

CENTURION



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From the Editor

TIME IS THE GREAT EQUALIZER

No matter who you are, you have only 24 hours in a day. There's no way to save up or slow the minutes. Time is something that can only be spent.

It's with this thought in mind that we created CENTURION, which is not just the newly relaunched and rejiggered magazine for Centurion Members but also an entirely new kind of publication, geared toward those for whom time is the most precious investment.

These pages provide an easy way to access all that is one of a kind and one in a million (or, in the case of Tyler Cowen's story on the art bubble, "Did I Hear \$400 Million?"). If you didn't make it to India for the annual Jaipur Literature Festival, we take you to the brainfest in "Future Forecasting," a precautionary tale about using big data to drive business decisions. We go behind the scenes with the Hénokiens, a society of 200-plus-year-old family-run businesses, in Joshua Levine's "The Old Billionaires' Club" and to Silicon Valley in Peter Kafka's "Ashton Kutcher's Tech Takeover."

In The Bospokist, a section dedicated to made-to-measure one-upmanship, we had fun doing the legwork in figuring out how to build a world-class golf course in your backyard and tracking down the phone number for the classiest custom suit maker in Milan (not easy—he's un-Googleable).

As for taking time off, there's no one better in the business to tell you where to travel to now than Sophy Roberts, who points her compass toward the Solomon Sea in "The Last Boat to Paradise."

Enjoy the ride.

Jessica Flint

Jessica Flint
Editor

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What's It Worth?

A VALUATION OF PEOPLE, PLACES, AND THINGS NOW ON THE RADAR



SMART WATCH

At a time when the Apple Watch is the hottest trend in horology (nearly 1 million people ordered it the first day it was available), an artfully crafted hand-wound timepiece could seem superfluous. Yet a watch like the **Breguet Messidor Tourbillon**, which has 201 individual components at work beneath its skeleton display, is what really sets the tech standard. Paying tribute to the first tourbillon, patented by Abraham-Louis Breguet in 1801, the Messidor is a supreme example of watchmaking virtuosity. Sure, tourbillons may no longer be the height of accuracy, but true connoisseurs can appreciate the exacting mechanics that have kept this movement ticking for more than 200 years. With beauty and brains in equal measure, it's intelligent design in every sense. *From \$154,200; breguet.com.*

Photograph by **GRANT CORNETT**



DNA'S NEW EVOLUTION

The golden age of DNA science is upon us, and where medicine goes, spas follow. Luxury retreats, like **Canyon Ranch** (canyonranch.com) in Lenox, Massachusetts, and Tucson and the **St. Regis** in Abu Dhabi (dnahealthcorp.com), claim that genes should dictate diet, exercise, and relaxation therapies. Treatment packages with names like DNA 4 Life or Nutrigenomics include screenings and consultations to deliver a gene-tailored wellness plan. But can a spit test really improve a facial or circuit training? "There is great potential," says health guru Dr. Andrew Weil of personal DNA analysis. "For example: Who should exercise more vigorously, who less?" Genetic tests reveal heritable diseases, but at the spa, on the wellness level, the information "doesn't come as a real surprise—you know yourself, your family," says Craig Barnard, founder of St. Lucia's **BodyHoliday** resort (thebodyholiday.com). Your genetic code can tweak the margins, but you still have to work out, eat right, and relax.



MONEY AS ART

The first rule of finance is that it takes money to make money. Artist **Dustin Yellin** put that proposition to the ultimate test in New York earlier this year when, along with the collective Bazaar Teens, he put \$10,000 from an anonymous donor into a wood chipper and arranged the pieces onto eight canvases. Each sold for \$10,000, and proceeds went to arts education. The series, *The Riches of God's Love Unto the Vessels of Mercy*, is part commentary on the commodification of art and part Christian allegory—feeding the multitude not with seven loaves but with a wad of cash. Yellin, the founder of art-and-innovation nonprofit Pioneer Works, says reactions to the project ran the gamut from amusement to outrage over its perceived wastefulness. In response, he cites the series' 800 percent return: "Investors are trying to get 3 or 4 percent, so f--- it!" dustinyellin.com



REAL ESTATE'S NEXT FRONTIER

Netherlands-based company Dutch Docklands builds private islands anywhere in the world a client wants one.

Dutch Docklands' sales pitch is short but sweet: "We build your own island, completely catered to your own needs," says Frank Behrens, the company's executive vice president. If it sounds too good to be true, it isn't. "Our company is from the Netherlands," he says. "We've been fighting the water for years. We've developed state-of-the-art methods to transform living on the water as opposed to fixed land." Indeed, if you dream it up, Dutch Docklands will build it, anywhere on the globe you want it, as part of its **Amillarah Private Islands** project. The islands' foundations are made from concrete and an unsinkable polystyrene foam, on which can sit a mansion, two houses, you name it. The buoyant patches of land are built off-site and then popped into the water and attached to a lake or sea bottom with only strong cables or pillars so there's minimum impact on the environment. Right now, Dutch Docklands picks positions near big cities on lakes and bays where the water is privately owned. It currently has projects in Dubai and the Maldives and also in Miami, where the company bought the 75-acre Maule Lake, south ofventura, and is in the process of getting permits to build 29 7,000-square-foot islands that it plans on selling for \$50 million each. "Clients can say, 'I want to have my island designed by a famous architect with a famous interior designer,' and we can offer that," Behrens says. "You can have your own kingdom designed to your wishes. Options are endless." dutchdocklands.com

FROM LEFT: BAZAARTEENS; WATERSTUDIOS. ILLUSTRATION BY VI LUONG



THE BEYONCÉ CASE STUDY

The social effect of a mega-celebrity becoming a Harvard Business School subject.

When Beyoncé dropped her self-titled album in 2013—without warning—the Internet collectively lost its mind. So this past school year, when Anita Elberse, one of Harvard Business School's youngest-ever tenured professors (at 38), and her former student Stacie Smith published "Beyoncé," a case study on the record launch, the report spawned hundreds of think pieces ("Business Professors Finally Get Serious About Studying Beyoncé," Bloomberg) and even a *Cosmopolitan* list-icle ("6 Things You Never Knew About Beyoncé's Surprise Album Release"). A Harvard rep says that case studies are meant only for educational purposes so the school didn't measure Beyoncé's impact on applications, but the report still got 131,000 Google hits—including 700 news articles—while Facebook shares and Twitter retweets climbed to the thousands. (A *Vogue* Facebook post about the study attracted close to 3,200 likes.) For comparison, a case study on Ikea, released soon after the Beyoncé one, generated no news. All the proof we need that whenever Beyoncé is involved, it's a smash hit. *The "Beyoncé" case study can be bought for a whole \$9 at hbs.edu.*

BOTTOM RIGHT: GRANT CORNETT. PROP STYLING BY ARIANA SALVATO AT APOSTROPHE. ILLUSTRATIONS. FROM LEFT: VI LUONG; JOHN LAMM

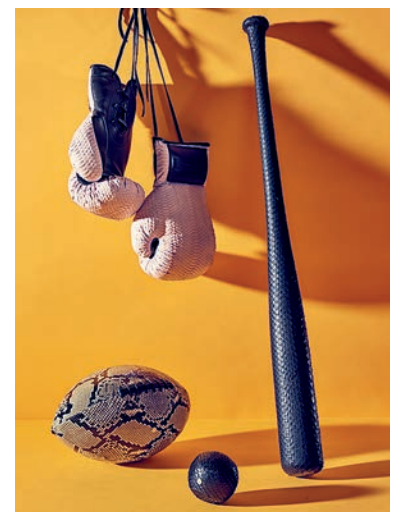


INVESTMENT-VEHICLE UPDATE

The new **Hagerty Market Rating** tool tracks the strength of the collector-car market by using an algorithm that incorporates eight main categories, including not only public-auction results but also, most important, elusive private-sales figures. A rating from 1 to 100 is assessed: 35 or less is considered deflationary; 40 to 50 is flat; 60 to 75 is peak-performance; and above 75 is overheated. As of this writing, Hagerty's rating is 71.81, indicating a healthy, expanding market. hagerty.com

OBJET D'SPORT

The term "luxury sporting goods" brings to mind Louis Vuitton tennis rackets and Pucci ski suits. Designer **Elisabeth Weinstock**, however, has upped the extravagance quotient, rendering standard-issue sports gear in exotic skins, like a handmade football in anaconda or a baseball and bat in boa. Weinstock prides herself on her infinite custom offerings, meaning you can get your pilskin in any shade of snakeskin. (Rihanna recently commissioned a pair of boxing gloves in electric yellow, and an injured Usher ordered crutches and a surgical boot in gold-dipped snake.) Though the pieces are meant strictly for show, we quite like the idea of taking the high/low juxtaposition to the park. Practical? Perhaps not. Luxurious? Most definitely. *Boxing gloves, \$1,350; bat, \$850; baseball, \$575; and football, \$975; elisabethweinstock.com.*





\$30 million

Her 2014 salary was higher than the total compensation of 23 of *Fortune*'s 25 highest-paid female CEOs, a list that includes Sheryl Sandberg.

28 million

Number of downloads of the Kim Kardashian: Hollywood app. It was the eighth-highest-grossing iPhone app of 2014, earning \$1.6 million in the first five days after its release. It now earns \$125,000 per day.



ICAN'T BELIEVE IT

Her salary was 17 times the salary of Apple's Tim Cook last year.



THE BUSINESS OF BEING KIM KARDASHIAN

When Kim Kardashian became part of popular vernacular in 2007 with the leak of her sex tape and the launch of her family's reality show, the socialite successfully pivoted her 15 minutes into countless business opportunities. Now, according to Celebrity Net Worth, Kardashian earns up to \$30 million a year and has a net worth of \$85 million from *Keeping Up With the Kardashians*, various sponsorship deals and endorsements, clothing, perfume and makeup lines, and appearance fees. And let's not forget those weddings.



KARDASHIAN AS A COUNTRY

HER NET WORTH IS MORE THAN **TWICE THE GDP OF TUVALU**, A POLYNESIAN ISLAND NATION WITH A POPULATION OF 10,000.

MORE LIKED THAN THE PRESIDENT

10 PERCENT: HER SHARE OF INSTAGRAM'S 300 MILLION ACTIVE USERS. BARACK OBAMA HAS 1 PERCENT.

PRIME-TIME DEATH MATCH

\$150k

The amount Kardashian makes per episode of *Keeping Up With the Kardashians*.

\$150k

The amount Kerry Washington earns per episode of *Scandal*.

BY THE HOUR

\$10,359

THE AMOUNT SHE AND NOW EX-HUSBAND KRIS HUMPHRIES EARNED PER HOUR DURING THEIR 72-DAY MARRIAGE.





\$1.54 MILLION

THE AMOUNT WARREN BUFFETT'S FORTUNE HAS INCREASED PER HOUR. SOMEONE WHO OUTEARNS HER!

“I'm a control freak. Sometimes I wish I had an assistant, but I can't delegate.”
—Ocean Drive

MEDIA MOGUL

Total compensation in 2014

-  Bob Iger \$51.4 MILLION
-  Leslie Moonves \$50.8 MILLION
-  Kim Kardashian \$30 MILLION
-  Rupert Murdoch \$29.5 MILLION
-  Reed Hastings \$14 MILLION

BUST OF KARDASHIAN: KAREN CALDICOTT; ICONS: JORDAN BONNEY; SOURCES: APPLE, BLOOMBERG, BUSINESS INSIDER, CELEBRITY NET WORTH, CNN MONEY, FORBES, FORTUNE, GLU MOBILE, INSTAGRAM, MYBANKTRACKER, NEW YORK MAGAZINE, NEW YORK POST, OK! MAGAZINE, THINK GAMING, NEW YORK TIMES, TV GUIDE, U.S. SECURITIES AND EXCHANGE COMMISSION, AND WORLD BANK

RIGHT: GRANT CORNETT. PROP STYLING BY ARIANA SALVATO AT APOSTROPHE. ILLUSTRATIONS BY VI LUONG



A QUICK CARDIO FIX

Climb to a better body in just 30 minutes. That's the vision behind **Rise Nation**, a new climbing-based fitness studio in Los Angeles. Founder Jason Walsh's hard-core cardio class uses the VersaClimber, the secret weapon that Walsh has relied on for years in his West Hollywood private gym to train the likes of Jessica Biel and Matt Damon. It's more effective than a treadmill or a bike. Pushing and pulling with the legs and arms, the body moves primitively, functionally, and upright for a half hour while conquering up to 4,000 steps—more than twice the height of the Empire State Building. Walsh says three sessions a week delivers full-body results. *Classes are \$26 each, or a private session with Walsh is \$250 an hour. At 613 N. La Cienega Blvd.; 424-343-0082; rise-nation.com.*



MORE CHOPPERS, MORE PROBLEMS

Last summer, 15,388 helicopters and fixed-wing planes operated out of East Hampton Airport on weekends. As a result, 22,468 aircraft-noise complaints were filed, the majority of which involved helicopters. This raises a very East End “can't have your cake and eat it, too” problem: Is it better to spend about \$3,000 and up to fly privately to the South Fork to avoid losing six hours of your life sitting in NY 27 traffic, or is the sound of silence priceless? East Hampton town officials, who recently took back the power to govern the airport (an authority formerly granted to the Federal Aviation Administration), think the latter: In April they imposed landing restrictions—no flights can take off between 11 P.M. and 7 A.M. (with even stricter rules for aircraft deemed “noisy”). Proposed legislation banning helicopters was not passed—yet, at least. The chopper situation is being monitored.



