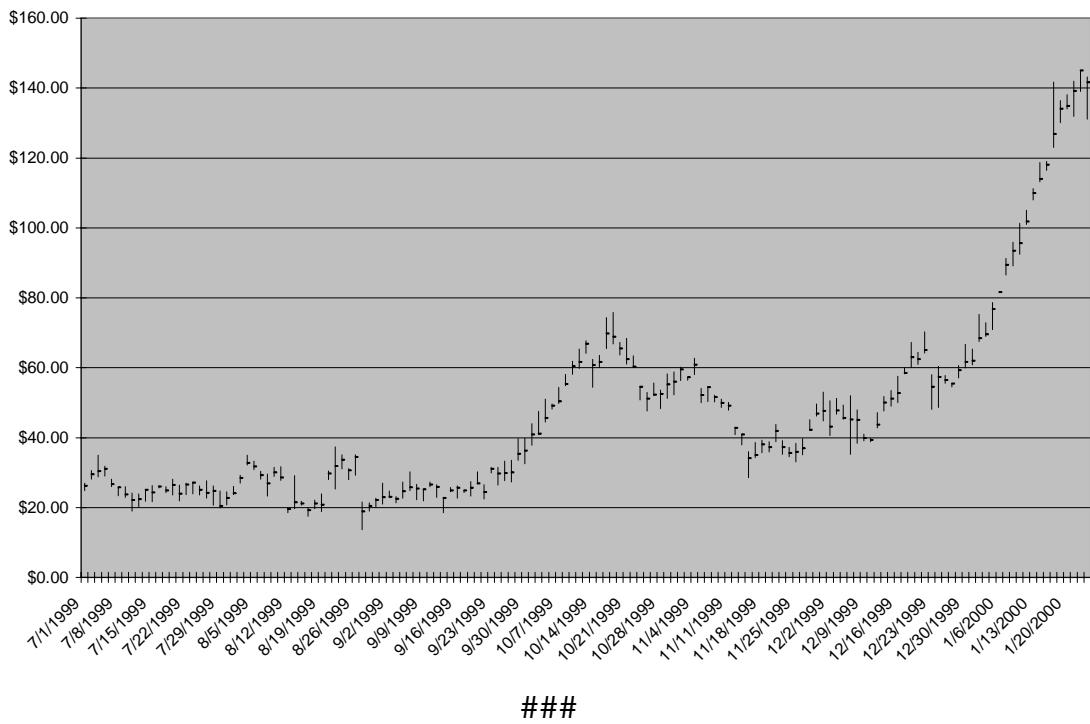


## Chapter 6 - Davos, January 26-February 1, 2000



**HOFc Daily Trading 6/30/99 - 1/25/00**



At the end of January or the beginning of February each year a great many newspaper and magazine columns are datelined "Davos, Switzerland". There is a reason for this. Late January is the time of the annual meeting of the World Economic Forum, and reporters important enough to get invited can write about nothing else.

To get to Davos, you fly to Zurich. To get invited to the World Economic Forum in Davos is much more difficult. The World Economic Forum is an organization "committed to improving the state of the world". Its members are some 1,000 of the world's largest corporations. They pay large dues, rumor says up to 300 thousand per year. And their executives are appropriately invited.

But many other people are invited as well. Political leaders are invited and come; for Davos 2000 they include Bill Clinton and Tony Blair, Israeli Prime Minister Ehud Barak and Palestinian leader Yasser Arafat, former Israeli Prime Minister Simon Peres and young King Abdu'llah of Jordan, and many, many more. There is an expectation that deals will be made; peace and commerce advanced.

The anointed thought leaders from the press are invited; Thomas Friedman, of course, but also David Kirkpatrick of *Fortune* and — much to the point this year — Tony Perkins of *Red Herring* and *Upside* fame. No one who hasn't read both of these is anywhere near an IPO.

The corporate leaders for 2000 include Bill Gates of Microsoft and Scott McNealy of Sun (they have less use for each other than Barak and Arafat). Jeff Bezos from Amazon is here as well as Michael Dell. Michael Bloomberg — who is not yet a mayor — is attending as a business leader. There are Asian billionaires as well; Richard Li of Pacific Century Cyberworks and Masayoshi Son of Softbank are the most prominent. European business is represented mainly by the third to tenth generations of old companies with a sprinkling of telecom executives. South America and Africa are "underrepresented".

To the discomfort of some the members, a smattering of Internet IPO CEOs have been invited as well. They are thought of as *nouveau riche* which they most spectacularly are. They have not been asked to participate in the major panels but they are on small panels. Some were invited in 1999 and 1998 before most of them were rich but when they were already hard at work changing the world. Most of them won't be invited in 2001 or ever again.

Among the Internet IPO CEO invitees is Larry Lazard of hackoff.com. Inviting him caused some controversy in WEF's normally placid Geneva headquarters. He was first considered in 1999 because of hackoff's unique business model and rapid growth in book value but was rejected both because of his criminal background and, more importantly, the name of his company. The argument for 2000 had to be settled by Klaus Schwab himself, the founder and only leader the WEF has ever had. Herr Schwab, he was originally German, decided that 1) Larry was not the first criminal to be invited; 2) the name is offensive but it has a marketing purpose and there are many things about America that are offensive; 3) hackoff, with its marketcap now over five billion dollars, had to be invited. So Larry, who was previously only vaguely

aware of the WEF and Davos, was invited and, as with all invitees, invited to bring his spouse. That's why on Wednesday, January 26, 2000, Larry and Louise are disembarking into the caverns of Zurich airport after an overnight flight from Newark.

The trains leave from beneath Zurich airport. Larry and Louise have checked their bags through on Swiss Rail so it is an easy transition from plane to train. Clearly, some of the other people are also Davos-bound – they have the look. More to the point, they are proudly displaying WEF luggage tags which were thoughtfully distributed in advance.

Once beyond the suburbs of Zurich, they change trains to a line that makes the serious assault on the Alps necessary to get to Davos. Now the train is half-populated by people going to WEF and half by skiers who won't be going to Davos this week because there is no room at the inn — or anywhere else in Davos.

It is snowing heavily, but the train continues to climb in its single-track ravine. It has a snowplow mounted on the engine, so snow swirls back past the windows of the cars. It's hard to imagine where the snow goes once it blows by the train, since the ravine is narrow. But the train sticks to its schedule. Downward trains pass at stations where there are two tracks; synchronization is what one would expect in Switzerland.

There is nothing impressive about the station the Lazards debark at in Davos. It's built of dirty yellow brick; scraps of paper dance with the snow on the platform; the wind is cutting. It's not immediately clear where to go to get baggage; they don't see any baggage unloaded from the train. Larry finds a door that leads to a lit room with a few suitcases in mostly empty racks. He goes in.

"Fuck," says Larry to Louise when he comes out. "The bags aren't here. They're going to come 'spater'. That's later, I think. But I don't know what the fuck he's saying. He doesn't speak any English. I thought all Swiss spoke English. I thought they knew how to run a railroad."

They take a cab to their hotel — the Sunset Reiser. They have been warned that Davos doesn't have nearly enough luxury hotel rooms for the five thousand or so luxury-accustomed guests who are attending. Rooms are assigned by the same mysterious process that gets people invited to Davos in the first place. World political leaders, who are surrounded by security people, need a lot of room; they take most of the space in the big resort hotels. Dues-paying corporate chieftains are next in the pecking order. Apparently, newly-minted paper billionaires whose companies have embarrassing names are at the bottom of the hotel heap.

"Fuck," says Larry to Louise. "This hotel sucks. The phone has no jack; I'm gonna have to hack it or tear the wall apart to get online. We got those fucking — or actually non-fucking — European twin beds. The hot and cold water come out different faucets. The sink is stained. We'll be lucky if the toilet flushes..."

"Everybody who knows we're coming here is jealous," says Louise. "Most people would sleep in a tent to say they were invited to Davos. They all want to know how we got invited."

"Yeah, we're cool," Larry says. "But the hotel still sucks and we still don't have our bags and..."

The phone rings. It is Magdala Rottenthur who has been deputized by Herr Schwab to be their guide and helper. She expected them to arrive about now and wants to know if she can show them around and help them with registration or anything else. The bags, she explains in very precise but idiomatic American English will, of course, not be here until tomorrow. Apparently the transfer always takes a day at the airport. Yes, certainly, the preparation kit should be amended to say that — you can almost hear her taking a note — and she is personally very sorry. Is there anything they need very much in the luggage? Any medicines? Does Mrs. Lazard need to get makeup?

But Larry and Louise are experienced travelers; they packed their short-term needs into their carry-ons. There won't be a problem unless the bags don't come by tomorrow night. But, wait, Larry has no suit until the bags come.

