

RELATIONSHIPS

DAPHNA

I don't want you to change, even for the better.

— GERALD CRAMER

I CAN'T BELIEVE HOW LUCKY I WAS to find Daphna. Since we married, I've been in heaven, and if such a thing as perfection exists, it is the relationship we have. We share our children — hers and mine — as our own. The Yiddish word *kvell* describes how I feel. It means “glowing with pride,” and I am truly glowing. I have a wife who is beautiful internally and externally. She is kind to everyone, she is considerate, she is responsible. She loves my children as much as she loves her own, and all of the children reciprocate that love. There are even times when my children prefer Daphna to me. I'm not jealous — oh, well, just a little.

In the past, I idolized some women. They were Aphrodite-like, placed on their pedestals. When they became realized, I lost interest. Daphna is that ideal woman who I've been with more than twenty years with the same feelings that I had in the beginning. That's down to earth.

Israel exports wonderful oranges and beautiful women —

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Daphna is a prime example. She is extremely modest. I had been dating her for about six months before I learned that she was once a Miss Israel and a fourth runner-up to Miss World. She had never mentioned it, and I discovered it only after someone curtsied to her in an elevator. Why the curtsy? I asked. Daphna replied to me that her mother had made her enter a beauty contest, and she won. At seventeen, Israel sent her to the United States for a public relations mission.

Everybody wants to know how we met. During my separation, I had a few long-term relationships with very special women, but I didn't want to have a lifelong commitment with any of them. During a relationship intermission, I was skiing with my family in Taos, New Mexico. The second day I was there I received a phone call from Miriam Marshall, Rick Segal's stepmother. She said, "I have a very sweet lady from Tel Aviv visiting me for a few days and I would like you to meet her." Sweet — I think — no interest. Then Dr. Mike Segal, Miriam's husband, gets on the phone. "This chick is a cool cat, sexy as hell, you get your ass back to New York." Sexy as hell — hmmm. "Mike, keep her from going to Israel for a few more days and I will be back." I leave my children after only skiing with them a few days and return to New York. I call Daphna. Being conservative, I'll know quickly if I like her. I ask her to have a drink with me. She can't make it. I then ask her to have lunch with me. She can't make it. Okay, I guess I'd better invest the three hours and take her to dinner. I invite her to have dinner with me. She accepts. The evening of the date arrives, and I go to the apartment where she is staying, ring the bell, and a comely woman opens the door. Thinking it's Daphna, I introduce myself and immediately I am informed that this woman is not Daphna but her good friend, Mollie Fuchs. Then Daphna arrives. I am speechless. I feel my heart pounding. Now I know it's true — that the heart is a symbol of love. We had a very wonderful dinner that evening and Mollie dropped over to have coffee with us. I invited the two ladies to visit my cottage in Croton-on-Hudson. Three of us, speeding in my Porsche, arrive and were greeted by my houseboy, George. George had esoteric tastes in his affection for pets. His favorite was a tarantula that he promptly showed the ladies. How's that for making a good first impression?

Daphna stayed in the United States two weeks longer than she

planned. Upon her return to Israel, we scheduled a rendezvous. The first date outside the U.S. that we had was in Cairo. I thought I was very considerate, being that I would travel from New York to Cairo, and she would only have to travel a short distance from Tel Aviv. What I didn't realize was at that time Israeli's were very nervous about being in Egypt. However, the Meana House Hotel, a former palace of a pharaoh overlooking the pyramids and sphynx, mitigated any of her earlier fear and trepidation. We subsequently met in London, Vienna, Bermuda, and Paris. With all my traveling, I had only been to Paris on short business trips. I was saving it for ultimate romantic experience. I flew to Paris twenty-four hours ahead of Daphna without a firm hotel reservation thinking that it would not be a problem. Well, it was. They were having the Paris Air Show and all hotel rooms were booked. With a sympathetic hotel manager assisting me, we placed at least fifty calls and I was able to reserve a room in the Ritz for two hours for a champagne and caviar lunch. Then they found us a room in Versailles. We were to return to Paris after the Air Show concluded. The hotel was the Nova Softel. They gave me the keys to our suite that turned out to be still occupied. I opened the door and witnessed an Arab sheik surrounded by assorted women in various states of undress. I closed the door very, very slowly. They didn't invite me in.