THE ENERGY HACK

Moon Juice's herbal powders and dusts are just what the tireless mogul ordered.

hit a point when I had pushed my life to the limit of what was humanly possible, but I wanted to be able to do more,” says Amanda Chantal Bacon, founder of Moon Juice, a Los Angeles apothecary of sorts that specializes in holistic juices, nut milks, tonics, and cleanses. “I think that’s the game every entrepreneur is in. It doesn’t matter how many green juices you’re drinking, how many supplements you’re taking—sometimes you need to bring in the big guns.” Enter Moon Juice’s new **Nourishment for the Mogul** collection, a mix of four proprietary powders—vanilla mushroom-plant protein, maca, mucuna pruriens, and “brain dust”—that, when blended with almond butter and water, Bacon claims can have myriad effects: raising energy levels, decreasing brain fog, increasing mental stamina, elevating moods, clearing up skin, even taking off stress-related weight. The resulting drink is not a meal replacement, rather it’s a systems-balancing pick-me-up. “There is a calm confidence that comes with drinking it,” Bacon says, “that doesn’t feel like you’re riding off a cup of coffee or a B₁₂ shot.” *The Nourishment for the Mogul package is \$140; moonjuiceshop.com.*

ANATOMY OF SPEED

The new **Bentley Mulsanne Speed** takes the company's reputation for luxury and performance to a new level.

Speaking with Bentley's director of design, Luc Donckerwolke, at this year's New York Auto Show, after having test-driven the Mulsanne Speed in Miami a few months earlier, we couldn't help but agree that this is a car for those who not only drive but are also driven. "You get up to 190 miles per hour in a car like this," said Donckerwolke. "It becomes the fastest living room you can imagine."



The Mulsanne Speed starts at \$335,600; bentleymotors.com.



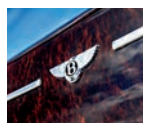
THE 6-LITER TWIN-TURBO V8 has been reengineered to deliver 811 ft.-lb. of torque and 13 percent more fuel efficiency. It can go from 0 to 60 mph in 4.8 seconds and offers a new sport-suspension mode.



ONE STEERING WHEEL takes five hours, 620 stitches, and 10 feet of thread to complete. Over 150 hours are spent hand-crafting the interior, which features 593 individual pieces of leather.



MASSAGING REAR SEATS are fully adjustable, heated, and ventilated. Eight-inch screens and electrically deployed iPad tables with keyboards let you tap into the onboard Wi-Fi.



THE WOOD for each car always comes from a single tree, and customers have used wood from trees on their own estates. Bespoke marquetry is available, limited only by the imagination of the buyer.



WHEN BRAKING IN PRÊT-À-PORTER JUST WILL NOT DO

Two heritage fashion houses have recently introduced made-to-order driving shoes: **Salvatore Ferragamo's MTO Driver** (from \$450; ferragamo.com), far left, now comes in more than 100 materials, ranging from ostrich to candor calf, while the **Gommino Club by Tod's** (from \$525; tods.com), left, is available in 15 shades of classic leather and suede.



STEINWAY'S SELF-TICKLING IVORIES

This spring, the 162-year-old manufacturer Steinway & Sons announced that it was releasing a new line of player pianos, which it's calling the **Spirio**. The idea of having the world's most prestigious pianos play themselves might sound dissonant (at least cognitively), like Ferraris going driverless or Thomas Keller launching an Automat franchise. For Darren Marshall, Steinway's chief marketing officer, the better analogy is with Apple, which didn't invent the MP3 player but perfected the technology and revolutionized the industry. "What Apple did with the iPod is bridge design with technology," says Marshall. "And that's exactly the same thing we're doing here."

"Too often when you think about player pianos," says Marshall, "you think about saloons in the Klondike." Mechanical pianos were once among the most popular ways of sharing music—the iPods of their day—until consumer radio displaced them in the '20s and the Great Depression dealt them a deathblow. It wasn't until very recently that digital technology was able to register and reproduce a pianist's touch and dynamics with the level of precision that Steinway deemed worthy of its instruments. Because the electromagnetic actuators that push the keys are hidden from view, the 100 fully playable Spirios being rolled out this year will be indistinguishable in look and sound from regular Steinways.

Once Steinway had perfected the technology, it had to build up the repertoire. Using complimentary iPads, Spirio owners will be able to scroll through a roster of more than 1,700 pianists playing a range of styles and even summon the ghosts of Glenn Gould or Rachmaninoff to their living rooms. (Several iconic recordings, such as Gould's rendition of the *Goldberg Variations*, were painstakingly retro-engineered.)

Marshall envisions further developments: "Over time, imagine Lang Lang at Carnegie Hall, you in your apartment in Dallas—wouldn't it be cool if the concert were simulcast from one Steinway to another?" The *Steinway Spirio Music Room Grand (Model B)* will sell for \$116,000, the *Medium Grand (Model M)* for \$84,000; steinway.com.

The Bespokist

A COMPENDIUM OF EVERYTHING ONE OF A KIND



YOUR MAN IN MILAN

Francesco Quaranta does custom tailoring with quintessential Neapolitan finesse—anytime, anywhere.

By Kareem Rashed

ACCESS

In a day and age when everyone has a website, Facebook page, and Twitter and Instagram accounts, Francesco Quaranta has no Internet presence. None. The only way to get on his client list is to know his number: 39-33/8625-7148.

A bespoke suit is a decadent investment. It can take three or more hour-long fittings, at least three months, and upwards of \$5,000 before a suit is ready to wear. For men whose days are busy enough without trekking to the tailor, Francesco Quaranta is the suit maker to know.

Though he's based in Milan, Quaranta exclusively makes house calls (and office, hotel, and yacht visits) to clients everywhere from Switzerland to Saudi Arabia, adapting to each individual's schedule as thoughtfully as he cuts each pattern. "My customer decides everything from fabrics, linings, buttons, to place and time," Quaranta says. The constant is Quaranta's distinctively Neapolitan nattiness—subtle details that give each garment an elegant ease.

Unlike a Hong Kong tailor who does fittings in a junior analyst's cubicle, Quaranta runs an intimate operation that doesn't sacrifice the old-school charm of traditional tailoring. He does all initial fittings, and two additional tailors hand-finish every piece in their own homes—a scale that allows Quaranta to produce fewer than 100 suits annually.

"He's the kind of tailor my grandfather would have had," says Max Bernardini, a Quaranta devotee and owner of Milanese watch emporium Bernardini Vintage Luxury (where Quaranta, pictured, was photographed).

Time efficiency may be a hallmark of Quaranta's work, but most clients are happy to have him stay and chat. Bernardini recalls, "More than once we've

been at my store with a couple of friends who are also his clients. We're all in our underwear with him taking our measurements, and we're looking at watches and having a drink. It's a boys' thing—a little moment you take to spoil yourself." ♦

A BACKYARD HOLE IN ONE

Wolf Point Ranch, outside of Houston, is more than a golf course with a clubhouse—it's one couple's private playground.

By Thomas Dunne

The best golf course in the state of Texas is so obscure that most golfers aren't even aware it exists. It's not part of a hill-country mega-resort, nor does it belong to an old-money country club in some tony Dallas suburb. It's in Port Lavaca, a small town of some 12,000 souls on the coast between Houston and Corpus Christi. Port Lavaca is a blue-collar community that draws much of its livelihood from the Gulf of Mexico through the fishing industry and from the shipping of aluminum and petrochemicals produced by the region's many plants and refineries. Civic boosters call it "Paradise on the Bay," but to be honest, it's not the prettiest place in the world.

A blink-and-you-miss-it sign on a dusty two-lane highway outside of town marks the front gate of Wolf Point Ranch. Nothing about the immediate surroundings suggests golf. As the winding dirt road proceeds into the interior, handsome cattle

appear, grazing around a parklike landscape dotted with live oaks and cottonwoods. A series of small bridges cross a deep, V-shaped barranca. Then the short grass appears—acres of close-cropped Bermuda revealing the wild contours of greens. By the time a golfing visitor arrives at the modest and contemporary one-room clubhouse, he or she should be dying to sprint to the first tee.

Wolf Point is as exclusive as a club can possibly be—it's the backyard playground of the ranch's owner, an executive in the aviation industry. He and his wife, who prefer to have their names withheld, do not hold corporate outings or offer the course to be ranked or rated by any golf magazine. The 6,500-yard 18-hole layout is the first solo design by Mike Nuzzo, a 46-year-old New Jersey native who left a career as an aerospace engineer (his specialty: designing giant antennae for telecommunications satellites) to pursue his passion for golf architecture.

Among avid golf travelers, it's common not so much to become jaded, but to reach a point where golf courses—even great ones—offer few surprises. Wolf Point shatters that complacency. It's what happens when a smart, talented outsider is given carte blanche on a design. "Our client didn't really know what he wanted," Nuzzo said. "He simply said that he wanted it to be fun and challenging but that he didn't want to waste his time looking for balls in tall grasses. And he wanted a home-field advantage, which I took to mean *interesting*."

Nuzzo's translation of these directives lends Wolf Point its defining features: ultrawide fairways and ultra-wild greens. These two concepts work hand in glove. Many golfers would drive themselves up the wall just trying to get their ball onto these topsy-turvy greens—and actually putting



on them is *interesting*, to put it mildly—but it's crucial to note that the course also offers an overwhelming amount of freedom to choose the point in the fairway from which one wants to approach. Wolf Point is like a puzzle: Each hole can be "unlocked" by many different combinations of shots, but based on the wind and the hole locations, the solution key will vary dramatically from day to day. The options multiply even further around the

ACCESS

The only way to play Wolf Point is to know the owner. But you can speak to course designer Mike Nuzzo about his architectural services by calling him at 713-467-2207. To see more of Nuzzo's work, go to mnuzzo.com.

greens, which are built from native soil instead of by the standardized USGA method. There are no abrupt edges telling the golfer what to do—the only difference between the putting surface and its surrounds is the height at which the grass is mowed, and even that difference is barely noticeable.

Standing on the first tee, the player scans a delightfully encouraging vista; there's an ocean of short grass as wide as a football field. The lake on the left can be completely

taken out of play, should one wish, but after a couple of attempts at bouncing the approach into a green that retreats on the diagonal, one begins to understand that the best way to make par is to flirt with the water—that side gains the best angle. On the brilliant par-four fifth, the drive must steer clear of the course's most intimidating bunker complex (nicknamed "Inferno"), while the second shot calls for savvy trajectory control, as the ball must carry enough steam to travel through a swale short of the green that's reminiscent of the Old Course's "Valley of Sin." Not *too* much steam, though—the barranca that wends its way through the property, influencing several holes along its course, lurks with the threat of a lost ball just beyond the putting surface.

This brings to mind Wolf Point's third key principle. It's easy to imagine one man's exclusive preserve as a lush and manicured spare-no-expense affair, but Wolf Point's philosophy is more of a throwback. The turf runs firm and fast, almost like a British links, and the ball is played along the ground as much as it is through the air. Credit for this belongs to Don Mahaffey, a superintendent and irrigation expert who served as a valuable sounding board for Nuzzo throughout the design and construction process and has stayed on to manage the course since its opening in 2007.