That is not a problem, says Magdala. Not at all. At least half the men don't wear suits to the panels. Just a sports coat is fine, preferable in fact. But Larry doesn't have a sports coat either in his carry-on or delayed baggage. Not a problem either; some men just wear a shirt with a collar. Does he have that?

Yes.

Nothing being a problem, they agree to meet at the Congress Center. It is just up the street from Sunset Reiser. But they must be very sure to go the right way on the street, because just past the Sunset Reiser is the area where the anti-globalization protestors have gathered. The demonstrators have, unfortunately, somehow made their way to Davos even though they were supposed to be kept one town away. However, the Swiss police have prepared for this contingency and will not let the protestors pass a line which is, unfortunately, near the Sunset Reiser, but in the opposite direction than the Congress Center.

From the front, the Congress Center presents a poured concrete brow just a story and a half above the sidewalk. This is deceptive because most of the building is built into the side of a hill that slopes down from street-level. In fact, there are at least four more stories below the entrance level and the place is huge.

When the Lazards go in with Magdala, security is ready to make their badges. They must take a new picture, which is not only visible on the badges but digitized and stored in a database. In this way, when a badge is passed over the security device, a blow-up of the picture appears on a screen visible to the security guard, who really does look at it. Bags go through one scanner and people go through another one. It's much more efficient than an airport. No lines and, apparently, no slip-ups.

Most of the security soldiers have Uzis. Besides those who have obvious functions such as looking at security pictures, there is a fairly large contingent

of soldiers whose mission seems to be just to cradle an Uzi ready for use. To a bad guy, it's probably intimidating.

Once through security, Magdala explains, you take off your boots and check them with your coat and put on your inside shoes. Mr. and Mrs. Lazard did see the section in the prep material that explains about the need for inside and outside shoes?

Yes, they have their inside shoes with them.

Excellent.

Efficiently, Magdala shows them the kiosks where they can get Internet access; the rooms where they can plug their own PCs into an Ethernet connection; the windows where they get tickets to the sessions (the popular ones fill up fast so they should submit bids very early); the hall where keynotes are given. Bill Clinton will give one. Ted Turner will give another. The sessions Larry is participating in are not in the Congress Center; they are in various hotels but all are very close. There is a map.

As they go back to their hotel, the Lazards see that battle lines have formed. A Swiss Army water cannon blocks the street just past the Sunset Reiser. Troops in full regalia with Plexiglas shields, Uzis, and batons flank it. Bright lights shine from the water truck and a couple of jeeps into the bearded and muffled faces of the anti-globalization protestors. The ragged but somewhat disciplined crowd has begun to throw snowballs at the troops. Most are stopped by the shields, but an occasional lucky shot tops a shield and lands on a soldier's helmet. Since only lobs succeed in this, no real harm is done and the soldiers appear impassive, although their real faces are hidden by the insect noses of their goggle-eyed gas masks.

"Fuckin' idiots," comments Larry. "Who except an idiot would throw snowballs at a man with an Uzi? Actually," he muses, "they're probably here because they can be pretty sure they WON'T be shot, so it's all for show. Looks brave but they're just taking advantage of the Western values they say they hate. They don't do this in dictatorships."

"I'm glad you're feeling better," says Louise. "But you're turning into a real old fart member of the establishment. Must be the money."

"Yeah. I earned it, though; WE earned it. No one gave it to us. We took risks. And we don't have it yet, either. A billion dollars and change! Wow."

A billion dollars is the current paper value of the Lazard's hackoff stock; it's currently trading in the 130 to 140 dollar range.

"I knew a guy who knew a guy who was at Kent State," says Larry back in his role as commentator on the standoff at the Sunset Reiser. He said what happened was the National Guard troops lost it because they ran out of tear gas or their tear gas didn't work or something like that. So there's a bunch of guys standing around getting rocks thrown at them and they have too much equipment on — including their rifles and bayonets and other stuff — to throw rocks back. And they lose it; or someone loses it, and they shoot because it's all they can do to stop the rocks. So these guys out there better hope that the Swiss guys have good tear gas or something or they could get nervous and use those Uzis."

In downtown Davos, far from the front line, other protestors have just thrown a table through the window of a McDonald's in a blow against both American imperialism and carnivores. They have also attacked a fallen policeman. These actions break a *defacto détente*. Word of the incident is radioed to the troops at the Sunset Reiser at about the same time as the other side gets word through their mobile phones and gives a ragged cheer. They increase the volume of snowballs. In true revolutionary tradition, a couple of them try to pry out cobblestones, but the cobblestones are frozen fast.

An order is given. The water cannon lowers its muzzle to the crowd. A captain orders them to disperse in all four of Switzerland's languages and English. The crowd is defiant. The soldiers take a step forward in unison and the water cannon fires.

"Idiots are lucky the water cannon worked," says Larry. "Otherwise they coulda got shot like the kids at Kent State. Now they're just wet and cold and they can feel like heroes."

The idiots (or heroes) stumble away from the confrontation, some with newly-formed ice in their hair or beards. The disciplined soldiers don't pursue them.

#

Thursday is the first day of the conference. Well-instructed and reasonably well-rested, Larry and Louise climb the hill to the Conference Center wearing their boots and identity tags and carrying their inside shoes and the programs in which they've circled the sessions they want to attend. The streets and sidewalks have been swept of the previous night's snow, but it is cold and light and it swirls back in a sparkling dust which crunches slightly underfoot.

On the way, they see an outdoor platform where MSNBC is doing interviews.

"Want me to call Eve and see if she can get you on?" asks Louise.

"Yeah, sure," says Larry. "What the hell. Might as well give it a try. Actually, she shoulda thought of making press appointments. Give her our password to the conference website and she can find out what other press is here."

"Yes, sir," says Louise.

"Please," says Larry magnanimously.

"Right."

Security works. No lines, but everyone is identified, scanned, cleared. Inside there are bags to put boots in before checking them with coats. First disappointment is session tickets. Larry's first choices and second choices — mostly technical but one on the tulip bulb bubble — are all filled. So he decides not to go to any. Louise had a more eclectic choice — art, philanthropy, health — but doesn't get her choices either. Patiently, she makes more choices until

she's filled her whole dance card. She does get into a talk by the inventor of Dolly the Sheep and another on how to minimize jet lag.

"That's Yasser Arafat," Larry almost shouts.

The grubby man in a dirty suit with his trademark four-day stubble is just a few feet away from them. There is no noticeable security. There are no crowds of sycophants around him or the other somewhat less-celebrated celebrities the Lazards begin to identify. It does seem, however, that there is a rule that all celebrities know all other celebrities at least well enough for cheek kissing.

"There must be a lotta other places where they hang out together," Larry guesses.

The Europeans are very fond of Bill Clinton. The French, in particular, feel that the Monica Lewinsky affair was unfair, yet another example of America's lack of civilization. Of course, he has a mistress. He is a man of power; all men of power have mistresses. They manage to say this slightly out of earshot of their wives. And this George W. Bush; he is not a sophisticated person. He is a Texan, a cowboy, the worst kind of American. He may not ever have been to France. Probably doesn't have a mistress either. They are looking forward to Clinton's keynote. They are regretting that he won't be back as President next year.

But a terrible thing has happened. There is an article in the Wall Street Journal accusing Klaus Schwab of having guided World Economic Forum contracts to companies in which he, personally, had an interest. Clearly the article must have been written by a reporter who was disappointed not to be invited to Davos and is taking revenge in print. Look at the timing. There must be a good explanation. And, of course there is. Herr Klaus practices what he preaches. These are excellent entrepreneurial companies. He has invested in them and mentored them to help them. He has steered contracts to them for the same reason: they deserve help and they are good at what they do. What could be more consistent? We shouldn't get distracted by this when there is great work to be done in making the world a better place.

Larry is leading a luncheon discussion at a hotel a cab ride away from the Congress Center; he is one of two males not wearing a suit or a sports coat. The subject is the role of the Board of Directors. Attendees include a Belgian hotelier, the Queen of a tiny European principality, a French government official, a Japanese software entrepreneur, an Israeli electronic hardware entrepreneur (also in shirtsleeves), an American telecommunications executive, Louise Lazard, a British financial journalist, and a well-known Italian author of children's books who is there, however, as a spouse. There is also an expeditor from WEF to tell them what to do. It is not clear whether she is supposed to have a speaking role in the discussion. It is possible that she was cloned from Magdala.

Two excellent wines are served. The continental Europeans smoke while they eat, which makes the asthmatic Japanese cough and sneeze which is a cultural embarrassment to him.

