

## The Moat, the Millions, And the \$50 Timex Watch

From Lex Luthor to F. Scott Fitzgerald, pop culture had always taught me that rich guys were total jerks. Then my little brother made a fortune.

By ERIC SPITZNAGEL

For the last five years, my brother and his family lived in a house with a moat. The house — a five-bedroom French villa in Bel-Air previously owned by Jennifer Lopez and, before that, Zsa Zsa Gabor — is pretty impressive even without the moat, but that unnecessary protective trench gives the house a certain surreal charm. It's nice to know that when you visit your family for the holidays, you don't have to worry about Spanish conquistadors.

When I tell people about my brother's moat house, they usually ask, "Is he rich or something?" When I admit that he is, their next

Street Journal about the "rising tide of hatred" against the superrich, comparing his supposed oppression to the *Kristallnacht*. Gregory N. Mankiw, a former economic adviser to President George W. Bush, wrote an op-ed article in which he explained that chief executives deserve to be paid more than the rest of us because they take bigger risks.

But for me, the real influence was pop culture, which I grew up consuming ravenously. It was filled with reminders that the superwealthy are unfailingly jerks — Lex Luthor, Jabba the Hut, the rich-kids camp in "Meatballs." For every Richie Rich fantasy or pleasantly paternal Daddy Warbucks, there was

Austrian Investing in a Distorted World," which I'm told is very good. I own a copy, and I've tried to read it several times. But given my limited grasp of all things financial, it might as well be written in Sumerian.

I asked him once what he does, and here's how he explained it. "I exploit the distortions of our interventionist monetary policy as they manifest themselves in the financial markets. I do this specifically using very asymmetric payoffs of derivatives." Make sense? If it does, then you're probably rich, too.

Either way, when the stock market crashed in 2008, Mark made a fortune. His company now has assets in the multibillion-dollar range. How



question is, "So you guys probably don't get along anymore, right?" Which is a weird thing to assume, especially the "anymore" part. It's as if the moment my brother's bank account added a few extra zeros (O.K., a lot of extra zeros), he morphed into Monty Burns from "The Simpsons."

I can't blame them. For most of my life, everything I believed about very rich people came from F. Scott Fitzgerald. "They are different from you and me," he wrote in the 1925 short story "Rich Boy." Despite not knowing any rich people personally, that seemed about right. My family, on both my mother's and father's sides, have historically been middle class, usually on the lower end. We buy our cars used, find our clothes at outlet malls and aren't afraid of eating meat "priced for quick sale." How could I disagree with Fitzgerald that rich people, with their lack of any discernible struggling, really did believe "deep in their hearts, that they are better than we are?"

The wealthy aren't helping their own case: Think of Mitt Romney on the 47 percent or when Tom Perkins complained to The Wall

a sneering J.R. Ewing or the Smaug of the Unassessably Wealthy, hoarding his stolen jewels and fending off hobbits. If you consumed enough media as a child and ever saw your parents get stressed out by bills, you hated the rich out of instinct.

Even science seems to agree that the rich are probably arrogant jerks. A study published in 2012 in The Proceedings of the National Academy of Sciences summed up our collective suspicions with its title alone: "Higher Social Class Predicts Increased Unethical Behavior."

**Mark wasn't born rich.** If he were, I would be rich, too. My younger brother (two years my junior) got that way because he's very good at making bad bets. He's what some people have called a "doomsday investor." He bets on market calamity, the financial disasters that nobody expects to happen. Every time you turn on the news and the stock market has taken another hit and the federal debt ceiling is on the verge of caving in, Mark just made another million. He published a book about his investing philosophy, "The Dao of Capital:

much of that is pure profit for him? I couldn't begin to tell you. We've never talked about it. There's just never an appropriate time to ask a family member, "No, seriously, how filthy rich are you?" I know that earlier in his career, everything he owned was something I could also own. But then at some point he bought the Bel-Air home, a 1920 Lake Michigan log house and compound (complete with Chris-Craft boat) and a 200-acre goat farm in Northport, Mich. (the town where we grew up). I make payments on a 2011 Honda CRV, rent a three-bedroom apartment on Chicago's north side and own up to six pairs of pants. My brother and I aren't just in different tax brackets; we're in different universes.

Even before he crossed over, Mark and I weren't exactly two halves of the same coin. He was a Republican by age 15 and ruined many family dinners with his Reaganite free-market propaganda rants. I was a Democrat who marched in his first war protest long before I was old enough to vote and threatened to join the Peace Corps just to anger our parents. Mark's interests included tai chi, the Chicago

Board of Trade and Gustav Mahler. I was into punk bands from the '80s, smoking weed and not having health insurance.

When he suddenly had more money than Bruce Wayne, it seemed as if we had even less to talk about. I still adore him, but our lives became fundamentally different. During the last election, I felt as if I was making a political statement with my Obama bumper sticker. Mark hosted a \$2,500-a-plate campaign fundraiser for Ron Paul at his house. Yes, the one with the moat.

**But something changed** last summer. I was in Los Angeles on business, and I spent the night at my brother's place. I had dinner with him and his family, and then we stayed up far too late drinking very (very) expensive Scotch. As we do every time we're together, we tried to reconnect, catching each other up on the recent happenings in our lives. He told me about an op-ed he wrote for *The Wall Street Journal* and talked about his favorite economists, like Ludwig von Mises and Frédéric Bastiat. I told him about how they opened a Trader Joe's in my neighborhood, and I'd already purchased a case of three-buck Chuck. Then he glanced at my wrist, and his eyes narrowed. "Where'd you get that watch?" he asked.