No matter how well-heeled it may be, any course with a membership of two has to operate at a sustainable cost. Fortunately Mahaffey is by nature an essentialist when it comes to maintenance. Eyes tend to glaze over when it comes to this subject, but he has a way of framing arguments for economy with terrific clarity. "If you hang out in greens committee meetings, you're going to hear about things that the

caretakers have to do that have zero to do with the actual playing of golf," he said. "Take Augusta National and the way they edge their bunkers. All the time they take to make that perfect, sharp, beautiful straight edge does nothing for the game of golf. That's 100 percent aesthetics. They could let that edge go shaggy and reduce how much money they spend taking care of it, and it wouldn't change the scores that people shoot one bit." Augusta can easily afford this practice, of course, but as perhaps the highest-profile, most widely imitated tour-

MANY GOLFERS WOULD DRIVE THEMSELVES UP THE WALL TRYING TO GET THEIR BALL ONTO THESE TOPSY-TURVY GREENS.

namment venue in the world, it can be argued that Augusta sets a standard of perfection that is unrealistic for most clubs to pursue.

For new designs, the amount spent in construction can have a dramatic impact on the course's future, and many high-end projects will spend \$3 million or more on their sprinkler systems in pursuit of perfection. This is folly to Mahaffey. As he explained it: "If you go from spacing sprinkler heads 65 feet to 75 feet apart, that looks like a 15 percent increase. But it's not a linear equation because the heads throw water in a circle—you really need at least 30 percent more heads

to cover that last 10-foot area. So take three steps in your living room and say to yourself, this is the difference between 'good' and 'bad.' It's absurd, because those three steps can cost \$750,000." At Wolf Point, where sprinkler heads are spaced at a (radical) distance of 85 feet, one can guess at the areas that aren't being regularly covered by the spray...and they're beautiful. Surveying the greensward from a distance, the eye takes in various hues of greens and browns, even a spectral purple, all melting into one another, and the vista isn't marred on the margins by monochromatic irrigated rough.

While Mahaffey recently collaborated with Tom Doak on an irrigation system for his highly regarded Red Course at Nebraska's Dismal River Golf Club, any visitor to Wolf Point is bound to come away baffled that Nuzzo has yet to receive a major commission since its debut. The design is just that good and just that original. Perhaps this is the drawback to having a personal course as your portfolio leader, but Nuzzo is currently exploring new projects in West Texas and Tasmania. He's bound to be heard from again soon. And while only a very fortunate few may get to see Wolf Point, the lessons it offers can be applied to plenty of courses—existing ones and new projects alike. Perhaps the most significant one is that it's not about how a golf course looks, it's about how the course plays. In that regard, the only critic who matters at Wolf Point seems satisfied.

"It's hard to picture this, but the owner is out there every single day," Nuzzo said. "It's his morning activity, and he never gets tired of it."

A course that one could play for the rest of one's life and never grow bored—now *that* is the ultimate luxury. ♦

HIGH-END HOUSE WINE

Customize a private reserve to fit your lifestyle—without owning a vineyard.

By Elizabeth Sile

To select the wine for Daniel Boulud's private-label program, wine director Daniel Johnnes solicits samples of Chardonnays, Pinot Noirs, Champagnes, and Bordeaux Blancs from France, California, and beyond. The wines are scrutinized and subjected to as many as three blind tastings before they're presented to Boulud.

What eventually makes it into the bottle becomes a Cuvée Daniel, something of an elevated house wine, to be served at restaurants across Boulud's empire. For Boulud and other top chefs, a private label can easily be made when one has a network with insider know-how. But could the discerning wine enthusiast work with a vineyard in this way to produce his own label to drink at home?

"Not possible," Johnnes says. Cult wineries like Screaming Eagle, in Napa Valley, agree: "We are not in the business of crafting wine for individuals," says direct-to-consumer manager Patrick J. Chapman.

This dilemma is solved at winemaker Bill Harlan's **the Napa Valley Reserve** (1000 Silverado Trail N.; 707-968-3190; thenapavalleyreserve.com), which many may know as the world's most exclusive wine club. For a \$175,000 initiation deposit, members can buy up to 75 cases (900 bottles at \$105 per bottle) a year of the Reserve's wines, made on the property's 80 acres. But unlike most other wine clubs, this one offers members the ability to



make their own blends with the Reserve's grapes. There's a half-barrel minimum (150 bottles for \$15,750) and a three-barrel maximum (or 900 bottles for \$94,500). The Reserve specializes in Cabernet Sauvignon blended with Merlot, Cabernet Franc, and Petit Verdot and also makes a Sauvignon Blanc.

Another option is a custom-crush winery, which provides space for smaller wineries to process their grapes without investing in equipment. Sharath Chandra, director of

marketing and business development for **the Wine Foundry** (45 Enterprise Court; 877-946-3404; thewinefoundry.com), describes his Napa-based custom-crush facility as "an incubator for wine brands." The cost to make, label, and bottle a barrel typically ranges from \$5,500 for a Sauvignon Blanc or a Chardonnay to \$13,000 for a top Cabernet Sauvignon.

The Wine Foundry deals exclusively with California vineyards in Napa, Sonoma, Mendocino, and Santa Barbara. While hobbyists could source their own grapes, "some of these vineyards won't even talk to people about buying grapes," Chandra says. "The way we get the fruit is because we have the connections and we work them for years."

Personalized blending outside the United States is a challenge—customs and fluctuating exchange rates are a pain—but there are possibilities. For \$38,000, a new experience at Baglioni Hotels' **Cala del Porto** (rooms, from \$290; [baglionihotels.com](http://Via del Pozzo, Punta Ala; 39-564/922-455; <a href=)), in Tuscany, lets guests blend a barrel of Sangiovese, Merlot, Cabernet Sauvignon, and Syrah at the region's Rocca di Frassinello winery. Each individual's wine is aged for at least a year in a French oak barrel among the 2,500 others in the winery's barrel room.

You'll need somewhere to put your barrel's 300 bottles, so if you don't have a home cellar, consider a wine-storage company to protect your liquid investment, says Marc Lazar, president of **Domaine Wine Storage** (domainewinestorage.com), which has five outposts around the United States: "You want a place where you can trust the wine for a long period of time." ♦

ACCESS

To stock your own wine on a chartered yacht, you'll need to send it to the port ahead. Navigating taxes and customs is best left to a pro, like Cellar Advisors (cellaradvisors.com), which can arrange the "smuggling" for you.

These days, everyone needs a book about themselves.

HOW NOT TO WRITE YOUR OWN MEMOIR

What it takes to enlist a literary darling to put your life story into prose. By Marisa Meltzer

In the recent third season of *House of Cards*, president Frank Underwood hires a famous novelist to write his biography. Because if your life is as colorful as Underwood's, or even—maybe especially—if it's not, it needs a legendary writer to do it justice.

Real-life marquee names tend to agree. When Keith Richards decided to write his memoir, *Life*, his London-based literary agent, Ed Victor, struck a deal with James Fox, author of *White Mischief* and son-in-law of painter Lucian Freud. "I have to tip my hat constantly to James Fox," Richards told British *GQ*, referring to his memoir. "They're my stories, but the way he crafted them, I couldn't have written it that way myself."

Life garnered a \$7.3 million advance, similar to the \$7.2 million received for the Warren Buffett biography *The Snowball*, written by former

insurance-industry analyst Alice Schroeder. But luring a marquee writer to pen a biography would require more than just a handsome payout. There is also the ego to contend with. Famous writers "have justifiably large egos, and in most cases, their egos would rather have themselves be the only name on the cover," says Madeleine Morel of 2M Communications, an agency that represents ghostwriters and claims responsibility for 25 *New York Times* best sellers. Though this cuts both ways: Notice that Richards's is the only name on *Life*'s jacket.

The question of how interesting the story is matters, too. "A name writer would have to have a fascination with the person in question," says Denise Oswald, a senior editor at

HarperCollins's Dey Street Books, publisher of a slew of celebrity memoirs. This was true for Jami Attenberg, author of the best-selling novel *The Middlesteins*, who was approached by "a rich, elderly woman's daughter" to write her mother's biography. She declined. "The story did not seem interesting in the slightest," Attenberg says.

Plus, Oswald says she's sure the writer would want the book "to be authorized but not approved, so they could retain final cut." This means both parties should be prepared to face the consequences. "We're still in touch," Schroeder told the *New York Times* after her Buffett book came out. "It is not as frequent as before. You can conjecture what you want from that." ♦

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Amanda "Binky" Urban, at International Creative Management, represents all the top brass: Walter Isaacson, Richard Ford, E.L. Doctorow, Haruki Murakami. Contact aurban@icm.com.

Inside Business

PRIVATE LIVES, PUBLIC FIGURES

THE (NEW) KINGS OF THE CASTLES



Britons Lord and Lady Somerleyton are part of a growing number of young Europeans trying to figure out how to support massive, money-draining estates.

By Sarah Rose

The carved-oak entry of Somerleyton Hall is lavishly festooned with tiger pelts. There are two polar bears mounted on either side of the door in full grappling pose. It is a room for another age; one in which hunting parties would return from the Norfolk broad woodlands, brush mud off their tweeds, and sit by a fire as servants delivered tea, whiskey, and entitlement. In those times, the lord of Somerleyton would play host to the grand hunt, spending generously for the pleasure of his guests. Today Hugh Crossley, the fourth lord of Somerleyton Hall, asks hunting parties to pay for the privilege—and also for his own.

It is a precious class of problems, Crossley, 43, admits. With a plummy accent, blue eyes, and gravity-defiant

bangs, he is the very handsome model of a modern noble gentleman. Somerleyton Hall, in Suffolk, opens as a castle for let for the first time in June, starting at \$16,100 a weekend. Where his great-great-grandfather was a titan of the industrial revolution, Crossley is a hotelier, a restaurateur, and a wedding coordinator. “This is not a house anymore,” he says. “It’s a business.”

The downward mobility of the British nobility is hardly news; *Downton Abbey* turned the issue into an international obsession. Today the landed gentry are in the third generation of opening their gilded gates to commoners by government order since the 1950s; for the nobility to get favored tax status,

the reasoning goes, the public gets something in return. There is no longer any shame in the hoi polloi eyeing the tapestries, tiaras, and chattels.

Chatelaine Lara Crossley, 34, commands a tour through the hall. Generations of Crossleys stare down from the portraits lining the walls of two dining rooms. Previously “the portraits were hard to admire against the light flooding in from the windows,” she says, having shifted them from above the grand staircase. Working in an art gallery before she was married, Lady Somerleyton has led the renovation of the servants’ quarters into luxury guest suites.

That every great home in England suffers a similar riches-to-rags trend

ACCESS

Southwestern France is littered with castles for sale. Plus, prices are down 40 percent. “Take advantage,” says Jean-Baptiste de Lafontaine of Périgord Sotheby’s, currently selling four for less than \$2 million. Contact 33-5/53-30-44-04; perigord-sothebys realty.com.

reflects the country’s maturation from feudalism to the industrial revolution to the service-driven 21st century. Sir Francis Crossley, a carpet manufacturer, bought Somerleyton Hall in 1863 with (in what today’s world would be) millions to spare, whereas Hugh inherited an estate that he estimates might be worth at least \$70 million and a house with a maintenance habit of roughly \$295,000 a year. He was debt-free but cash poor, and in a service economy, servants are expensive.

The stately homes of the aristocracy are crucial to the English tourism market, noblemen will say. What would Great Britain be without its grand estates? Two of every three historic homes are in the hands of only a few private families. If the castles crumble, will visitors even come?

Peers are now entrepreneurs mining ways to make a manor earn its keep. At Somerleyton, there have been pedestrian efforts, like a log-cabin vacation park; failures, a bankrupted winter wonderland; and fantasies, such as Somerleikum, a planned Arab-themed cultural festival. “Right now, the log cabins are the engine room,” says Hugh. Somerleyton’s Fritton Lake Retreats are 70 timber-framed holiday homes that generate annual rents to support the very hungry house. “It was a sick patient,” he says. “I’m trying to return stability to Somerleyton so I don’t have to cut its heart out.”

To that end, Hugh has launched a gourmet French-fry business, using rapeseed oil and potatoes from the estate, called Hot Chip. (When pronounced in the Queen’s English, it sounds to an American ear exactly like “hot [unprintable expletive].”) He hopes to take the concept international and seeks investors, earning him the moniker His Lordchip.