"It's pretty simple to us," says Larry, who is supposed to kickoff the discussion, as they say in the United States. "The Board represents the shareholders, the owners of the company. Before you go public — before WE went public — those were the VCs — I mean venture capitalists — and founders who owned the company. The most important thing is that they represent the owners."

"Our view is much less limited," says the Frenchman. "In our view it is the role of the Board to represent ALL the stakeholders. This includes the owners, of course; but equally important are the employees and the community in which the company operates as well as the government, of course. I myself serve on several boards for just these reasons." He lights another French cigarette.

"We had union representatives on our Board once," says the American telecommunications executive. "They were arrested for trading on insider information."

"What about customers?" asks Larry.

"What about them?" asks the Belgian.

"Are they stakeholders who get a seat on the Board?"

"I wouldn't want to be on a Board," says the Queen, who unfortunately sprays when she talks. "I am a customer and I don't want to be on a board."

"Typically, not," explains the Belgian. "It is not the tradition."

"And in Japan?" asks Larry.

The Japanese does not speak English well. It is even more difficult for him because his cough has worsened alarmingly. Although it is impossible to know exactly what he said, there is apparently an elaborate tradition of how Boards are constituted in Japan, with due consideration to creating the interlock necessary in order for *keritsu* to operate efficiently.

"That would never work in France," says the Frenchman, creating yet more smoke.

"We're with you Americans," says the Israeli before being asked. "We practice American style capitalism; it works."

France, Belgium, and the principality may be conducting their own boycott of Israel. They don't appear to able to hear the Israeli although he doesn't speak softly.

"We believe that the company belongs to its owners; it must be run in their interest," says Larry. "Employees have to be treated well, so they'll perform well, which is good for the owners. Good community relations are good for the owners, too, so it makes sense for companies to participate in local communities. But the owners are still the owners, so the Board oversees management to assure that all the owners' interests are protected, that the company is NOT run just for the benefit of management."

"Now the interesting question is: WHICH owners is the company run for? Is it run for the stockholders who want to sell tomorrow? Is it run for the stockholders who have a medium-term view? A long-term view?"

No one except Larry (and possibly Louise, who is silent) seem to think this is an interesting question. Each person repeats what he or she has said before in slightly different words.

The Italian author is appalled to think that a company would be run just for its bottom line. "No wonder," she says.

The British financial journalist clears his throat and proclaims the UK somewhere between the US and the continent on the subject.

The Israeli tactlessly points out the wealth being created by NASDAQ-listed companies both in the US and in Israel.

"The British system would not work in France," says the Frenchman, who still cannot seem to hear the Israeli.

"If your Boards represent all these constituencies," asks the indefatigable Israeli somewhat sharply, "who chooses them?"

"What do you mean?" asks the Belgian, shocked into recognizing Israel by the direct question.

"So," says the Israeli: "It's very simple. In Israel and the US, the Board represents the owners. So the owners, the shareholders, do elect the Board. If a French Board, for example, represents other stakeholders, who decides who should be on the Board representing the other stakeholders?"

The Frenchman still does not recognize Israel so the Belgian answers for him: "The Board does."

"The Board elects itself?" asks Larry.

"Well, government may appoint its members," says the Frenchman, "and management recommends its members; but the Board is in a position, as you would say, to best determine how other stakeholders are represented."

"So the Board does represent no one but itself," says the Israeli. His tone says "Q.E.D."

Almost everyone manages to ignore this rude conclusion. Except for Larry, who says, tactlessly: "Good point."

There is a long silence.

"Would anyone like to order dessert?" asks the woman from the WEF. Most people would. The conversation becomes social and Larry, the moderator, makes no attempt to bring it back to business.

The Israeli buttonholes Larry as they leave the luncheon: "You are going back to the Congress Center."

"Uh ... yeah, my wife and I are."

"So we'll share a taxi."

"Yeah, sure," says Larry, not sounding sure. "This is my wife, Louise."

"Hello, Louise," says the Israeli. His name is Chaim Roslov, pronounced with a guttural like Chanukah.

The driver of their cab doesn't speak English but the multi-lingual Israeli establishes Spanish as a *lingua franca* and directs him to the Congress Center.

"You certainly pointed out that Boards that are supposed to represent everybody really represent nobody," says Larry after they've settled into the cab.

"Yes," says Chaim. "They are Europeans. But I wanted to talk to you about something else."

"Yes?"

"You are Jewish." It is not a question.

"Only half," says Larry. "How do you know?"

"I know," says Chaim. "Your mother was Jewish." Apparently question marks are not in his English vocabulary.

"Right," says Larry.

"Then you're Jewish."

"Right," says Louise, amused.

"But I don't practice," Larry objects.

"I'm not asking you to synagogue," says Chaim. "Practice does not matter. But you are a Jew."

"I guess..."

"You are free for breakfast tomorrow," Chaim asserts.

"I think so," says Larry. "For what?"

"There is an important meeting. Simon Peres is coordinating this. We must do something to create opportunity for Palestinians. There must be hope for them or there will be no peace. We have a plan; we want your help."

"I don't even know any Palestinians," says Larry. "I don't think I can help."

"You can help," says Chaim. "You must come to the meeting."

"We will come," says Louise.

"Only your husband may come."

"Why?" asks Louise. "Are you orthodox? Are you afraid of women? I'm Jewish — all Jewish."

"Your husband is the principal. It is he who must come. If you are the principal, you would come. It must be that way."

"Why must it be that way?" asks Louise.

"It must," says Chaim flatly.

The Lazards say nothing so he relents slightly.

"There is not room and there are security considerations. You will come, Larry." It is almost, but not quite, a question.

"I will come," says Larry.

"It is important," says Chaim.

#

The breakfast meeting is in another hotel in a medium-sized conference room. The chairs have been arranged in an oval, and Simon Peres sits in the middle of one of the long sides of the oval. Larry takes an empty chair near one of the ends. Chaim is towards the other end but there is no seat open near him.

A young, black-haired functionary from the WEF speaks first. "The World Economic Forum has a proud history of being the venue for progress on

otherwise intractable issues. Much of the discussion that led to the Oslo Accords began here in this neutral territory where direct communication is possible. In the midst of unparalleled global prosperity and relative peace, we must do what we can to solve the world's most intractable problems. We may not succeed, but we have no excuse not to try. Prime Minister Peres has been kind enough to host this breakfast so we may discuss part of what we can do. Before we start, I'd like to go around the room and ask each of you to identify yourself, your country, your company, and state briefly why you are here."

When the introductions reach Larry, he says: "I'm Larry Lazard; I'm an American. My company is hackoff.com; we do security for e-commerce. I don't know why I'm here. Chaim asked me to come."

Peres turns his large gray face to Larry: "We're glad you're here, Larry Lazard," he says. "You're here because you can help."

After the introductions, Peres himself speaks: "We are here because there are problems which must be solved," he says. "The greatest obstacle to peace in the Middle East is the lack of hope among young Palestinians. We are doing something about that. The danger is that, in the Middle East, hope is its own worst enemy. There is a story about an asp and a camel who meet on the banks of the Suez Canal. 'Take me across on your back,' said the asp to the camel.'

"I can't do that,' said the camel to the asp. 'You will sting me.'

"I won't sting you,' said the asp. 'If I sting you, you will die and I will drown.'

"Okay,' the camel said and the asp got on his hump. Halfway across the canal, the asp stung the camel.

"Why did you do that?" asked the dying camel.

"Because this is the Middle East,' said the asp before he drowned.

"We cannot allow ourselves to be drowned — to remain trapped in this cycle of despair and violence," continues Peres. "We must create hope where there is no hope. We must give young Palestinians an alternative to violent death. That alternative comes from jobs. We must export some of the potential of the Israeli economy and the world economy to the Palestinian territories.

"We are doing that. We are establishing businesses and factories there. We are creating jobs and we are creating hope. But there is great resistance to this when it is perceived to come from Israel. There is a brave Palestinian woman who has risen to be the plant manager of one of the enterprises we created. She has risen above the squalor and despair she was raised in. But her own father has called for her death; a local *imam* has declared a *fatwah* against her. She may not live long although this brave woman does live today.

"So we need you who are not Israelis to create jobs in Palestinian territory, in the West Bank and in Gaza. We need you to create hope. We need you to create an alternative to violence and death. We will help you; we will put you in touch with the right people; some of them are here at the conference. But we must be invisible and you must be visible. Otherwise this remains the Middle East. The asp will bite the camel. And both will die. Will you do this?"

Many say they will. Names are taken; appointments are made.

"Will you help, Larry Lazard?" asks Chaim, who is now somehow seated next to Larry.

"I would like to," says Larry. "I mean this sounds like a very good thing, but I'm not sure how I..."