Our trip to Vienna was memorable in a negative way. We attended the Lippizaner Stallions show, and I had an asthma attack from the horse dander. If any of you Cramer descendents have allergies or asthma, you can blame me. I excused myself and went back to our hotel to get my inhaler. However, I became extremely weak, so weak that I sat down on the curb fighting to catch my breath. I commandeered a passenger car and hoarsely asked the driver to take me back to my hotel. As we approached, the main street was closed because of a marathon. It was ironic that I, who ran six days a week at least for thirty minutes, was struggling to cross the street — runners dodging me — and get to the relief of my inhaler. I made it. Daphna returned from the show not realizing the difficulties I had encountered.

Our trip to London was highlighted by meeting Daphna's Scottish father, Alistair, with whom I immediately bonded. We shared our respect for the cocktail hour — he drinking Scotch, of course, and me drinking my martini, of course.

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We visited Daphna's mother, Annetta, and her second husband, Max, living in Miami Beach. Annetta ran a beauty salon (she was known as the Estée Lauder of Tel Aviv). She indicated that my hair needed a "touch up." She persuaded me to go to her beauty salon and I became immersed in my *Wall Street Journal*, finally looking up and seeing an unrecognizable me. I had jet black hair. Getting rid of dye in one's hair is difficult to say the least. The hair went through various color changes from black to orange and finally to my natural gray.

I introduced Daphna, Roy, and Shelly to my mother who was in the Douglas Gardens Nursing Home in Miami. I whispered in her ear that "you are meeting the woman with whom I am deeply in love." Her reply was a loud, "You tell me that about all the girls that you introduce to me." We challenged my mother to a spelling contest. Remember, Kate was a grammar-school penmanship teacher and was a very good speller. There was Kate vs. Daphna, Roy, and Shelly. The word mischievous (can you spell it?). It was no contest. Kate was the winner.

We married under a willow tree at Will-O-Woods in Croton-on-Hudson. Our bridal party consisted of our six children. My 1933 Rolls-Royce did its final service driving the elders to the ceremony. That accomplished, it never was able to run again. My first present to Daphna was a miniature goat. It appeared to me to be biblically symbolic. The goat, Cappy, (short for Capricorn, Daphna's astrological birth sign) was also part of our wedding party. Our rabbi was not too happy about that. We found out later that Cappy was pregnant. A few months later, we had Cappy plus Millie and Billie.

A beautiful woman stays beautiful as she ages. There is just something that stays with her. And there is nothing more refreshing to a man's eyes than looking at a good-looking woman. Lucky me, then, to have an immediate family of four great-looking women: Daphna and our daughters, Lauren, Kimmie, and Shelly.

Shelly is one of two wonderful gifts Daphna brought to our marriage; the other is Shelly's brother, Roy. They have become fully integrated into my family, so much so that I feel I have six children rather than four. In fact, they have been legally adopted. Every good quality I would cite in my natural children, I can also cite in Shelly and Roy: they are intelligent, they work hard, they are humanists, they don't

have an “attitude.” That last point is very important to me. Their habits are positive, though they have acquired some of my bad ones, like a fondness for wine.

I’ve asked Daphna to write a book on her life, her early life in Israel as a fourth generation Sabra. She has a most interesting background, with family members who are both most noble and ignoble. Members of the family, coax her to write that book. It will be better than this book.

“BIG AL” OLTREMEARE

Chi trova un amico, trova un tesoro.
(*He who finds a friend finds a treasure.*)

— ITALIAN PROVERB

I HAVE A GOOD FRIEND NAMED Al Oltremeare, whom I talk to almost weekly. He’s a nice, simple man, and I mean “simple” in the best sense, i.e., he is pure. I met him in 1958 when I was prospecting for clients at Kidder. We had a list of Bergen County residents who were millionaires and bought municipal bonds. One day I cold-called one of them, Vince Oltremeare, Al’s much older brother, and he asked me to come see him.