Sir Chips is betting the farm, so to speak, on Somerleyton’s extensive renovations, designed to accommodate

large house parties. He wants to transition away from the wedding-castle model, in which brides angst over seating charts, then leave the house forever. “It erodes your soul,” Hugh says. Instead hunting-party grandees will, he hopes, take an ongoing interest in the hall itself; think Soho House meets B and B.

The transition from aristo in London to Lord Somerleyton was challenging. Typically fathers prepare sons for succession at least 10 years before it might be necessary. But when the third Lord Somerleyton was struck by Alzheimer’s disease, Hugh’s footloose London days ended

THERE IS A SUPPORT GROUP FOR YOUNG NOBLES TAKING ON THE FAMILY MANSE. DISCUSSIONS INCLUDE HANDLING DEBT.

abruptly. He returned to Suffolk in 2004 to rescue an ailing estate without the benefit of his father’s mentorship. At the same time, he needed to find a wife who was willing to take on not just him but also his house—away from all the London fun. When he married Lara in 2009, they discussed their options, including selling, in order to not be “slaves to the house,” but she gamely followed him. “Lara is an expatriate here,” Hugh jokes.

There is a support group for young nobles taking on the family manse, though Hugh says he was “too anti-establishment” to join when he needed it. The Successors Group at the Historic Houses Association (HHA) leads meetings for the eldest

sons of ancient families stripped of political power, taking on debt and preparing to put some rather extensive roofs over their families’ heads. The HHA represents 1,500 historic homes and gardens with a collective backlog of repairs of more than \$1 billion.

Among heirs, there is a hierarchy of houses. The good ones are treasure homes, well located (near London or the Lake District) or liberally appointed with art (Van Dyck, Gainsborough) or international name brands, such as Holkham, Langley, and Chatsworth. But visitors are dropping off nationwide. With cheap flights to the Continent, Britain’s market for palaces, castles, and garden mazes is in a funk.

Somerleyton Hall is comparatively small (18 bedrooms, 5,000 acres) and off the tourist path (2½ hours by train from London) with no museum-quality art. It is hard to find a market niche. Hugh is given to fantasies such as “If Hot Chip really takes off...” Until then, Somerleyton needs practical solutions. Like many titled gents before him, he looks to Americans for a bailout. The U.S. audience is, he believes, prime quarry for a house-party hotel.

The tour ends in the family’s private quarters taking up one arm of the U-shaped manor. There is a pale-blue kitchen and a living room overlooking sunken gardens. An AGA stove heats the homey space. Lara puts a kettle on the boil. The Crossley children (ages five, three, and one) pad through. A herd of six-point red deer poses cinematically at the window. All of Lord Somerleyton’s effusive business energy goes to supporting this domestic scene, a fairy tale in itself. “There is a lot of happiness in surrender,” he says.

Rates at Somerleyton Hall start at \$16,100 a weekend; Lovingland, Suffolk; 44-87/1222-4244; somerleyton.co.uk.

PHOTO: SOMERLEYTON HALL. PHOTO ILLUSTRATION BY ALPHA LIMA ECHO X-RAY

DO I HEAR \$400 MILLION?

Why the art bubble
isn't popping anytime soon.

By Tyler Cowen



Sotheby's sold Alberto Giacometti's
Chariot for \$101 million.

Hedge fund billionaire Steven A. Cohen had some money to spend. But instead of opting for a tech start-up or Spanish equities, he bid \$101 million, last November at Sotheby's, for the 1950 Giacometti sculpture *Chariot*. A spindle-thin, Etruscanesque figure balancing precariously on the axis of two wagon wheels, it's one of the artist's finest works. The piece was part of a \$422 million sale for Sotheby's, its highest total ever.

New records are being set just about every year. In February a beguiling Paul Gauguin painting of two Tahitian girls, *Nafea Faa Ipoipo (When Will You Marry?)*, from 1892, went for \$300 million, the top price ever paid for a painting. Prices at those levels are most likely here to stay. In an era of rising income inequality, art has become a preferred place to put a lot of that money sloshing around global markets. Why not invest in something other wealthy people are buying, too? That often means shelling out for a "gold standard" painting, as defined by the nebulous metric that is market taste.

The art market gravitates around artists and paintings that are as prized for their fame as they are for their quality. They have become the liquid currency of the art world, just as gold and silver once became monies or as the dollar became the world's reserve currency. Maybe you think Richard Pousette-Dart is as good as Warhol, but only the latter, with his instantly recognizable images, has truly global market reach. The more iconic the artwork, the better. And no work cries out "Alberto Giacometti" more than *Chariot*.

The growing role of Asian and Middle Eastern buyers reinforces the status of the best-known pieces. Those market players respect the status and beauty of the major artists. They are less keen to carry acquisitions from the minor artists back home, which raises the cachet and price of art superstars all the more.

Given the liquidity of the market and the chance of substantial price appreciation, many buyers are willing to take a chance on art. And why not? Elsewhere in the world's major economies, rates of return are relatively low because of sluggish economic growth, weak demand, and the aging of populations. Almost \$2 trillion of European securities are paying *negative* rather than positive yields. Picasso looks pretty good by comparison.

True, artworks cannot always be flipped for a profit, but beauty remains a factor. What's more, it is now common to use quality art as collateral for loans, or in schemes (of varying degrees of legality) to reduce one's tax burden or transfer funds. Best of all, if

you own a great painting, everyone is talking about you.

The wealthier and more globalized the world becomes, the more there is to spend on status. Besides, supersecure German bonds are nowadays just electronic book-keeping entries. And they don't have the allure of those old bearer bonds—much less of a new Giacometti.

ACCESS

"Sometimes people come to us, and they're ready to start buying," says Ashley Carr, a cofounder of TWAAS, an art-advisory firm in New York. "We say, 'Let's slow this down. Let's go to the museum. Let's go to the auction but not buy anything.' It takes time to develop your eye." Contact 917-508-0700; twaas.com.

Tyler Cowen is a professor of economics at George Mason University, in Fairfax, Virginia, and the author of In Praise of Commercial Culture.

FUTURE FORECASTING

A statistician, two journalists, and an economic strategist discuss the uncertainty of using big data in business.

For almost a decade now, many literary and scholarly minds—from Salman Rushdie to Niall Ferguson—have descended on the Jaipur Literature Festival, in India, each January for a five-day forum on ideas and literature. It's equal parts enlightening, illuminating, and inspiring. And free.

This year, one standout panel was "What the Doctor Ordered: Prescriptive Economics and the Science of Uncertainty." Writer Mihir Sharma, who moderated, asked, *Is it better to have the wrong map of reality or no map at all?*

Lebanese American statistician and risk analyst Nassim Nicholas Taleb, author of *The Black Swan*; Indian political analyst and journalist Ashok Malik; and Indian American economic strategist and Harvard Business School professor Tarun Khanna talked of pseudostabilities, globalization, and interlocking fragilities. Herewith, an excerpt.

MIHIR SHARMA: Nicholas, let me start off by asking you why you aren't an economist and why you think being a statistician is really important.

NASSIM NICHOLAS TALEB: My speciality is risk, so you have several levels of statisticians. Let me explain through a story. I was in Korea on a panel—towards the end of the economic crisis. There was this fellow who was then the number two at IMF. Before the panel started, he went up and started giving us his forecasts of the IMF for 2010, 2011, 2012. I got in a state of rage. It was not my turn, but I rushed up there. I said, "Mr. Kato, show these people"—there were 2,000 Koreans watching—"what your forecasts were for 2008 and 2009, back in 2000, 2001," and so on. There was silence in the room. I told him, "It's not that we have to ascertain that the fellow forecasting is totally incompetent. We know

that. [Laughter.] The point is, we gotta get to the next step. How do you build systems that can withstand forecasting mistakes?"

I went back to New York and started writing *Antifragile*—on how systems handle disorder, which mostly was mathematical work initially. And I was able to get out the message about two kinds of mistakes. There are the systems that benefit from their own mistakes—pharmaceutical companies, for example. If your drug has a side effect—a hypertension drug can lead to nurses on the eighth floor making phone calls about some weird activity, and that drug would be subsequently named Viagra. Or a system like banking, where, if you make a mistake, you blow up the whole system. Then you explain why it shouldn't have happened or the economists said it was not supposed to happen.

CONTINUED»

ms: So, in many ways, what you took away from that was a sense that we have to build societies that protect us from errors of prediction.

NNT: These systems tend to have unique shapes. For example, if you're a corporation and have a lot of debt, you need to be very good at forecasting. And we're not good at forecasting. Oil prices—we have no clue. If you don't have a lot of debt, you can make mistakes in forecasting. You can use forecasting for therapy, entertainment—whatever it is—without being harmed. Top-down systems tend to fall apart when you make a mistake. Distributed systems do a lot better. They probe uncertainty—they are tinker agents. This approach makes them a lot more stable.

ms: Tarun, you work with and have studied a lot of entrepreneurs who have been successful in societies where they deal with uncertainty. How do they negotiate this?

TARUN KHANNA: I've come to realize that in most of the ventures that I've been personally involved in, the aggregate data are scarcely ever informative enough to meaningfully constrain me in my entrepreneurial venture. I can find macroeconomic forecasts—projections of interest rates and what have you—but those are not the risks that are most likely to torpedo most of the ventures when they start out of the gate.

Now, this is not, obviously, a universal statement. I'm just saying for a large class of entrepreneurial problems, the kinds of data that I would need in sufficiently large quantities to be able to extract statistical patterns and some kosher inference are simply not available.

ms: Like do people, for example, shop in the morning or shop in the afternoon?

TK: For instance. Or do people who wore purple shoes last night shop today at this time or not? Extremely fine-grained data that would constrain. It sounds like a facetious example, but those kinds of data are now starting to be available in some circumstances.

ms: Because we're all telling Google where we are at any point.

TK: That's right. With the exception of some circumstances where we do have so-called big data arriving now, it might be possible to start making more-kosher inferences. But, for the most part, the IMF forecast and so on for the median entrepreneurs are simply inconsequential.

ms: How much does it matter—[chuckles] being wrong all the time?

TK: Well, in the aggregate, it does. I have to generate my own data, in effect. So that's one way that we think about it. We should be running experiments that allow us to generate our own data on the fly and be expert at doing that as quickly as possible. Read some approximations and move on.

ms: Ashok, as an observer of politics and of government in this country [India], do you feel that we take what both Nicholas and Tarun have expressed on skepticism about the broad statements of predictive economics with a little too much seriousness?

ASHOK MALIK: There's something Tarun and you just said about entrepreneurs under-

ties caused by this whole process of globalization and the death of American manufacturing have caused great unrest among white blue-collar workers in the American Midwest. Which caused them, in 2008, to actually turn and vote for a black Democrat, which they were not expected to do. So if the Republicans want those votes back, will they listen to prescriptive economists, who will say "No, no, no, no," argue for free trade till kingdom come, or will they say, "No, we need to address this constituency"? So how important is prescriptive economics in actually winning elections and addressing your constituents?

ms: To return to Nicholas. I wanted to ask you to go a little into the discussion of how ordinary people reading economic journalism—or, in fact, the noise that, in general, passes for journalism—

FURTHER READING



MIHIR SHARMA's
Restart: The Last Chance for the Indian Economy is a no-holds-barred examination of the country's economy.



NASSIM NICHOLAS TALEB's best seller *The Black Swan: The Impact of the Highly Improbable* dissects the consequences of unpredictable events.



TARUN KHANNA deftly compares two Asian giants in *Billions of Entrepreneurs: How China and India Are Reshaping Their Futures—and Yours*.



ASHOK MALIK is currently finishing a book on Indian prime minister Narendra Modi's recent election.

standing their markets, their customers, and being flexible enough and nimble enough to use data that they generate to address them. You need to see politicians actually as entrepreneurs who do pretty much the same thing. The role of economic counsel in policy making or in politics is, of course, there. One can't discount it. Not at all....

I'll give you two real-life examples. One, in the most recent election here, [Narendra] Modi offered some sort of economics of aspiration—that got him votes from communities, groups, families that were not hitherto Modi or his Bharatiya Janata Party voters. Now, if five years down the line he has produced a good economic story, his political rivals to the left will have to moderate, despite what their prescriptive economists may say, and move to the right.

Likewise, in the U.S., to use words Nicholas famously uses, fragilities and uncertain-

should try and disentangle truth from the noise that comes at them.