"My friend Larry Lazard and I will help," says Chaim. The great head turns toward them. "We will work to create jobs in the territories. We will outsource there. We will create well-paying programming jobs there and we will save money for our companies doing this. It is what our friends the Americans call a win-win."

"So," Larry explains to Louise later, "I'm going to be put in touch with a Palestinian who'll be our contact for contracting some of our programming to a group in Jenin. They're supposed to be good; they can do it cheaper than we can get it done in the US. And we save them from being suicide bombers."

"Was Barak at the meeting?" asks Louise.

"No, why?"

"Isn't that strange?"

"The whole thing is strange," says Larry. "Davos is strange. Being a billionaire is strange. I don't know."

"We're there any Palestinians at the meeting?" asks Louise.

"No."

"Does that tell you anything?"

"No. I told you; I'm going to meet a Palestinian. This is a good thing."

"We'll see," says Louise.

"Why are you so negative?" asks Larry. "You're the JAP. You're the 100 percent pure Jew. You had a Bat Mitzvah, for Christ's sake."

"I don't know," says Louise. "I don't know. We'll see. I am glad you're trying. I'm glad that chauvinist pig Chaim recruited you."

"So that's it; you're still pissed off that you weren't invited to the meeting."

"No, that's not it," says Louise, then: "Yes, it is. I AM pissed off. But that's not what's bothering me. I don't know. Try. It's the right thing to do. Meet the Palestinian. And remember the camel."

"Dom's gonna have a cow," says Larry. "He isn't gonna wanna outsource. He wants to keep control of everything."

"You're not doing this just to spite Dom, are you?"

"No. Of course not. But he won't like it. That's the way he is."

"Just involve him," says Louise. "Just tell him why you're doing it. He's Jewish, too; he'll understand. Send him to Israel to figure out how to make it work."

"I need him; can't take the chance of him getting killed by a suicide bomber," says Larry. "Anyway, who cares if he's pissed off?"

"Going to any good sessions?" asks Louise.

"Can't get into anything good," says Larry. "They're all booked up. Wonder if there are scalpers here. But, anyway, I did get into a session on Mushrooms and Man. Probably no one cares about that except me."

"Sounds good," says Louise.

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**Media Contact:**

Eve Gross  
Chief Marketing Officer  
609 555 1000  
eveg@hackoff.com

**Media Alert****HACKOFF.COM CHARMAN AND CEO TO BE INTERVIEWED  
ON MSNBC FROM WORLD ECONOMIC FORUM IN DAVOS**

Davos, Switzerland - January 28, 2000 - (BUSINESS WIRE) hackoff.com (NASDAQ:HOFC) CEO Larry Lazard will be interviewed on MSNBC at 10AM EST on Friday, January 29. Mr. Lazard is one of a select group of leaders of the international economy who have been invited to participate in the prestigious annual meeting of the World Economic Forum in Davos, Switzerland.

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**The Interview**

Eve has come through. Larry has an interview on the outside platform with MSNBC. The green room is a porch of the platform above the snow. No makeup is necessary in the outside light. The host is Roger Ratherson.

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Roger: Larry Lazard, Chairman and CEO of hackoff.com, welcome to MSNBC live coverage from Davos.

Larry: Roger, thanks for having me.

Roger: Well, how does it feel to be here at Davos with world leaders from so many disciplines? From government. From the press. From the private sector. How DOES it feel?

Larry: Well, Roger, I'm very honored, of course. I realize I'm not here as Larry Lazard but as the CEO of a successful company. A company whose success is a tribute to many other individuals. But it is important to realize that we are a part of the world economy and that the work that we do day-to-day affects not only our customers

and our employees but an increasingly interdependent world economy. And it is important to realize that success in one place, one part, of that world economy, can be the engine, the leverage for success in other places.

Roger: Well, Larry, that certainly is the message of Davos 2000, isn't it? The world economy IS interconnected. We cannot ignore that fact. We cannot evade the responsibility we have in an interconnected and interdependent world.

Larry: Yes, Roger, that is a fact. We ARE interdependent.

Roger: So, Larry, let me ask. What is the role of adult websites in this interdependent world? You are here as a representative of uh ... hackoff.com because of its success on the NASDAQ which is, indeed, a world market. What is the contribution of adult content to the world economy?

Larry: Excuse me, Roger, I think you've been badly briefed ... uh, misinformed. Hackoff.com is in the Internet security business. We are NOT in the pornography business. Our role is to assure that e-commerce is as safe - no, safer - than traditional commerce. And that is very important to the interconnected world economy because it is only through e-commerce that a vendor in say, the Gaza Strip, can reach...

Roger: Larry, I appreciate the explanation. However, I'm sure our listeners are interested in the answer to the question of how adult content is part of the world economy.

Larry: Roger, my company does Internet security; we are NOT a content provider. Not an adult content provider; not any kind of content provider.

Roger: Aren't some of your customers providers of adult content?

Larry: Yes, I guess. I mean adult content is part of e-commerce. Adult sites take credit cards. They have to protect their customers' credit card numbers against hackers. And there is no one better at protecting against hackers than hackoff.com.

Roger: Don't you own a part of all your customers? Isn't your business model to take a share? To, in effect, become an Internet holding company?

Larry: Roger, you have been well briefed. Yes, taking an ownership share in our customers is part of what make hackoff unique. We...

Roger: So, Larry, as the "owner" of adult sites, can you tell our listeners the role of adult content in the world economy?

Larry: Roger, we don't own part of any adult sites.

Roger: But I thought that was your business model?

Larry: Our customers have the choice of paying us in cash or in equity. The adult industry has elected to pay in cash so I don't believe we hold any equity in adult content companies.

Roger: Does this mean that adult content is the most profitable segment of e-commerce?

Larry: Maybe. I don't know. You could make an argument that pornography drives technology...

Roger: What do you mean?

Larry: Well, look at the record. People bought VHS when they could get porno to show on it. Before that there were Super-8 movie projectors. The Internet is only one of a long line of technologies whose popular adoption has been driven by "adult content". Why do you think people bought Polaroid cameras?

Roger: Larry, I don't know. Why did people buy Polaroid cameras? I suppose it was because they could see what their pictures looked like without waiting for them to be developed. Like digital cameras today.

Larry: Maybe some, but not mainly. They bought 'em so they could take pictures of their girl friends that they wouldn't have to send to a developer. Look, everyone knows that the first book to be printed on a printing press was the Gutenberg Bible. Do you know what the second was?

Roger: Well, we're running out of time before our next guest; the woman who is now CEO of one of the ten largest US companies. But, Larry, what was the second book published on a printing press?

Larry: It was *Pamela*, a soft-porn novel; we'd call it a soap opera today.

Roger: That's certainly an interesting factoid. Thank you Larry Lazard, CEO of hackoff.com. Our next guest is...

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## The Chat Board

Larry on CNNFN  
by: [thewatcher02](#) (35/M/New Rochelle, NY)

01/28/00 10:45 am

Msg: 9001 of 9016

Larry Lazard is going to be on MSNBC from Davos at 3PM today!

Re: Larry on MSNBC

by: [ChorusLine](#) (22/F/Paramus, NJ)

Long-Term Sentiment: Buy

Msg: 9002 of 9016

01/28/00 10:51 am

Posted as a reply to: [Msg 9001](#) by [thewatcher02](#)

That should send the stock up this today! It's already at an all-time high!

Re: Larry on MSNBC

by: [pooper](#)

Long-Term Sentiment: Sell

Msg: 9003 of 9016

01/28/00 10:54 am

Posted as a reply to: [Msg 9002](#) by [ChorusLine](#)

What's Lazard doing skiing? He ought to be running the company. That's why he gets the big bucks.

Re: Larry on MSNBC

by: [Jumbo10](#) (43/M/New York, NY)

Long-Term Sentiment: Strong Buy

Msg: 9004 of 9016

01/28/00 10:59 am

Posted as a reply to: [Msg 9003](#) by [Pooper](#)

This is a good chance for Lazard to tell the company's story to a worldwide audience. It is important to get foreign investors into the stock; they don't sell as fast. And we need more fuel to keep going up.

Given where the stock is trading, it does look like the US market understands our story but I don't think there's much foreign ownership.

Re: Larry on MSNBC

by: [scooper](#)

Long-Term Sentiment: Buy  
Msg: 9005 of 9016

01/28/00 11:05 am

Posted as a reply to: [Msg 9003](#) by [pooper](#)

pooper, you're still an asshole. Larry is in davos because he's important. Everybody important is at the world economic forum everybody knows that except you cause you're not important.

**Larrys on NOW**  
by: [thewatcher02](#) (35/M/New Rochelle, NY)

01/28/00 11:06 am

Msg: 9006 of 9016

Larrys on! But the guy thinks hackoff is a porno site.