He had a chemical cloth-dyeing company, and I was to meet Vince at his factory. It was a disheveled, dirty place. People were throwing bolts of material around. Most of the workers were black, except for one guy with a big smile on his face. He was so dirty he could have been black. I asked him for Vince Oltremeare’s office, and he replied, “Oh, you mean my brother? He’s over there.” He pointed to the other side of the plant and up a floor. I was surprised that the boss’s brother was working this way.

I went up to meet Vince. We talked investments, and over time he became my biggest client. He bought thousand-shares of stocks regularly. This was big time. He also incorporated some of my unique investment strategies.

I couldn’t help but wonder how incongruous it was that the big

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brother ran the show while the little brother was throwing bales of material around and probably being paid little. One day the younger brother, Al, telephoned me and asked if I would handle as a client "somebody as small as me." I gave him some ideas, and he made some money.

Some time later, he called to tell me that he was quitting his job, commenting that his brother wasn't being fair to him. He considered opening a Chicken Delight franchise. What did I think? I agreed that it was a good idea, and he and his wife opened the franchise. On his opening day, I bought about \$50 worth of chicken for a party — it was their biggest order of the day. Two years later, Al sold his Chicken Delight store and opened a liquor store, which he still owns. I called him the day the store opened and bought \$1,000 worth of wine and liquor. He insisted on giving me a big discount, but he was surprised when I only asked for 10 percent

To this day, I call him "Big Al," and he has been a good friend to me and my children. When my daughter Lauren became eighteen, I asked him to give her her first job, working in his liquor store. Being old-fashioned, he stuttered and hesitated about having a young woman in his liquor store, but he said yes. She became his star salesperson; knowing wine was part of her upbringing.

Once he got a glimpse of Lauren in the passenger seat of a car racing past his store. He got into his car, chased the speeding car until he caught up at a traffic light and chastised the driver — Lauren's then boyfriend — and his "supersalesman" for risking life and limb. "Don't see that guy again!" he told her. And she didn't.

Big Al still, after all these years, talks about how much Robert Mondavi cabernet savignon Lauren sold.

He has been a surrogate father to my children, and they love him.

I speak to him without fail every Saturday at 9:30 A.M. He asks how the kids are, and I ask about his (he has an extraordinary granddaughter at Duke and a grandson at Syracuse), and we talk a bit about his portfolio. We also use this time to place bets on Duke and Syracuse sporting events.

My life over the past half century has seen its share of blood, sweat, toil, and tears, and during that time the friendship with Big Al has been a true constancy.

GERALD B. CRAMER

THE ISRAEL FAMILY

FOR MORE THAN THIRTY YEARS there has been a tradition of my lunching on Monday at 1 P.M. sharp with the Israel family and key advisers. The lunches are formal, tie and jacket is the dress code and the conversations always lively. World politics, current events, and economic trends are standard topics.

The tradition began as my briefing for Ace Israel, his son Tom, and Barry Gray, the family's chief of staff, on the portfolio activity in their various accounts and economic and stock market forecasting. Sometimes we would bring in a special guest, usually a well-known Wall Streeter or a senior executive of a company whose shares we either owned or were considering owning.

This is how I serviced my prime client.

When Ace was alive, we'd have our two Bloody Marys before lunch. After he died, and Tom Israel became the leader of the family, the only change was that our prelunch imbibing became two Virgin Mary's.

Rarely did I miss a Monday lunch. If Yom Kippur was on a Monday, I would be there. If winter storms shut down most of the metropolitan area, I would be there. Even if I had laryngitis, I would still manage to wheeze words of wisdom.

I used a Monday lunch to announce my engagement to Daphna. Tom and Barry wanted to know all about my fiancé. I described her and said that she was wonderful and was from Israel.

There was a pause.

"You're marrying an Israeli?" one asked.

I got defensive. "What's wrong with me marrying an Israeli?" I said. "I'm Jewish. What's wrong?"

Another pause.

Then Barry said, "You're Jewish? I didn't know that. And I thought you were the smartest Goy I knew. As a Jew, you're average."

(After all these years of knowing me, what's wrong with that guy?)

More than thirty years of being the investment adviser to the Israel family has been a unique experience. Besides its longevity, it is a classic example how an enduring business relationship matures into a strong friendship. After Ace died, I expected Tom to hire someone from

his generation as his investment adviser. He didn't, and I remained. I respect Tom and Barry for their intelligence, integrity, and loyalty.