NNT: Let me tell you more about how people are naive when it comes to data, using two frameworks. The first one is big data, as it is now. I testified in Congress against funding people for using data to forecast the next crisis. It gives you false confidence. The fellow before me showed what he can do with the data. Then I came up and said, "I have a silly question. Do you realize that we had, before the crisis, 600 million correlations in finance? Six hundred million correlations. What did you do with this data?" He said, "Well, I was missing something." I said, "Okay, so it's always gonna be missing something." We never had more data as we did before the crash, okay. Yet [chuckles] it was totally unpredicted. So I can't rely on these people suddenly.

Now, there's a second point, in your own

life, with data. I wrote about it about 15 years ago in *Fooled by Randomness*. And I probably need to read it every few years, because I fall into the trap that if you have high-frequency data, you'll only see noise. And we're not made to understand that, say, something like a 20 percent move in the stock market is several billion times more informational than a 1 percent move. We don't realize that. So if we're going to have newspapers, they should be, on some days, 5,000 pages long. On other days, one page. Not even a page—a few lines.

So this is the problem of data. Because at no point in history did we live as divorced from our informational habitat. If you lived in a Greek village, you know, you go to the agora. Whatever information will get to you is what's filtered to be relevant to you. Things that are relevant to you get to you.

Now you sit in your living room. I have a TV and, worse, the Web, Google News...and you have all these things hitting you. You're completely lost with noise. And that affects all of us. So even if you're aware of the problem, you cannot ignore information, because we're designed to never ignore information.

So what do I do? I'm a trader. I live with data. I live with prices. I don't want to know what happens in the markets unless something moves more than 4.73 percent. Before that, you're forbidden to talk about it. I don't want to know about it. I programmed my screen not to show me a price if it doesn't cross that point. That's how you filter it. You have to use mechanisms and devices to protect yourself from the negative influence of news, information, noise. And you can probably have a closer image of what should affect you—something close to what someone 2,000 years ago would have had in a village in India.

TK: Can I pick up on something Nicholas just said? One way to connect to the dimensionality of data that he was just talking about is a situation that I confront all the time in my classroom. You see and observe phenomena. Somebody succeeded at launching something. The executives in our classroom—the Harvard M.B.A. classroom or some classroom like that—will immediately jump to the conclusion as to what it is that could have been the candidate explanation for that. And the reality is that anything that you observe typically could have a multiplicity of paths—a combination of different things that resulted in that particular outcome. And to sort through that, you need some kind of theory of the world, some sort of conceptual model to be able to interpret that. Otherwise, you're lost in this sea of 600 million correlations and then some.

And I think what's important is—and I'll make a big pitch for it—sound economic logic, as opposed to bs forecasting. Logic transfers over.

NNT: Can I interrupt with one of my aphorisms? I have an aphorism that says, "It's much easier to macro-bs than micro-bs." [Laughter.]

TK: That's right. So when you get down to the nitty-gritty and get the data that are relevant—the agora example from the Athenian city-state—then you're in good shape. You can make actual decisions on that basis.

ms: Tarun, in China, as you have said over and over again, the great entrepreneur in many ways is the state itself. And in India, you have all these entrepreneurs succeeding—in some ways like little Davids against the Goliath that is the state, that is sort of squatting in a lot of places and trying to keep them out. Are you still as certain that the state, that the Chinese state, managed to predict, managed to handle the uncertainty of where I should, for example, build a giant airport?

TK: I could throw it out there, just to see what people say—I think there's no difference between an entrepreneur in China and one in India. Ultimately they are human beings navigating through a highly contaminated data context, in some sense, but, importantly, contaminated in fundamentally different ways. In the Chinese situation—other than situations that the government considers fairly anodyne and not controversial, other than those situations—the data that you see are fairly doctored. And I think the most important thing that an entrepreneur can do is to recognize that they're doctored. And, frankly, if you have come up in the Chinese system, you're perfectly aware of this—intuitively aware of this.... I think the constraints in India—abstractly, it's the same, if you will, mathematical problem, right? That there are constraints—you just need to be aware of what they are. And you experiment your way—I was saying earlier—to a solution. But the awareness of the constraints is where people trip up. And the assumption that the constraints that they encounter in places that they were very successful historically—assuming that the same ones will transfer over seems to be a human fallacy of some sort.

ACCESS

This year, the Jaipur Literature Festival is branching out into the United States. From September 18 to 20, the festival will be in Boulder, Colorado. [jaipur literaturefestival.org](http://jaipurliteraturefestival.org)

ms: It's interesting what you say about China because we always used to be

told that even the last prime minister of China could not trust his own statistics. But in India, you feel that we actually have better, a more trustworthy data than...

TK: Well, we have less-doctored data. Let me be a little more precise about what I mean by "doctored." What I mean by that is that there are certain views about what the Chinese state considers antithetical to its continued existence, and it would like to prevent that data from showing up. And therefore you have a truncated distribution of outcomes in many instances. And you just need to be aware of it—that's all.

ms: So it's like there will be no province that will report less than 5.5 percent growth.

TK: Something like that.

AM: More recently there are provinces in China reporting zero percent growth.

ms: Something may have changed. Well, in India, of course, the problem that we always talk about is that we may say that, nationally, we have 7 percent growth—or 6 percent growth or 5—depending upon what the national income accounts tell us. And that's a sort of relatively trustworthy number because that has to fit in with what the rest of the world is selling to us, etc. But if you look at individual states and you add up what the states are telling you about how much they're growing, and everyone is like, "My state is growing at 11 percent" and "I am growing at 10 percent." And you add all those up and it turns out that we're, in fact, growing at—apparently, according to states—2.5 percent faster, or thereabouts, than the national average. So everyone in India was sort of exaggerating their state-level data.

NNT: I have one last comment, which could be a little provocative. There's something to figure out—that is how to help people cope with uncertainty or produce people who are better at dealing with uncertainty. And it is decrease the number of people in higher education—because it's an S curve. The prime minister said [he'd] "rather have a thousand schools than one university." He's right. What happens is that school teaches you basic skills. Beyond that, the more educated the person, the more incapable they are at handling uncertainty. ♦

THE OLD BILLIONAIRES' CLUB

Lessons in longevity from the Hénokiens, the 44-member society of generationally owned enterprises whose youngest member is 201 years old.

By Joshua Levine

I recently found myself in a French château, completely surrounded by Hénokiens: three-headed creatures from the planet Hénoki. Okay, I just made that up. Hénokiens are human beings, but it turns out they're no less improbable for all that.

To join the absurdly exclusive Club des Hénokiens, you must belong to a family that has owned and run its business for at least 200 years. It's a dauntingly high hurdle: There are only 44 members. The oldest of them, a traditional Japanese inn called Hoshi, dates back to the year 717. When the Hénokiens throw a party, which they do every year, the 200-year-olds sit at the kiddie table. The group's peculiar name comes from *Hénok*, French for Enoch (the biblical son of Jared, father of Methuselah) who lived 365 years and went directly to heaven without dying.

In this age of rapid-fire capitalism, the Hénokiens might as well have three heads. Everything they embody, everything they stand for, runs counter to the spirit of the current age. The Hénokiens are acutely conscious of this, and they revel in their oddity, as I was to learn in the course of their weekend get-together. To them, it's a badge of honor. They're right and everybody else is wrong.

You've probably heard of some of the members: Beretta, the fancy Italian gun maker; Louis Latour, the

great French wine merchants; De Kuyper, the Dutch distillers; perhaps even C. Hoare & Co., the illustrious English private bankers. ("My bankers are Hoares," quips Captain Jack Aubrey in Patrick O'Brian's famous sea novel *Master and Commander*, set in the 19th century.)

Most of the Hénokiens remain unknown and unsung, but they're out there generation after generation, fighting the long odds against family unity. Augustsea, an Italian maritime-transport concern, is now run by the 16th generation of the Cafiero family. Toraya, owned by the Kurokawa family, has been making traditional Japanese pastries called *wagashi* for nearly 500 years. (It's complicated to explain what *wagashi* are, but red and white beans figure prominently.)

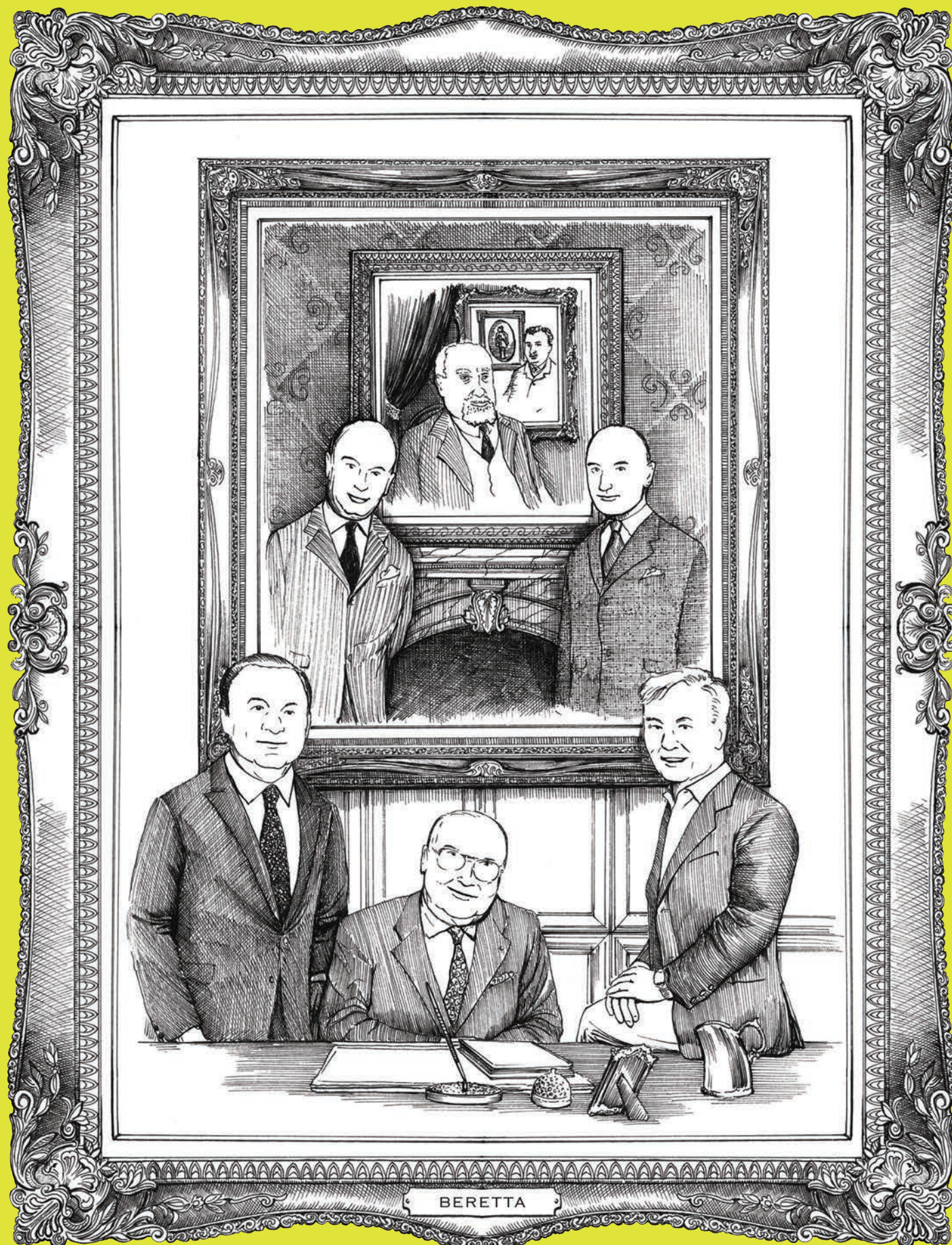
What the Hénokiens all appear to share (besides very comfortable incomes—otherwise they wouldn't

still be around) is the conviction that they're keeping an ancient flame alight while the rest of the world goes to hell in a handbasket. In their own small way, the Hénokiens see themselves as a bulwark against all that is ephemeral, shoddy, self-seeking, and shortsighted. It's a very appealing ethos—as long as someone else's family is upholding it. Few people can imagine going to work every day with their siblings, cousins, parents, and grandparents.