**Re: Larrys on NOW**  
by: [Alaska60-60](#)  
Long-Term Sentiment: Strong Sell  
Msg: 9007 of 9016

01/28/00 11:07 am

Posted as a reply to: [Msg 9006](#) by [thewatcher02](#)

The companys been public for sex months and the Lizard still cant tell the jerkoff story. If he ever does tell the truth about the company everybodyll sell except maybe shills like chorusline and jumbo that probably sold already when they got all you jerkoffs to buy.

**Re: Larrys on NOW**  
by: [scooper](#)  
Long-Term Sentiment: Buy  
Msg: 9008 of 9016

01/28/00 11:09 am

Posted as a reply to: [Msg 9007](#) by [Alaska60-60](#)

Alaska, you asshole, you've been running the company down since the stock opened at 15. Now its almost 10 times that and you're just pissed that you were wrong and missed a chance to make real money or worse maybe you're short and you can't get out. I bet that's it; that's why you spend all your time on the hackoff board bashing the stock. It's because you're caught in your own shorts; talk about jerking off.

**Lizard lost his mind**  
by: [Alaska60-60](#)

Long-Term Sentiment: Strong Sell  
Msg: 9009 of 9016

01/28/00 11:12 am

now the lizard is giving a lecture on the history of porno. hes lost his fucking mind. hes not talking about jerkoff.com; hes just talking about the whole jerkoff business, the fucking history of porno.

New High?  
by: [thewatcher02](#) (35/M/New Rochelle, NY)

01/28/00 11:18 am

Msg: 9010 of 9016

HOFC's at 147 1/2. New alltime high!!!!

Larrys Interview  
by: [Jumbo10](#) (43/M/New York, NY)  
Long-Term Sentiment: Strong Buy  
Msg: 9011 of 9016

01/28/00 11:22 am

Larry didn't do his job; no question about that. He is supposed to sell the company, not give bullshit lectures. Being at Davos may have gone to his head and that's not a good thing. No CEO is going to look out for us, of course, its all about what's in it for them but it's better for us when they're in it for the money than when they get carried away on an ego trip. We don't have any shares in Lazard's ego.

But maybe he can make some good deals there at Davos. There are other e-commerce CEOs there and Bill Gates and Michael Dell and Jeff Bezos. Maybe hackoff can protect Amazon; that would be a great story for the stock.

So I'm keeping hackoff at a strong buy for now even though Larry fucked up. Maybe he'll get his ego under control and sell something he can announce.

Re: Larrys Interview  
by: [PacPhil](#) (22/M/New York, NY)  
Long-Term Sentiment: Buy  
Msg: 9012 of 9016

01/28/00 11:24 am

Posted as a reply to: [Msg 9011](#) by [jumbo10](#)

Good points, Jumbo. You're probably right.

Was Larry on?

by: [CLess](#)

01/28/00 11:26 am

Msg: 9013 of 9016

Was he on??? What's the stock at?

Porno Rules

by: [TestTost \(32/M/San Francisco, CA\)](#)

Long-Term Sentiment: Strong Buy

01/28/00 11:30 am

Msg: 9014 of 9016

Larry was right about porno; it's hot. He's right to talk about porno; people like it and hackoff makes money from it protecting the websites.

Re: Larrys Interview

by: [ChorusLine](#) (22/F/Paramus, NJ)

Long-Term Sentiment: Buy

01/28/00 11:35 am

Msg: 9015 of 9016

Posted as a reply to: [Msg 9011](#) by [Jumbo10](#)

Larry's on an ego trip. Larry's at the World Economic Forum what will the street think?

Stock Down

by: [thewatcher02](#) (35/M/New Rochelle, NY)

01/28/00 11:40 am

Msg: 9016 of 9016

HOFC at 142! Big volume!

###

It's Friday party night at Davos. The parties are put on by individual companies and countries; some require an invitation; some don't. Some no one even hears about he or she is supposed to be there. The welcome kit is full of invitations and the Congress Hall as well as many of the hotels have room after room devoted to parties open to all WEF attendees. The protestors are still

being held at bay just past the Sunset Reising although their numbers have been swelling ominously.

Larry and Louise have been invited to several dinners. They decide to go to one sponsored by a major American accounting firm that gave them Palm Pilots as a welcome gift to Davos.

The dinner is in the banquet room of one of the few luxury hotels in Davos. The banquet room and ancillary rooms are filled with borrowed masterpieces from several art galleries. Most of the pieces are classical, so the buffet line snakes through fawns, nymphs, and satyrs. Hercules — with a big club, a large dick, and his trademark lion skin draped over one shoulder — stands guard over one of the bars. Perseus — with poor Medusa's head and an even larger dick — watches over the other.

A number of partners from the sponsoring accounting firm are at the table with Larry and Louise. The subject is new rules which prohibit the auditors on an account from having any ownership interest, no matter how remote, in a firm they audit.

"That does seem to make sense," says Louise conversationally.

"Well, yes, it does SEEM to makes sense," replies one of the partners. "But the issue is more complex than it seems. We can't actually figure out what the rules mean. There are some forms to fill out regarding our non-conflict of interest and we can't figure them out either."

"What's so complicated?" asks Larry. "You guys usually charge us an arm and a leg for figuring this stuff out. Either you own a piece of the company you're auditing or you don't, and the rules say you can't, so you don't and you fill out the form and say you don't. What's so complicated?"

"Well, suppose that you own shares in a mutual fund and the mutual fund owns stock in a company you're auditing. Is that against the rules?"

"I don't know," says Larry. "Is it?"

"We don't know either. The rules seem to say you can't do that."

"Okay, so you can't. Still don't see what's so complicated," says Larry.

"Suppose you don't know that mutual fund has stock in the company you're auditing? Then what?"

"So if you don't know, then you don't have any conflict so no problem," says Larry.

"But that's not what the rules say, so there IS a problem," complains the bedeviled audit partner. "The rules say you can't directly or indirectly own shares in a company you're auditing. And the forms ask if you own shares, not if you KNOW you own shares. So, if you own any mutual funds, how can you fill out the forms?"

"So, you don't own mutual funds," says Larry helpfully. "I'm going to have to start charging you guys for advice."

Louise kicks him under the table.

"Well, that's not so simple either because your pension plan may own mutual funds and those mutual funds may own stocks in companies that you're auditing. And it gets worse because a company you own stock in may

own or buy part of a company you're auditing and, whether you know that or not, you still might be in violation."

"But it wouldn't make any sense if the regulations mean that you have to avoid a conflict you don't KNOW you have," says Louise. "And it wouldn't be fair, either."

"I'm afraid we can't rely on either logic or fairness in interpreting the rules," adds the accountant condescendingly.

"I've never known an accountant to rely on logic or fairness before," says Larry, suddenly hostile. "It's usually just your clients who get hurt when you can't figure out the rules. Now it's you guys."

This conversation is over.

On the other side of the Lizards are the CEO of one Internet backbone company and the Chairman and founder of another. They don't have spouses with them and are deep in conversation. They apparently know each other well.

Louise takes this opportunity to start a new conversation. "Do you both live in Bermuda?" she asks.

"Bermuda?" repeats the CEO, looking puzzled.

"Bermuda?" echoes the Chairman of the rival company.

"Yes," says Louise. "I looked your companies up and they're both based in Bermuda. Isn't that right?"

"Oh," says the CEO smiling, "we're both actually American companies but we have a great deal of international income, so it makes much more sense to be headquartered in Bermuda from a tax point-of-view."

"But," asks Louise, "if your headquarters are there, don't YOU have to be there?"

"Just for one board meeting a year," explains the chairman. "I always take the wife and the golf clubs."

"Yeah, hackoff.com is a Delaware company and we don't go there either," says Larry.

"What business is ... er ... what did you say the name of your company is?" It is not clear whether the chairman is too near-sighted to see the company name on Larry's badge or just doesn't want to stare.

"Hackoff.com. We provide security service to websites. I'm sure a lot of the same companies that buy Internet access from you guys are customers of ours for security. We protect them from hackers defacing their sites or, worse, stealing credit card information."

"Oh, yeah, I've heard of you guys," says the CEO. "Don't you have huge market cap and almost no assets?"

"Our assets are our intellectual property and the shares we own in many of our customers." Larry is almost growling.

"No harm meant," says the CEO cheerfully. "I meant that as a compliment. I have heard of your business model including the pyramid ... er ownership stake you have in your customers. It's brilliant. Congratulations. Fighting off hackers isn't easy, either. Glad someone is doing it before they ruin the Internet."

"Thanks," says Larry, apparently mollified.