The watch is a Timex digital with a stainless-steel wristband and a battery that has been dead since at least 1996, worth about \$50 on eBay. He knew perfectly well where I got it.

"It's Dad's," I told him.

There was a tense silence, and then he asked "How much?"

It was a compelling question, especially coming from a guy with his net worth. I could have given him an outrageous figure, something with more digits than I've earned in my lifetime, and he might have said yes. But I wasn't about to make it that easy.

"It's not for sale," I said.

He took a slow sip of very (very) expensive Scotch, pondering his options. He didn't get to his financial position in life by giving up easily.

"I'll wrestle you for it," he finally offered.

I nodded. "You're on."

If you have a brother, nothing about this will seem unusual. This is how brothers interact. It's how all major and minor disagreements are settled. Or at least it is among brothers who are between the ages of 2 and 18. But Mark and I are in our 40s. And one of us has a private tai chi instructor on retainer. (Spoiler: It's not me.)

In 2002, Malcolm Gladwell wrote a *New Yorker* profile on Nassim Nicholas Taleb — Mark's one-time partner at the hedging firm Empirica Capital — that claimed Mark "exudes a certain laconic levelheadedness." I wonder if

## MY BROTHER AND I AREN'T JUST IN DIFFERENT TAX BRACKETS. WE'RE IN DIFFERENT UNIVERSES.

Gladwell would still agree with his assessment if he saw my brother and I wrestling across Mark's Bel-Air backyard at 2 a.m., sweaty and grunting, Mark howling, "Give me the watch, monkeyboy!"

Let me back up.

**Our father died** 15 years ago. It was unexpected, from an undiagnosed enlarged heart. Mark and I flew home for the funeral, and our mom, still in a grieving haze, insisted that we haul away whatever we wanted from his belongings. So we took everything we could grab — pens, clothes, business cards — clinging to the minutiae of his life.

At some point during the weekend, as we sat on the floor of his office, we wondered aloud what we intended to do with all this junk. We joked about dressing up a mannequin in Dad's clothes and then forcing our future children to treat it as a living, breathing grandparent.

"You march up those stairs this instant," we would bark at them, "and you sit on your dead grandfather's lap and tell him you love him. If I catch you sneaking out the window again, there's no Disneyland for you."

We laughed so hard at our ridiculous predictions. It made us feel somehow better about what we had lost.

We divvied up Dad's stuff, not really paying attention to who got what, and retreated back to our separate corners of the country — my brother to New York City, me to Los Angeles. That was the last time we talked about it. Until 15 years later, when Mark saw our dad's watch on my wrist and decided he had to have it.

He didn't get it from me. Our wrestling match ended in a draw. After a few minutes of huffing and groaning, we limped back to our seats to drink more Scotch. But we kept right on arguing about that watch and who had rightful ownership. It brought old memories flooding back. We talked about our dad and recalled stories from our childhood we hadn't thought

about in years. The watch became a reason to remind each other of what we had in common.

Something shifted in our relationship after that. Our lives, at least on paper, have grown further apart. This winter, Mark left Los Angeles, moving his hedge fund to Miami and his family to a mansion in Michigan. I've written magazine stories about Big Foot porn and doomsday shipbuilders. I will never make even a fraction of what my younger brother does. But I've never felt regret or misgivings that maybe I made the wrong career choice. "Do what makes you happy," our dad always told us. It just so happens that asking Mike Tyson what a human ear tastes like is what makes me happy.

My brother and I still taunt each other about whatever priceless Dad artifact we've just uncovered and are unwilling to part with. He called me just to announce that he was wearing Dad's penny loafers, which he assured me felt like sticking his feet in hummus, but would never be mine. I sent him a photo of the grandfather clock from Dad's office, which has no working hands, and a note that read "I will be buried with this."

When our families got together for Thanksgiving, I brought along our dad's childhood bear doll. The thing is 70 years old, and at least 40 of them were spent in a dank basement. It looks as if it has psoriasis, and it smells like old eggs. It should have been destroyed long ago, but it has value to us. Mark and I immediately launched into a fierce debate about who was promised the doll, and how many lawyers my brother is willing to hire to bring it back to its rightful home.

Our respective wives and children ignored us, eventually wandering off to bed, leaving Mark and me to argue into the night. Nobody won. Nobody ever wins. Winning isn't the point. When we play tug-of-war over our late father's possessions, it isn't about our dad at all. It's about us.

At 3 a.m., we were still at it. My brother had to be up in two hours to call a billionaire investor in China. I had to be up at noon to call Dan Aykroyd and ask about that time he might have had sexual relations with a ghost. But none of it mattered, because I had Mark in a chokehold, trying to keep him away from a moldy bear doll that probably had insects living in its belly.

"You're never getting this," I growled at him.

"Try and stop me," he said, before thrusting an elbow into my groin.

I'm sure F. Scott Fitzgerald really believed that the rich aren't like us. But he was wrong. In the middle of the night, when they're mourning the things you can't ever get back, fighting like hell to keep those memories alive, they're exactly like us. ♦