"In a world in crisis that wonders about its economic future—and where faceless egotism and short-term finance, uncontrolled, restless, and destructive, imposes its laws—family business is a humanist response: balanced, calm, and durable. The Hénokiens have proved it for centuries!" Thus thundered Christophe Viellard, the former president of the Hénokiens, during his opening remarks at the 2013 annual meeting. Viellard runs Viellard Migeon & Cie., which started life sometime in the late 1600s as a family forge and branched out along the way into automotive fasteners and fish hooks. (There's nothing in the Hénokiens bylaws that says the family has to keep doing exactly the same thing, although many do.)

Viellard was greeted with wild applause and hearty bravos from his fellow Hénokiens. Some of them

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told me privately that they thought Viellard could get a little bombastic, but on the whole, this kind of pep-rally stuff is red meat to them.

We were all assembled on the grounds of the Château du Clos Lucé, in Amboise, since this was France's year to play host to the Hénokiens. The château is a modest bijou made of lovely pink brick, almost hidden in the shadow of the much bigger Château d'Amboise just alongside it. Clos Lucé is where Leonardo da Vinci spent his final years as the invited guest of King Francis I. It's a very Hénokiens-friendly spot, since it has belonged to the Saint Bris family for 161 years. And while the family opened the château to the public many years ago, it remains, like the Hénokiens themselves, largely undiscovered.

Viellard's remarks preceded the award of the Leonardo da Vinci Prize. The prize goes to a family enterprise that isn't old enough to be a Hénokien but looks likely to qualify if it can manage its begats for a few more generations. This year, Daher, a Marseilles-based aerospace manufacturer founded in 1863, took home the Leonardo. "Save us a place in the heart of the Association des Hénokiens," said president Patrick Daher as he accepted the award. "We've only got 50 more years. In the life of a family, that's not a lot."

After the ceremony, the Hénokiens strolled among the models of Leonardo's inventions on the château's grounds and talked of family matters. What do you do, for instance, when someone in the family marries someone nobody can stand? "You get rid of them!" said Bob de Kuyper, the tall, good-natured Dutchman who represents the 10th generation of de Kuypers in the family's distilling business. It is a heritage that the de Kuypers never lose sight of.

De Kuyper has personal experience with the bad-spouse problem: "My uncle married a New Zealand woman. Nobody liked her. He met her in Canada and luckily ended up staying." This worked out well for Bob: "If he hadn't stayed in Montreal, my grandfather wouldn't have asked my father to take over, and I wouldn't be in the business."

The De Kuyper business went through a rough patch some years back, and by "some years," we mean a whole lot of years. It happened when Napoleon invaded Holland. "We did all our business through middlemen in the U.K., and Napoleon embargoed trade with them. That was a

"WE EUROPEANS LOOK AT THE AMERICAN DESIRE TO GET RICH QUICKLY WITH SOME WONDERMENT."

very bad moment. We almost lost the business," said de Kuyper.

Jean-Nicolas D'Hondt can relate. He is a good-looking Belgian chap of 34 who just took over his family's chemical company, now specializing in industrial cleaning products. The company, called Pollet, dates back to 1763 and claims to have produced Belgium's first liquid soap. Pollet almost went under during World War I, when it was prohibited from making chemicals. The family even put it up for sale at auction. As luck would have it, a younger member of the Pollet family bid for the company and won, and Pollet stayed on track to join the Hénokiens.

In World War II, the Germans bombed Pollet. Its factories made

glycerin, which can be used to manufacture explosives. This was not a fate that befell the De Kuyper spirits business. "The Germans didn't bomb us. They *loved* what we made," said de Kuyper brightly.

How tough is it to survive? In De Kuyper's home village of Schiedam, Netherlands, where it still has its main plant, there used to be 400 distilleries. De Kuyper is one of the four remaining. In Holland, only 40 percent of family businesses make it past the first generation. By the second generation, only 15 percent continue on; then 7 percent of the third generation. Almost no one gets further than that. There's a version of the old saw "Shirtsleeves to shirtsleeves in three generations" in many languages around the globe. "What you need most of all to be a Hénokien is luck," said de Kuyper.

Family businesses haven't always gotten a lot of respect. People who study these things often wrote family firms off as full-employment programs for not-especially-gifted relatives. There are plenty of other drawbacks to the family-business model, too: hidebound thinking; endless squabbling among people who, let's face it, aren't necessarily programmed to get along; and, most disruptively, constant worries about finding the right relative to take over.

The Hénokiens aren't blind to these pitfalls; it's a large part of what they talk about when they get together. "It's very helpful to come here and discuss family issues," said Vasilij Piacenza, a handsome young Italian who was attending his first Hénokiens meeting. Piacenza, 31, represents the ninth generation of Fratelli Piacenza, which has been producing luxurious wool and cashmere at its mill in Palbone, Italy, since 1733.

Like a lot of young Hénokiens these days, Piacenza started working elsewhere—in his case, that meant

stints at Armani. Now he's back in the family bosom and looking to make Fratelli Piacenza a global brand while still keeping it in the family. A tricky task. "We want to do what Loro Piana did and then *not* sell out," he said, referring to the well-known Italian wool and clothing brand that recently sold an 80 percent stake to LVMH after only six generations. In Hénokiens chronology, that's the blink of an eye.

Lately thinking about the virtues of family businesses has changed dramatically, not least because the world does indeed appear to be going to hell in a handbasket, just like the Hénokiens said it would. Family business is now increasingly seen as a good thing, and the Hénokiens are becoming unlikely heroes. New studies are turning up evidence that a family business may be better not just for the family that runs it but for the business, too. A McKinsey survey several years ago, for instance, showed that family businesses generated higher 10-year returns to shareholders than public companies do and had dramatically lower borrowing costs.

I asked Alexander Hoare, the lone English Hénokien, about this new respectability. Hoare is an 11th-generation partner and former CEO of C. Hoare & Co. (notable clients: Samuel Pepys, Jane Austen, and Lord Byron). "Attitudes are changing," he said. "The feeling now is that while we may not make as much money in boom times, we're a lot more stable in hard times."

For the family firm, stability's handmaiden is fertility: To keep the firm well-stocked with capable managers, you must ensure a robust supply of children. Richard Hoare, the goldsmith who founded C. Hoare & Co. in 1672, seemed to know this instinctively: He sired 17 of them. Today there are eight Hoares on the bank's 13-person board, not

to mention a database of 1,800 living Hoares, any of whom is a potential candidate for a career at the bank.

"Sustainability and stewardship," said Hoare. "We're not here to shoot out the lights." This may explain why there isn't a single Hénokien from America, where shooting out the lights is viewed more favorably. "We Europeans look at the American desire to get rich quickly with some wonderment," said Hoare.

On the way to dinner, I ran into the newest Hénokiens—so new, in fact, that they weren't officially members

A MCKINSEY SURVEY SHOWED THAT FAMILY BUSINESSES GENERATED HIGHER 10-YEAR RETURNS TO SHAREHOLDERS THAN PUBLIC COMPANIES DO.

yet, but close enough so the group invited them along anyway. Christoph Köchert was only 26 when his father died and left him and his young cousin Wolfgang to run A.E. Köchert, the Viennese jewellers since 1814 who proudly served the Hapsburgs. Köchert is best known for its Sisi Stars, a set of 27 diamond stars that Emperor Franz Joseph commissioned for his bride, Elisabeth of Bavaria, known as Sisi. You can see them woven into Sisi's hair in a famous portrait.

Köchert still makes them. "The Japanese just love the Sisi Stars," Köchert told me. But sometimes a

young man just feels like shooting out the lights. It almost killed the Köcherts. "We made a lot of mistakes," he said. "We wanted to get bigger—buy this, create that new brand—and we overexpanded. There were five really tough years, and we had to pull *way* back."

The Köchert boys have calmed down since then. Köchert said, "People come to us when they want something authentic. It's a very good niche. A Russian oligarch came in the other day and wanted his own signet ring with a kind of yin-yang symbol. He told us, 'You are *my* imperial jeweler now.' Fortunately he didn't want a crown."


Zengoro Hoshi didn't make it to the Hénokiens gathering last year. He is 76 years old and the 46th-generation Hoshi to run the world's oldest inn. The story goes that the great Buddhist monk Taicho Dai-shi was sleeping on Mount Haku when the local deity appeared to him in a dream and directed him to a wondrous spring in the nearby village of Awazu, in Ishikawa Prefecture. Taicho found the spring and told his disciple Garyo Hoshi to build a spa on the site and run it forever, which the Hoshis have made a good start on doing.

I wrote to Mr. Hoshi to see what advice he might have for becoming a Hénokien or staying one, since he

seemed likely to know more about it than anyone. Here is what his translator sent: "When you earn much luck or money, don't use it all. When you have much happiness, try to share with others—not keep it for yourself only. Try not to say all the details—people don't

want to listen to you. Try not to boast or tell your successful story—people won't trust you." And there you have it. ♦

ACCESS
A.E. Köchert is once again crafting its diamond Sisi Stars. The jewelry can be custom-made; a noble family recently requested colored stones instead of diamonds. *Sisi Stars*, from \$1,000; koechert.com.



THE TRUE NORTH - A CRUISER WITH 18 DOUBLE CABINS,
GOURMET CHEFS, SCUBA GEAR, AND A HELICOPTER ON BOARD - IS THE
BEST NEW WAY TO ACCESS THE SOLOMON SEA,
AN EMPTY SWATH OF THE SOUTH PACIFIC, WHERE WORLD WAR II
SHIPWRECKS, CORAL REEFS, AND UNDERWATER VOLCANOES AWAIT.

THE LAST BOAT TO PARADISE

FYI, HELICOPTER AND CHEF INCLUDED

BY SOPHY ROBERTS

PHOTOGRAPHS BY KEN KOCHY

IT IS AFTER DARK WHEN WE PULL AWAY FROM NEW BRITAIN TO TRAVERSE ONE

of the deepest oceanic trenches in the world—nearly 30,000 feet below. Our means of passage is the nimble expedition cruiser *True North*, which, from October to December, makes almost a complete circumnavigation of the island of New Guinea in a series of 5- to 11-night itineraries. I'm sailing the Solomon Sea (part of Melanesia, an area in the South Pacific bearing little relation to the political entity of Papua New Guinea, which governs most of the region), using this Australia-flagged boat with 18 double cabins, gourmet chefs, scuba gear, and a helicopter on board.

We talk at the bar—me and more millionaires than I'm used to in one room, all but six of whom having sailed on the *True North* before. They're exceptionally well traveled, which is exactly why they're here: The *True North* represents one of the few ways of accessing this empty swath of the map without chartering a private yacht out of Cairns (for \$245,000-plus per week) and sailing up from Australia's northern tip. Among the group is a marine biologist, who talks about the peculiar creatures that can survive trench-living over five miles down, and a leading Australian historian, who suggests that a missing Allied WWII submarine may lie in this mysterious oceanic crevice.

In shallower waters, we dive among the wrecks of the Pacific War, including a Japanese tank and a Zero fighter plane now gathering coral on the ocean floor. Yet even when I touch the broken propellers, I struggle to imagine a good reason for fighting in

such lonely parts. Easier to understand is how the presence of foreign ships and planes led to the evolution of “cargo cults,” whose believers thought that gods were dropping goods from the sky. In this Pacific wilderness, anything that breaks the horizon feels like it belongs to another world.

With the New Britain Trench behind us, we wake up to salty mist hanging low over the water, glass-flat, like a mirror. Our captain, Chad Avenell, says we're sailing through the tail end of a cyclone sweeping down from the Philippines. The moody light turns the paradise of postcard clichés—blue lagoons and arching palms—into something spectral.

We anchor off a spit of sand forming part of the Lusancay Islands, made up of reefs and sandbars. On one island—an eel-thin streak of sand snaking out across the water—there is a small hut made from pandanus leaves. Our boat's managing director, Craig Howson, says the last time the *True North* came by, in 2013, the hut belonged to a fisherman; he was living there with his wife and child, their nut-brown bodies having the island all to themselves. Now they have gone, most likely back to the Trobriand Islands, from where they came. I ask Howson what's there, in this next string of low-lying coral islands 50 nautical miles to the west. “A Rolling Stone,” he says. “And yams. A lot of yams.”

The Trobriands are among the world's most remote archipelagoes, where, by virtue of their isolation, a peculiar cultural tradition has evolved. What is to us a dull tuber is to the Trobriander a source of



Exploring a Japanese tanker among the sunken military wreckage from the 1942 Battle of the Coral Sea, a major assault between the Japanese naval and air forces and those of the Allied forces.