There is a conversational lull.

"I have another question," says Louise.

"Fire away," asks the chairman, looking back up from Louise's chest to her face.

"What's a 'swap'? I read about them in the Wall Street Journal and I couldn't help overhearing you gentleman talking about them earlier."

"That's an easy one," says the CEO, also looking up. "We swap capacity on each other's networks. That gives us both a presence in a place where we might not have built out and lets us turn our building expense into income. We both have a lot of extra capacity because of the way we build so we can do a lot of swaps."

"Why does the way you build give you over-capacity?" asks Larry. "Why don't you build just what you need for the near future?"

"When you're laying fiber, most of the expense is in the actual digging or laying of an undersea conduit. There is no significant extra expense in filling that conduit up with fiber, especially if we don't light it. So that's what we do. We are probably putting in from twenty to fifty times as much capacity as we need right now. But, with the Internet doubling every three months or whatever it is, that'll all be a good investment. But, of course, Wall Street is very impatient..."

"I've noticed," says Larry.

"So we need to get some income now from the extra capacity we're putting in to feed the quarterly earnings and growth monster. Swaps help us do that."

"How?"

"When we swap capacity, each of us is actually selling something to the other. We're selling the right to use capacity forever or at least for twenty years, which is the same thing. So we're entitled to book a sale at the time we make a deal. The cost of the construction, of course, is written off over twenty years, so there's a healthy profit for both of us in the quarter the sale is made."

"Sounds good," says Larry. "Is that legal? I mean..."

"Our accountants have examined these deals thoroughly and blessed them," says the chairman. "In fact, don't you book a sale in the value of the equity you pick up when you sell a license on a non-cash basis?"

"Good point," says Larry.

On the way out, Larry checks the closing price of hackoff stock. 155 1/4! A new all time high! It has traded as high as 157 during the day.

"So that's how it works," says Larry to Louise as they walk back to their hotel. "I always heard of swaps but never really knew what they were."

"It takes a woman to ask a question," says Louise.

"Right," says Larry. "The question about Bermuda was pretty dumb but the question about swaps was a good one."

"The question about Bermuda was just to start a new conversation quickly after you offended the accountants," says Louise.

They hug each other.

The protestors have now taken to adding firecrackers to their snowballs. The soldiers are visibly more tense. They continuously reseat the Uzis on their shoulders and shuffle their feet; their gas mask noses shift back-and-forth. Again, the crowd is ordered to disperse but they shuffle towards the line of soldiers and increase the firecracker content of their snowballs.

The water cannon fires. The suddenly cooled mob retreats as it did on other nights. But this time the soldiers pursue. The crowd is stumbling, turning, falling, shouting. Flashes go off as pictures are taken for the world press. The soldiers follow in an orderly and disciplined way. When they overtake a fallen protestor, the protestor is firmly cuffed and passed back to the police for processing.

For the most part, only protestors who resist are treated roughly. Whenever a protestor is treated roughly, a camera flash is sure to follow. The conflict moves down the hill out of sight of Larry and Louise. The protestors will not be allowed back, not allowed anywhere in Davos for the rest of the conference.

“Fucking idiots,” says Larry, once back in the hotel room after the rout of the anti-globalization forces.

“That’s not a bad idea,” says Louise.

“What, protesting?” asks Larry.

“No, fucking,” says Louise.

The narrow twin beds are a problem. Larry wrestles the night table which separates them onto the couch. The headboards are attached to the wall but the beds aren’t attached to the headboards so they can be moved together. As Larry and Louise, now in their underwear, meet in the center of the enlarged playing field, the beds slide apart and they end up on the floor.

“Let’s try across the beds,” says Larry as he pushes them back together.

This arrangement works through oral preliminaries. They are both naked now; Larry’s dick is not quite as large as Hercules’ but almost as hard as the statue and has an anticipatory drop at its tip. Louise has a very dark and furry bush which also has drops of moisture on it.

Larry is on top of Louise now in a missionary position. He hooks his arms behind her knees and rolls her up so he can slide in even further. She responds — unwisely, as it turns out. The beds again separate and Louise’ butt sinks into the new crevasse and away from thrusting Larry.

He pushes the beds further apart and follows her to the floor as they separate completely. Even banging his head on the side of one of the beds doesn’t stop him from reentering her. Nor is Louise, who normally doesn’t like dirty carpets, put off by their new location.

Afterwards, they agree that this is some of the best sex that they’ve had in a long time (not that their sex isn’t usually pretty good). Affectionately, they try lying together in one of the beds, but, eventually are forced to separate to sleep.

On Saturday afternoon, Bill Clinton speaks. Tickets to the Great Hall are almost impossible to get, but there are a sufficient number of listening rooms furnished with headsets which translate to many languages and wide screen television views of the podium. Larry and Louise are in one of these.

There is a delay. Apparently the American Secret Service has become alarmed and want everybody out of the hall so that they can go through and look for bombs. They have both dogs and electronic noses ready. But they can't empty the room because of the crush of people trying to come in. There is a dissatisfied mutter about the arrogance of the Americans who are not satisfied with security arrangements, which were, after all, good enough for everyone else.

The Secret Service compromises on just clearing the first five rows since these will be closest to the President. This is doable but means that the VIPs who have these rows will have to be shuffled out, so more offense is taken. To make matters worse, once the Secret Service and its hounds have finished, the relative plebeians flock into the seats meant for the patricians. It takes most of the staff and tact of the WEF to sort this out.

Finally, it's time for Herr Klaus to introduce the President. "You graduated from Yale University. You were a Rhoades Scholar who studied in London," he says to the President. "You were Attorney General and then Governor of the State of Arkansas. In 1992 you were elected to be President of the United States of America; and, in 1996, you were re-elected. You have pursued a strong domestic agenda and you are well-known and well-liked in the capitals of the world. You have been a strong voice for negotiated settlements to the world's problems.

"President William Jefferson Clinton, it gives me great pleasure to introduce you here at World Economic Forum 2000 in Davos, Switzerland. The delegates look forward to your remarks."

Clinton beams. He likes the audience and the audience likes him. He jokes about the security and he is forgiven for it. He speaks nonspecifically but sincerely about a "shared vision". The audience shares this non-specific vision. When this likeable man speaks, it does seem that differences will disappear, that prosperity will overcome despair, that the darkest, coldest corners of the world will be lit and warm — that, indeed, the spirit of Davos, the vision of Davos, the inclusiveness and well-meaningness of Davos, can and will become the spirit of a happier world.

"He was good," says Louise afterwards.

"He didn't say a fucking thing," says Larry.

"He doesn't have to," says Louise.

Saturday night is the big night at Davos; on this night a tux or equivalent national dress is suggested. The main hall at the Congress Center has been transformed into a huge nightclub with small tables in front of a large stage. Counters of food line the edges of the room with ample small bars between them. Larry and Louise have come early and take a table near the stage.

Simon Peres, his wife, and another couple take the table in front of them. Peres nods to Larry and Louise but it is not clear whether he recognizes Larry from the meeting or is just friendly.

There is much table-hopping. The Peres table is visited first by the new King of Jordan and his wife. The women are on cheek-kissing terms. The men shake hands warmly. The Jordanian royalty chats with the Israelis for ten minutes or so before moving on. Various delegates in national garbs stop by to pay their respects to the Pereses; a good percentage of them are in Arab robes. Peace seems possible at Davos.

The premier act of the night's entertainment is a group of 200 gypsies playing violins. They fill the huge hall with rich sounds alternating between joy and sorrow. The country-less violinists are a hit with the delegates, all of whom have countries of their own at the moment.

After the nightclub dinner and show, there are national parties to discover throughout the Congress Center. Sometime during the entertainment, Larry's new friend Chaim Roslov has joined them at their table with his wife Devorah. Larry and Louise and Chaim and Devorah go first to Mauritius for a party. It is in and around a huge pool, perhaps used as a swimming pool at other times, in a building which connects through a huge walkable (and warm) hose to the Congress Center. The awesome Mauritian band is on a platform in the middle of the pool as isolated as Mauritius itself is in the middle of the Indian Ocean. It's not clear how they got there or how they'll get back. They can't and don't take breaks.

At one end of the pool is food, which is presumably Mauritian. There are large variety of vegetarian dishes ranging from mild to extremely spicy; these are the contributions of the island nations' mainly Hindu population. There are also a variety of the spicy pork and goat dishes favored by the minority Creole population. Most confections have a coconut base.

At the other end of the pool is a dais where some Mauritians give speeches. They are very glad to have the delegates visit their party and hope that they soon will visit Mauritius. They will find it is a country that realizes its future is within and not isolated from the world economy. To that end, the Prime Minister has begun a program of legal reform to create the required transparency and to assure that contracts are respected. Protectionism is as dead in Mauritius as the dodo which once thrived there.

It would be helpful if the developed world would remove punitive tariffs on the agricultural and manufactured products of Mauritius and would stop unfair subsidies to domestic sugar growers. That is, the world should notice, all that Mauritius is asking in addition to some reasonable forbearance of debt contracted by previous profligate regimes. Mauritius is not asking for foreign aid. The new loans it seeks are economically sound and can be amply repaid. Even the old loans can be repaid if only those unfortunate and unproductive tariff barriers were just to be removed.

The Mauritians are good hosts who speak briefly and smile often. The band plays very danceable Reggae, and the delegates and their spouses dance standard American dances on platforms erected on the sides of the pool.

Magdala is there with her “significant other”, a tall thin Swiss of about thirty with a German accent. He is a consultant and dances well. Chaim and Larry each dance a couple of times with Magdala and each other’s wives while Magdala’s significant other makes sure no trailing spouse is left a wall flower. Chaim has a brief conversation with Magdala and the significant other in German.

Next to the food tables there is a bar. A very potent punch, which may or may not be indigenous to Mauritius, is served there, as well as a standard selection of bar wines, beers, and hard liquors. It is not clear what the scion of an Argentinean steel company was drinking before he fell off the dance floor and into the pool. No matter; he is quickly and efficiently hauled out by a combination of wait staff and quickly-appearing security forces. The dancers stop to cheer as he is helped wetly away. The puddles behind him are immediately mopped.

Chaim exchanges a few words of Hindi with some of the hosts.

The US party features blues from Chicago sung by a very sexy black woman who is an expatriate Chicagoan, but usually to be heard in Europe and sometimes Japan. The room is dark, partly illuminated in ultraviolet, and with creative neon outlines of jazz instruments on the walls. Either there is no speaker at the US party or the Lazards and their new friends the Roslovs arrived too late to hear them. These blues are not meant to be danced to, although some people try.

Chaim and the singer speak Italian for a few minutes.

The Russian party is renowned for its vodka and caviar — especially the caviar. The Lazards and Roslovs first heard rumors of the Russian caviar while still in Mauritius. In Chicago, between blues numbers, they speak to people who have actually been there and seen and eaten the mountains of tiny eggs. But no one can describe exactly how to get to the Russian party. Undeterred, the Lazards and Roslovs set out to find the land of vodka and caviar.

In one of the many sublevels of the Congress Center, they follow music hopefully into a loud room. Wrong country: it’s France. But it would be rude to tear yourself out of the grip of the buxom French farm women with plunging *décolletage* who pull you into the room. The food here is mainly elaborately constructed pastry. Champagne bubbles from a replica of the fountains of Versailles. A chamber trio plays baroque music in a corner.

Now, unfortunately, there will be a short speech. It is in French, which Larry understands not at all, and Louise only a little. However, Chaim translates concurrently: France is very much in favor of economic globalization. After all, the French invented international trade. However, there is a danger in globalization. This danger is cultural. One country in particular has imposed its culture on much of the world to the detriment of other cultures everywhere.

“Yeah, we make everyone wear fucking jeans...” says Larry a little too loudly. He is hushed by Louise and some of the people around them.

The speech goes on to regret that the benefits of the Internet — an outgrowth, one might say, of *minitel*, which was invented, of course, in France — these benefits are denied to much of the world because so much of the

Internet is in English. In fact, the Internet, which ought to be international is fast becoming a mechanism for dangerous cultural imperialism. It is to be hoped that the delegates gathered here in Davos can work together to stem these unhealthy excesses of globalization and restore balance to international culture and...

"Anyone know where the Russian party is?" asks Larry rather loudly and very rudely of his neighbors. They either don't know, don't speak English, or don't care to answer.

Chaim engages one of the security guards in a conversation in an unidentified language. He swears he has obtained the true location of Russia. To get there one must go up one staircase and down another; one must also go east in one hallway and west in another. There are various detours north and south and a final half story descent into a hallway at the end of which is, sure enough, the fabled land of vodka and caviar.

The mountains of caviar have suffered the ravages of time and appetite. You can deduce their former scale by the diameter of the plates the crumbled hills and scraps still sit on. Cracker crumbs have been ground into the floor and pasted down by squashed eggs. There are no longer crackers on tables with caviar nor is there caviar on tables with crackers. Condiments, in general, are available only on tables with neither crackers nor caviar. The persistent can still find more or less clean plates, load them with crackers from here, add caviar from there and find condiments somewhere else. This is what Larry and Louise and Chaim and Devorah do.

Here, as in France, breasts push up from low-cut peasant blouses. The Volga boatwomen are better-endowed and certainly more friendly than their French counterparts. Ignoring the women and the caviar, but drinking vodka freely and usually neat, there are multi-national clusters of over-dressed men.

"What do you think they're talking about? Basketball?" asks Larry looking at an almost seven-foot Cossack in a black suit talking to an over seven-foot Chinese in a yellow suit. "I don't understand Russian."

"Actually," answers Chaim, "they are speaking Mandarin and they are discussing oil in large quantities which does not pay taxes."

"Really?" asks Louise. "Are people allowed to do business at the World Economic Forum? I haven't seen or heard anyone else doing that."

"Russians make their own rules," says Chaim. "They are new to Davos as capitalists and they are enjoying themselves. But they still can bang their shoes on the table if they want to. Over there, for example, there is a Chechen discussing 'precious weapons' with a Kuwaiti." He is looking at a very small man in electric blue talking to an equally small man in Arab robes.

"Shouldn't we tell someone?" asks Louise. "I mean that can't be good, especially if precious means what I think it means."

"Actually, I believe that the Kuwaiti works either for the CIA or Mossad so he is on the way to finding this source."

"How could you possibly know that?" asks Larry. "If the Chechen doesn't know who he's talking to, how would you know?"

"I have sources, my friend," says Chaim. "Didn't I find Russia for us?"

By 3:00 AM the countries are a blur. Most of the food is gone, although there is apparently no end to the liquor or the music. Larry and Louise head unsteadily down the hill to Sunset Reising. It is bitter cold and a wind is blowing seriously. A few lights on the mountain sides illuminate huge swirls of blowing snow across and around the avalanche fences.

The water cannon and its accompanying troops are gone. There is no sign of protestors. Globalization is apparently safe for the time being, at least in Davos.

No formal sessions are scheduled for Sunday. The delegates are encouraged to take advantage of the excellent downhill and cross-country skiing. Larry and Louise wake late and hung-over. One look at the still blowing snow outside the window convinces them to pull down the shades and go back to sleep, despite being in one of the world's premier ski resorts.

Sunday evening Larry has his meeting with the Palestinian, Mahmud Assan. They meet in the small bar in the lobby of the Sunset Reising. Mahmud is in Western clothes — a well-tailored brown jacket and an open shirt. His slacks are pressed and his black shoes shined to a high gloss.

"I'm pleased — very pleased — to meet you, Mr. Lazard," he says.

"Please, call me Larry."

"You should likewise call me Mahmud."

They discuss the sessions they've been to. Larry describes the pleasure of hearing from the world's foremost expert in mushrooms — a man who discovered and cataloged over 100 species himself — about a strange phenomenon. Species seem to have evolved in pairs, one of each pair is poisonous and the other isn't. It is not clear whether the poison varieties mimic the harmless ones as they evolve or *vice versa* or whether there is yet another explanation for this pairing.

Mahmud was interested especially in efforts which are being made to eliminate patent barriers to the manufacture of needed drugs in the third world. Brazil has been especially successful in this regard, particularly with the antiviral drugs necessary to fight AIDS. The problem is that these drugs do have a way of finding their way back to first world markets much to the discomfort of the major drug manufacturers.

"I understand you are prepared to invest in Palestine," says Mahmud.

"I understand that there is an opportunity for my friend Chaim and I to invest in Jenin and help create jobs there," says Larry.

"There is no opportunity for Israeli investment in Jenin," says Mahmud flatly.

"But I thought..."

"Mr. Larry Lazard — Larry — you must understand that my people want no investment from the Israelis who have stolen their homes and treated them without respect or mercy. This cannot be. The Zionists and the Palestinians are enemies and that will not change, not so long as Israel occupies our land."

"My meeting with you was set up by Israelis. It wouldn't have happened otherwise. I never heard of the initiative to create jobs in the Palestinian

territories until I went to a meeting with Israelis. They are the ones who want to help. They recruited me.”

“We do not want the help of the Jews. We...”

“I’m a Jew,” says Larry. He has rarely said that.

“That is why you must deal through me if you want to help,” says Mahmud.