An Oro dancer on the beach in Jufi, in the Oro Province on Papua New Guinea's eastern coast, performs wearing a birds-of-paradise headdress; taking in the crystalline waters of the Deboyne Lagoon (right).



meaning and wealth. When the yam harvest comes in, usually from mid-July to August, celebrations take on a curious expression of sexual promiscuity. For around two months, communities take part in erotic dances accompanied by salacious songs. Women get to jump the men, having their way with them in the gardens where the men have tended the yams for the last 10 months. By mutual agreement, married couples can play away, while teenagers are encouraged to have as many sexual partners as they choose. As to Howson's reference to a Rolling Stone, he's talking about Mick Jagger. We see no other tourists in this 10-day sail across the Solomon Sea; Jagger, however, has been hanging out with a Trobriand chief.

I SMILE AT THE THOUGHT OF OUR

two ships passing in the night as we press on, toward Tufi, in Oro (Northern) Province, where we're met with a score of Oro dancers decked in headdresses feathered by birds of paradise. The dancers beat their drums on a golden beach at the end of a jade fjord. We barter from the aft deck, buying up carvings for a few bucks from the local outriggers. We fly in the helicopter and get a sense of the tumultuous geological movements that have formed this territory—and what is left: the sunken calderas, the hot springs, the fingerlike spurs that spread out from the volcanic peak of Mount Trafalgar, the coral “bommies” that show their heads just above the water where the Ring of Fire has caused the earth's crust to steam and warp.

We sail on, past Goodenough Island, pausing to swim the wreck of a Japanese fighter, ditched in May 1942 during the Battle of the Coral Sea. We spend an afternoon paddleboarding the outrageously turquoise Deboyne Lagoon. We fish, dive, and snorkel, which is the rhythm of our Pacific days. We eat sashimi and crayfish barbecued off the back of the boat. Then we draw up into the Louisiades: 250 miles of coral atolls separated by ink-blue channels, which in their turn are crisscrossed by tiny boats sailed by the local Dobu people.

It is here, where the Coral Sea meets the Solomon Sea, that our captain reverses the *True North* into the most perfect tropical anchorage: the high-sided, jungle-covered crescent of Ebora, where he slings the bowline off a tree. I dive off the boat and swim to land, where I buy an exquisitely carved prow from the front of a *waga*, or oceangoing canoe. I fight for its journey home through customs in Australia, Hong Kong, and London. There aren't many places left on earth where you can leave with treasures such as this, acquired on a journey that I like to think only the few aboard the *True North*—and a Rolling Stone—will ever get to make. ♦



ACCESS

The *True North* (northstarcruises.com.au) operates a 10-night Adventures in Paradise itinerary, sailing from Kavieng, on New Ireland, to Alotau, in Milne Bay Province, with cabins starting at \$13,210 per person, including private return air charters between Cairns and the ship's embarkation and disembarkation points. The next sailing runs from December 3 to 13. A shorter five-night Archipelago Adventure cruise of the Louisiade Archipelago departs on December 13 and starts at \$6,870 per person with the same inclusions.

The *True North*, equipped with an onboard helicopter, anchors offshore at Papua New Guinea's Deboyne Lagoon.

PHOTOGRAPHS BY MICHAEL LÖWA

THE FLORENTINE



FIGHT CLUB

BY LEE MARSHALL

PLAYED EXCLUSIVELY WITHIN THE CITY LIMITS, THE GLADIATORIAL FLORENTINE BALL SPORT OF CALCIO STORICO DATES BACK TO THE RENAISSANCE. BUT HAS IT LATELY GOTTEN TOO BRUTAL FOR ITS OWN GOOD?



A completely legal face punch (above) during a 2011 calcio storico match; members of the blue team, representing Florence's Santa Croce district, huddle before a game.



Imagine a football game where anything goes. Punching, kicking, tripping, half nelsons, full nelsons, any kind of slam, drop, takedown—all are permitted because no regulation has ever outlawed them. The only true rule is that the ball, which can be held, thrown, or kicked, has to keep moving. But it can move at walking pace, in the hands of a player who strolls nonchalantly around the backfield while his teammates beat the living daylights out of the opposition, or have the living daylights beaten out of them, or wrestle in two-man heaps that sprout here and there on the sand-strewn field like *funghi porcini* after an autumn shower.

Welcome to the violent arena of sweat and blood

known as *calcio storico fiorentino*. To those visitors who stumble on the sport, it may at first seem like a harmless historical reenactment. After all, each 50-minute game is preceded by a pageant in which 530 participants in Renaissance costume, some mounted on horseback, parade from Florence's Piazza Santa Maria Novella to the designated place of battle in Piazza Santa Croce. The players wear slashed leather breeches straight out of a Pinturicchio fresco. Most years, there are just three regular matches between teams from the city's four main districts, or *quartieri*—two "semifinals" and a final, always held, weather permitting, on June 24, the holy day of Florence's patron saint, San Giovanni. For true Florentines, *calcio storico* is a defining moment of their year. Like the Palio horse race in

Players for the Santa Croce team brandish their district's coat of arms after a victory.

RIGHT: © ARCHIVO FOTO LOCCHI FLORENCE (1, 3, AND 4); YVES FORESTIER/GETTY IMAGES FOR STYLELIZ ART WEEK, 2013 (2)

Siena, it is part of the city's identity, its sense of self.

A special, one-off match was organized in February to celebrate the 485th anniversary of a legendary game: In 1530, under a months-long siege by the army of Holy Roman Emperor Charles V, the Florentines organized a *calcio storico* game in full view of the enemy troops as a gesture of defiance. Someone even managed to rustle up a veal calf, then as now the prize for the winning team.

It's a cold, bright day when two teams, the *bianchi* (whites) and the *verdi* (greens), file in at the tail end of the procession. The players strut and snarl at their rivals, exchanging unprintable insults in Florentine dialect. My ringside companion points out a grizzled defender and tells me that he's one of Florence's top criminal lawyers. At last, to the sound of a cannon, an official known as the *palaio* throws the ball into the air—and the greens have it! It's immediately clear that this is going to be a more fluid, passing game than most recent *calcio storico* encounters. It's a physical, bruising variation on rugby, but it's not a barroom brawl.

That's by design. Among the spectators is the unmistakable figure of Stefano Ricci, his Darwinian beard perfectly groomed. Ricci, the CEO of the eponymous Florentine tailoring brand, is here as one of the main architects and sponsors of *calcio storico*'s current relaunch. The sport is generally financed directly by the Florence city council, but Ricci has taken on the expense of arranging this exhibition match, paying for, among other things, the several truckloads of sand that are brought in to create the playing surface. His aim is to promote a (slightly) more civilized vision of the sport.

Later, surrounded by hunting trophies in his company headquarters in the hills just outside of Florence, Ricci talks of his love of the game and the reasons why there is a movement afoot to change its image: "My father used to take me to matches when I was a boy. But in recent years, *calcio storico* has not been a sport you could bring kids to watch. It has always been a physical game, but it shouldn't be a brutal one. I want to bring it back to what it used to be: a splendid expression of the passionate heart of Florence's *quartieri*. I want the players to remember that every one of them has the image and reputation of Florence in his hands."

Ricci identifies his brand's image with that of his native city and has dedicated himself to promoting its cultural patrimony. In 2012, for example, he paid for a low-emissions lighting system to illuminate the Renaissance sculptures in Piazza della Signora (including a copy of Michelangelo's *David*). That same instinct lies behind his sponsorship of *calcio storico*. As president of CFMI (Centro di Firenze per la Moda Italiana), the holding

A 1971 *calcio storico* match (1) between the red team, from the Santa Maria Novella district, and the green team, from the San Giovanni district; designer Stefano Ricci (2), a central force behind *calcio storico*'s rebirth; the Renaissance-themed procession (3) before a 1938 match; two players (4) pose before the final game in 1934.



company behind the men's fashion event Pitti Uomo, Ricci is helping to organize another exhibition match to take place on June 15, on the eve of this year's shows. He's also sponsoring an autumn 2015 encounter in Shanghai.

In a city more often associated with fashion and art, there's something appealing about the robust physicality of calcio storico, a gladiatorial combat that defuses local rivalries by delegating them to 27 brave footballer-warriors per side.

Luciano Artusi, the sport's dapper elder statesman and archivist, is the go-to guy for the historical long view. He's sitting in the headquarters of the city's calcio storico association, housed in the 14th- and 15th-century Palazzo di Parte Guelfa, which was probably designed by Brunelleschi. "Calcio was born in Florence," he states in a tone that brooks no dissent. To measure the extent of the claim that Artusi is making, it helps to understand that, in Italian, *calcio* simply means "football." So what he's saying is: Our Florentine game is at the root of all your footballs.

Artusi traces the lineage of calcio storico back to the Romans. Although there is a more than millennial gap in the historical record, evidence does link the Florentine sport to *harpastum*, a strenuous ball game that was seen as good battle training for legionaries. Nobody knows how points were scored in *harpastum*. In calcio storico, they're notched up by sending the ball into a narrow net at the end of the rectangular field. It sounds easy, but it isn't—if a player misses, half a point is awarded to the opposing team.

Calcio storico was played in Renaissance Florence, often by scions of the nobility. Lorenzo de' Medici, Alessandro de' Medici, and Vincenzo Gonzaga, the Duke of Mantua, are all known to have taken part in games. It's safe to assume these high-born *calciatori* were handled with kid gloves by their teammates and rivals. No such concessions are made in the modern game. It seems odd that a sport whose very *raison d'être* is robust, bare-knuckle physical contact should be criticized for being too violent. Veteran player Gianluca Lapi, known to all as "Lorenzo il Magnifico," a giant of a man who has scored 66 goals in a career spanning 32 years, explains the paradox: "In a sport without rules, it's up to the players to impose their own sense of fair play. Recently this has gone by the board."

It was toward the end of the 1990s that the sport began a downward spiral with games turning into vast brawls, players being rushed to hospital, footballers ignoring the unwritten rule that those already pinned to the ground should not be kicked or punched, and even assaults on the referee. A long standoff between teams and city authorities began.

**"EVERY PLAYER
HAS THE IMAGE
AND REPUTATION
OF FLORENCE
IN HIS HANDS."**

Games were canceled on more than one occasion. In the 2014 tournament, the final was called off after an ejected player refused to leave the field.

And yet, when it flows, calcio storico can be an exhilarating spectacle, "a superfast game" in Lapi's words, with elegant passing play and heroic solo runs firing up spectators who have paid as much as \$1,500 for a seat on one of the grandstands that surrounds the temporary Santa Croce field.

There's a growing consensus that the events of 2014 represented a watershed for the modern game. Michele Pierguidi, the president of calcio storico's governing body, is currently working with the teams to come up with new rules that would reduce the number of non-Florentines on each side and outlaw stand-up boxing matches between players. "The problem isn't just the violence," Pierguidi comments. "It's that these one-on-one midfield clashes can make for a very static game of football."

Back on the field, the *bianchi* have just scored a *caccia*, or goal, after a player from the *verdi* mistimed a backward pass. As soon as the goal is scored, the two teams change sides, led by their flag bearers. The idea, born from Florence's long military history, is that the winning side is allowed to "occupy" the territory of its rivals. This connection to history helps explain why, at least in this form, calcio storico has never spread beyond the city limits. Asked what, if anything, links the tradition of high-quality artisanship that he has drawn on in his menswear line with the body blows of calcio storico, Stefano Ricci reaches for the word *fiorentinità*—Florentine-ness. True Florentines know that there is nothing strange about 54 modern gladiators facing off outside a church where Michelangelo and Galileo are buried. In Florence, cultured refinement and bone-shaking physicality are the best of friends. ♦

ACCESS

□ The 2015 calcio storico tournament games will be played in the Piazza Santa Croce, weather permitting, on June 13, 14, and 24.

□ Tickets will be available from early May at the online reseller Boxol (boxol.it); the best seats are in the Tribuna d'Onore Centrale.



A player for the white team runs toward the goal; young fans from the Santa Croce district (below) cheer for the blue team.



Already a backer of such companies as Uber, Airbnb, and Spotify, Ashton Kutcher—the model turned actor turned hobby tech investor—is upping the ante with a new firm, Sound Ventures. But with competitors like Andreessen Horowitz and SV Angel, is his celebrity status enough?

ASHTON KUTCHER'S TECH TAKEOVER



BY PETER KAFKA
ILLUSTRATION BY THE RED DRESS

f you want to argue that we're in a new tech bubble, or at least heading toward an exuberance overload, you can cite plenty of sobering statistics.

Or if you like metaphors, you could point to South by Southwest Interactive. It's the tech conference in Austin, Texas, that used to give earnest developers a chance to drink beer in the sunlight. Now the nerds are long gone, replaced by a heaving gathering of marketers and media executives in search of something—anything!—disruptive.

Here's what they got this year in March: A raucous party, cohosted by Ashton Kutcher and Guy Oseary, to toast Sound Ventures, their new tech-investment fund. Live Nation and Lenovo helped foot the bill for the bash at the Copper-tank Event Center, which can hold 800 people but had a block-long line of attendees outside. Inside, producer Brian Grazer stopped by. So did rapper T.I., as did Mark Cuban, the billionaire turned reality-TV star. (See "My Best Investment," page 66.) And, of course, Mila Kunis, Kutcher's partner. Lil Wayne performed; Sean Combs was slated to cohost the event, though he didn't actually show up.

This should be the moment when a sober observer surveys the scene and gets as far away from tech as possible. An actor and a music manager toasting their own digital savvy? Launching their *second* fund so they can make bigger bets?

But here's the thing. These guys seem to be really serious about this. And Kutcher might be really good at it.

For five-plus years, the guy best known for playing on-screen doofuses (*Dude, Where's My Car?*, *That '70s Show*, *Two and a Half Men*) has been diligently studying, networking, and putting his money—his net worth is estimated at \$140 million, according to *Celebrity Net Worth*—to work via dozens of angel investments. (Kutcher launched his first fund with Oseary in 2011, along with well-connected supermarket magnate Ron Burkle, who is reportedly less involved in Sound Ventures; his name didn't appear on the South by Southwest launch-party invite.)

Along the way, Kutcher has managed to get in early on some of the era's biggest winners, including Uber, Airbnb, and Spotify. And he's still logging plenty of time looking for new opportunities. This spring, for instance, he spent two full days at Y Combinator, evaluating the start-up factory's newest crop of companies, like Cleanly and Cinder.

Just as important—and perhaps more important since you can't judge his actual performance without seeing his financials—Kutcher has convinced start-ups that he brings value to their companies. That's crucial at a time when companies get to pick their investors.

"In a market like this, people are fighting to get into rounds, and deals close before they're even announced," says entrepreneur and investor Jason Calacanis, who has invested, like Kutcher, in companies such as Uber. "So you

have to convince start-ups you're bringing something to the table. There's probably a dozen angels whose names alone create more value. He's one of them." (Kutcher declined to be interviewed for this article.)

So what do you get besides Kutcher's money when Kutcher gives you his money?

That depends on who you ask. Calacanis thinks Kutcher's fame and social reach—16.8 million Twitter followers, 17.5 million Facebook likes—are no-brainers for start-ups that need exposure. This is the guy, after all, who made a point of appearing on CBS's *Two and a Half Men* with a laptop covered in stickers from his portfolio companies—to the chagrin of the network's executives. A well-known angel investor who didn't want his name used, even though he has only flattering things to say, agrees: "I think the notion of some celebrity tweeting once or twice about a product—that's not what does it. I don't think it's just check-the-box marketing. If the company is already telling a great story in the press, his involvement can amplify that. It's another data point to keep the cycle going. That's the benefit. *But* it's not going to make a shitty company into a good one."

Others downplay Kutcher's celebrity and argue that he's just smart, period.

"Ashton has uniquely strong product instincts," says investor Chris Sacca—best known for his association with Twitter—who counts Kutcher among one of the early investors in his own fund, Lowercase Capital. "I don't just mean strong for a celebrity. I mean that he genuinely understands what makes for a good product experience and how to make it better."

Alex Hawkinson, the founder and CEO of the "Internet of Things" start-up SmartThings, made room for Kutcher in his 2012 seed round after hearing good things from other investors. Hawkinson says he was pleased to learn that Kutcher "was very insightful about the customer life cycle and consumer psychology."

Investor Shervin Pishevar met Kutcher eight years ago at a TechCrunch event. At the time, Pishevar was running a gaming company and was showing off his iGolf app. The two started talking and have worked together since. Pishevar turned Kutcher on to Uber, which has become one of Kutcher's biggest wins. Pishevar says he even brokered the first meeting between Kutcher and Uber CEO Travis Kalanick, a famously curt and aggressive sort. "Travis didn't know what to expect," Pishevar says. "He came away super-impressed with Ashton. And Travis is a pretty tough cookie."

Not everything Kutcher has backed has been successful. In 2009 fashion-tech entrepreneur Brooke Moreland asked Kutcher to invest in Fashism, her New York City social-fashion company that ultimately failed. "We had heard from [famous angel investor Ron Conway's] SV Angel that Ashton was looking at [social-fashion start-ups]," says Moreland. "We jumped on the phone and asked [Foursquare CEO] Dennis Crowley to connect us.

"The very first call was terrifying," Moreland continues.

"THERE ARE PROBABLY A DOZEN ANGEL INVESTORS WHOSE NAMES ALONE CREATE MORE VALUE. ASHTON IS ONE OF THEM."

"It was him and Guy Oseary." Then she and her cofounder, Ashley Granata, flew to L.A. to meet Kutcher in person. "He was friendly, very easy to talk to," she says. "But we were taken aback by his questions. They weren't softball questions. We were pleasantly surprised that he was a serious investor."

Kutcher became a Fashism board member (unusual for him and for many angels). "He came to our board meetings—in person," Moreland says. "He gave his point of view in design meetings." His celebrity was also useful, according to Moreland. For instance, he put them in touch with actress Zooey Deschanel for a project they wanted to do with her. But in general, says Moreland, "that part was less helpful than him being a normal investor." When it was clear that the company was going to fail, in 2013, "we basically told him it was shutting down," Moreland says. "I was upset, but he was very helpful, talking to me about it and telling me it wasn't going to be the last start-up I ever did." (And it hasn't been. Moreland is now behind wearable-tech start-up Jewliebots.)

Sometimes Kutcher offers counsel to companies that he hasn't bet on yet. "Throw out the things that aren't vital. Feature the things that are magical," he recently advised Rounds, a live-chat start-up seeking feedback on Product Hunt, the site that's become Silicon Valley's online equivalent of TV's *American Idol*.

Affluent tech investors often mistake the issues that vex their lives with those that everyday people grapple with, which might explain why San Francisco is awash with venture-backed companies that deliver food, underwear, and weed to people who don't want to leave their apartments. But Kutcher is good about recognizing that not everyone is a rich, famous model turned actor, says investor Gary Vaynerchuk.

"He's good at not putting himself as a focus group of one. Obviously he's not the normal user," says Vaynerchuk. He says that insight helped Kutcher spot the value of Airbnb early in the company's history, when most people thought that the room/apartment-renting service would appeal only to couch-surfing millennials. "He was painting a picture of the value proposition and the size of the company way before others," Vaynerchuk says. Inves-

tors most recently valued the company at \$20 billion.

Then again, Kutcher *is* a rich, famous model turned actor. Last year, Vaynerchuk was pitching him on Resy, a start-up that allows diners to buy reservations at hot restaurants. "He was like, 'Why would anybody need help to get into a restaurant?'" Vaynerchuk says.

Kutcher invested anyway.

The newest data point in Kutcher's favor: He has aligned himself with private-equity heavyweight TPG Capital, which is either investing in his Sound Ventures fund or investing alongside it, depending on which report you read.

Now that Kutcher and Oseary are leveling up—their new fund, Sound Ventures, reportedly allows them to make multimillion-dollar bets, instead of a couple hundred thousand—they'll find themselves bumping into a new level of competitors. It's one thing when you're fighting with millionaires to bet on a start-up, but quite another when you go up against the deep pockets and wide influence of top-tier VCs, like Greylock, Benchmark, and Andreessen Horowitz.

Then again, those firms might still make room for Kutcher and his halo. Sound Ventures just participated in a \$7 million round for Pocket, a service that lets users store Web pages for later use, along with New Enterprise Associates, which raised a record-setting \$2.8 billion fund.

The more likely risk for Kutcher is the same one facing every single tech investor—that the bubble, or exuberance or whatever you want to call it, is going to end, and lots of smart bets are going to look less so. The *Wall Street Journal* estimates that there are more than 80 venture-backed companies worth \$1 billion or more on paper. Compare that with 1999–2000, at the height of the dot-com bubble, when there were, according to the *Journal*, 18 venture-capital-backed companies in the United States valued at a billion dollars or more. So it's hard to imagine those are all going to stay billion-dollar companies in a downturn.

But even in that case, there are plenty of people willing to bet that Kutcher will do better than most investors. "It would be easy to underestimate Ashton," Sacca says. "Frankly I am sure many guys in venture capital don't want to admit to themselves that a wildly successful actor and model is also a great investor." ♦

'round midnight

Dressed to thrill in silk, satin, and velvet,
a neo-noir romance unfolds.

Photographs by CHRIS BROOKS
Fashion Editor KAREEM RASHED

OLATZ robe, \$735. STELLA
McCartney bra, \$140. NICHOLAS
Kirkwood shoes, \$950. FRED
Leighton diamond necklaces,
prices upon request. TIFFANY & CO.
diamond bracelet (left), price upon
request. FD GALLERY vintage Cartier
diamond bracelet (right), \$430,000.
SIEGELSON multicolored diamond
ring, price upon request. DE VERA
goblet, from \$1,250 for a set of four.
HERMÈS teacup, \$380.



ERMENEGILDO ZEGNA COUTURE
jacket, \$3,895. **TOM FORD**
trousers, \$1,440. **BERLUTI** shoes,
\$1,850. **BULGARI** tourbillon
double-chronograph, \$175,000.



PRADA suit, from \$2,525, and turtleneck, \$970. **VACHERON CONSTANTIN** chronograph, \$69,000. **SIMON TEAKLE** Georgian ring, \$6,200.



LANVIN dress, \$3,990. **JONATHAN COHEN** fox stole, \$3,225. **NINA RUNSDORF** diamond earrings, \$59,000. **MUNNU THE GEM PALACE** diamond and aquamarine necklace, price upon request. On left hand: **YEPREM** yellow and white diamond ring, \$19,000. On right hand: **MARIE-HÉLÈNE DE TAILLAC** Paraiba tourmaline ring, \$160,000; **FERNANDO JORGE** diamond and topaz ring, \$3,060; and **LITO** diamond ring, \$5,625. **DE VERA** coupe, from \$1,950 for a set of eight. **SIEGELSON** sapphire and diamond cigarette case, price upon request.

On him: **LA PERLA** jacket, \$2,615. **BERLUTI** scarf, \$360. **ULYSSE NARDIN** chronometer, \$10,400. On her: **VIONNET** dress, \$3,225. **MUNNU THE GEM** **PALACE** moonstone bracelet, price upon request. **YOSSI HARARI** diamond bangle, \$17,540. **FRED LEIGHTON** peridot ring, price upon request. **FD GALLERY** Edwardian fire opal ring, \$19,000. **MARIE-HÉLÈNE DE TAILLAC** rubellite and fire opal ring, \$4,450. **DENNIS BASSO** chinchilla fur, \$21,000.



DONNA KARAN dress, \$10,000.
ARA VARTANIAN emerald and
diamond necklace, \$73,600. **FRED**
LEIGHTON diamond necklace, price
upon request. On left hand: **DE VERA**
pearl and diamond ring, \$2,950; and
SUEL rings, from \$990. On right
hand: **MARIE-HELENE DE TAILLAC**
tourmaline ring, \$5,750.

Prop styling by Andy Harman. Hair by
Cecilia Romero using Rene Furterer
at the Wall Group. Makeup by Yacine
Diallo using DiorSkin at Defacto.
Manicures by Casey Herman using
Tom Ford Beauty at Kate Ryan Inc.
Produced on location by Nicole
Hektner for Hen's Tooth Productions.
The models are Dean Stetz at
Wilhelmina and Michelle at APM.
Casting by Wulf Casting.



MY BEST INVESTMENT

66

Spring | Summer 2015

Mark Cuban

BILLIONAIRE INVESTOR AND OWNER OF THE DALLAS MAVERICKS

The one thing in life you can never get back is time. Having my G550 available at any hour, plus the ability to drive right up to it and take off without all the hassles of flying commercial, has given me countless hours with my family and moments to myself to get things done or just relax. I can't live without it.

Photograph by **JEFFREY MILSTEIN**