“That’s outrageous,” says Larry. “I’m here to help and you’re insulting me and my friends.”

“If you don’t mind my saying so, Larry Lazard, you are naïve in these matters. I know you have been a great success in your own country and I know that you have the highest of motives. The Palestinian Authority cannot accept help from Jews. I want you to be able to help my people and I can make that possible despite the centuries of hatred and injustice which stand in our way.”

“Meaning what?” asks Larry.

“You can help but you must help through me.”

“Very kind of you.” Larry is visibly angry. “You mean the Palestinian people can have jobs but they can’t know who hired them. They can have jobs that my Israeli friends and I create but they have to be able to go on hating us; they can’t ever find out that we’ve helped them? Even if I wanted to — and I don’t — how could I outsource programming to people that we can’t talk to and who don’t know we exist?”

“That’s my role,” says Mahmud. “I will represent you to them and I will represent them to you. They will know, of course, that the programming will be used in the United States of America but they will not know the association with Zionists. They will not know of you and certainly not know of your friend Chaim. If they knew, they would not accept the work.”

“That’s outrageous,” Larry repeats. “I’m not going to hide so I can help.”

“I think,” says Mahmud calmly, “that your friends who put you in touch with me will be disappointed to hear that you only want to help in order to get credit for helping, and will not help if you cannot have the credit. That...”

“That is not the point,” says Larry. “The point is not that I get credit. The point is that the people know that they got help from people they’ve spent their whole life hating. This is the way to break the cycle of hatred and violence.”

“I’m afraid you do not understand how deeply this hatred runs. The people will not believe that those who have treated them so badly are now treating them well. They cannot accept gifts from their oppressors. They will not accept gifts from their oppressors.”

“Then what is the point?” asks Larry.

“The point is,” Mahmud explains, “that these people have no hope because they have no jobs. If your help — your anonymous help, help given through me and the Palestinian Authority — if this help gives them jobs, then they will have a reason to hope. Then they will have a reason to avoid the violence which is born of despair. Then, if the Israelis stop their violence, then maybe there can be peace, God willing. I don’t know what your friends told you, but I know they know these truths. That is why your friend Chaim has not come with you to see me. I do not believe they want ‘credit’; they know this is

impossible. I believe they want to create jobs so that young unemployed men do not continue to become martyrs against those who have stolen our land."

"Suppose I were willing to do this. Suppose I am willing to create these jobs without ever having the people who benefit know who helped them, how would that work?"

"Well, Larry Lazard, that is my role. I will put you in touch with a company in the United States for which my brother works. You will deal mainly with him and, through me and the Palestinian Authority, the jobs will be created and the work will be done. Your mission will be, as you Americans say, 'accomplished'."

"I don't like this but I will think about it," says Larry. "On practical terms, I'm not at all sure the programming can be done correctly if there is not direct communication between the development people at hackoff and the programmers. Moreover, I don't like leaving the programmers taking Jewish money and hating Jews."

"Is it not better than to have them killing Jews?"

"They kill themselves, too."

"They are happy to die. They know that Allah will reward them in the afterlife. But the question is do you want to help? Do you want to create these jobs? Do you want to help end the killing? And, of course, you will get this work done more cheaply than you would anywhere else. More cheaply than in India, certainly more cheaply than in the United States."

"I'll think about it," says Larry already thinking. "Perhaps we will find a way to do it."

"There will be certain expenses in advance," says Mahmud.

"What?"

"The jobs cannot be established until certain people have been satisfied that this is a good idea. There will be expenses associated with that."

"What do you mean?" asks Larry naively. "Are you talking about lobbying? Public relations? What is this?"

"You might call it lobbying," says Mahmud. "In the United States I believe you give 'campaign contributions'. Here there are also people who must be satisfied before things are able to happen. I will have to distribute 'campaign contributions' in order to have the support we need for this very risky business. I must have the money for these 'campaign contributions' in advance."

"You're asking me for a fucking bribe," says Larry, his eyes first wide in disbelief than narrowing in anger. "You're telling me I have to pay bribes to you and your fucking friends so I can have the privilege of creating jobs that you take credit for so that they can go on hating me and all other Jews. Fuck you. Get out of here." Larry is on his feet.

"It is how things are done," says Mahmud. "And you are being insulting. That will not get things done. That is not good."

"Which part of 'get out of here' didn't you understand? Is there a way to say 'fuck you' in Arabic? Do you understand that?"

The manager of the Sunset Reising hears the rising volume and anger and moves slowly from behind the desk in the back room to where Larry and

Mahmud are. However, he first pushes the security button under the desk; he has been told that it connects directly to the army security forces and that they will arrive within minutes.

“*Mein Herren...*” says the manager. “Gentlemen, is there a problem?”

“No problem,” says Mahmud.

“No problem,” says Larry.

“There is *keine* problem,” explains the manager to the troops with Uzis who suddenly fill the lobby. “I made a mistake. *Danken Sie; danken Sie, bitte.* No problem.”

“You have made a mistake,” says Mahmud to Larry as he leaves.

#

“You have made a mistake,” says Chaim to Larry.

It is the last afternoon of Davos 2000. The Rostovs and Lazards have ridden a funicular railway from the street to a restaurant hanging from the side of the hill and are now at a table on a snowy field. The wind has stopped; the sun is warm. The new snow is eye-hurting bright. There are bottles of fine wine on tables and in snow banks. Food is available from many countries, but Swiss food predominates.

In case the delegates might still be chilled, they have thoughtfully been given small metallic flasks full of brandy. The flasks say, of course:

World Economic Forum  
Committed to Improving  
The State of the World

“He is a Palestinian, of course,” says Chaim. “The Palestinian Authority is perhaps the most corrupt organization on Earth. It has fattened on money from European liberals and bribes from every administration in the US. So it is not surprising that bribes must be paid.”

“And all this bullshit about not letting the people know that the idea to help them came from Israel or that you and I are doing it? That’s alright, too?” asks Larry.

“I did not say it is right, but it is how things are,” says Chaim.

“What about Peres and King Abdu’llah sitting down together? Why can they do that?” asks Larry. “What about all this incurable hatred?

“One: that was in private. It was at Davos and this is acknowledged neutral ground. Two: the Jordanians and the Israelis are friends. The Hashemite kings have no more use for the Palestinians than we do. In fact, Yasser Arafat was thrown out of Jordan even before we drove him from Lebanon. The Jordanians were in danger from their Palestinian population with its high birth rate and Fayadin attacks on Israel. Jordan was glad to lose the West Bank and all the Palestinians in it to Israel in the Yom Kippur War.”

"Thanks for this history lesson," says Larry, "but it still sucks and I'm not gonna do it."

"Peace is hard work'. Simon Peres said that in his closing speech," says Louise.

"Your father hated Peres," says Larry to Louise. "Thought he was a 'pinko commie peacenik' or whatever the Israeli equivalent is. Maybe Likud is right. Perhaps there is no way but force. These don't seem to me like people you can do business with."

"My father hated you," says Louise to Larry.

"Different reason," says Larry, grinning, "maybe he was right about Peres."

"There may be another chance," says Chaim. "Your President Bill Clinton will try very hard to bring Barak and Arafat together. It is to be his legacy and the US can lean very hard. Perhaps this will work. And perhaps you should think again about helping, although I do not blame you if you do not."

"I will think again because you ask me to. And because it is so fucking beautiful up here at the top of the world." Larry hugs Chaim and Louise to him.

"I am glad you are thinking, Larry Lazard," says Mahmud, who materializes beside Larry on the line to go down the funicular. He is gone before Larry can reply.

As they board the car, the sun has ducked behind the peak of an alp and it is suddenly dark and chill.

"Don't forget the camel, Larry," says Louise.

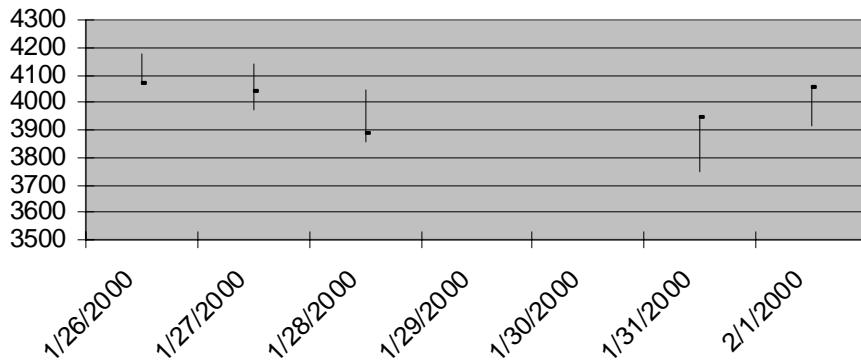
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