MENTORING

My chief want in life is someone who shall make me do what I can.

— RALPH WALDO EMERSON

ONE OF MY GREAT PLEASURES in my business life has been to mentor, or as a minimum, advise younger professionals who entered my sphere of influence. Many of these younger Wall Streeters and business professionals became superstars in their industries. I will comment here on only a couple; others have been mentioned elsewhere. There are, of course, many more who achieved great successes in their professional and philanthropic lives, but these would require a book of their own.

One individual is Jeffrey Casdin. In October 2005, I received a telephone call from Jeff's son, Eli, with shocking news. Jeff, while on holiday in Paris, had a massive stroke and died.

My interface with Jeffrey Casdin began in my Oppenheimer period around 1967. Bob Birch, one of our best Oppenheimer brokers, asked me to hire and train a young friend of his who had just graduated from Harvard Business School as a Baker Scholar. (Scholastically, he could have taught me a thing or two.) That young man was Jeff, who became one of my most successful brokers. I involved him in many of my unique ideas.

Jeff was one of a kind. He soaked up original investment concepts like a sponge. He was the epitome both of thinking outside the box and of following the path least traveled.

He resigned from the Oppenheimer sales force to further pursue his groundbreaking investment concepts. He was among the first on Wall Street to endorse the major growth industry of cable television. He also started one of the first discount brokerage firms, later selling it to Fidelity Investments. Today, Fidelity discount brokerage is the leader in the industry.

Jeff's fertile mind then took him to be a research analyst in the nascent industry of biotechnology. *Institutional Investor* named Jeff #1 in that investment category. He moved on to open a hedge fund specializing in biotech publicly traded securities, and I was among his first limited partners.

Was he a good money manager? I'll tell you how good he was. I invested \$1 million with him. That \$1 million became more than \$9 million.

More importantly, Jeff remained down to earth. He had humor along with humility — “no rooster crowing to bring on the dawn.”

Jeff's wife, Sharon, was a real beauty when they married, and she is still one today — proof of my theory that a woman once beautiful remains so. She was a great influence on his success. Wall Street is so fraught with schizophrenic-like ups and downs. Sharon's calm cancelled the chaos.

About seven or eight years ago, I was lecturing at the Columbia Business School. A young grad student came up to me after the session and introduced himself as Jeff's son, Alex Casdin. We kept in touch.

After Alex made many millions of dollars as a hedge fund manager, he resigned to seek a new challenge. I tried to hire him for Cramer Rosenthal McGlynn.

Alex and I discussed the pros and cons of his working with his dad. Normally, I'm strongly against nepotism, but Alex showed he could be successful on his own — comparable to the father — and therefore I encouraged him to join his father's firm as a partner and co-portfolio manager.

Jeff introduced his second son, Eli, to me for advice and counsel. Eli's age was the same as Jeff's when we first met. It was like a time warp: the same face, the same mannerisms, a fusion of father and son.

Now, one of the best of Gerry's boys is gone. His legacy, however, lives through his very special family. This is my memorial to him.

Another of Gerry's boys is Richard Rosenblatt from Santa Monica, California. During the early Internet boom in the 1990s, I was introduced to a then very young Richard. His resume was scant — college and law school plus a few years running an Internet start-up

company called iMall, a penny stock trading on NASDAQ. I asked him if he had a job while attending college. “Yes sir, I did,” he responded. “Did you wait tables?” I asked. “No, sir, I was in advertising and promotion,” he said. “What did you earn your senior year?” I asked. “One million dollars,” he responded. These California types can sure bullshit. “Can you have your accountant send me your tax return for that year?” I asked. “Yes, sir,” he responded, and it came—\$984,000. I kid him that he did exaggerate, but it was a rounding error.

We invested with him. iMall was a major success—a “five-bagger.” Being a high-risk, high-reward pioneer in a new industry, we had a few major disasters, but many more were major winners. One of his companies created one of the most popular Web sites—MySpace.com, which was sold to Newscorp for \$580 million.

Richard is a great communicator of his companies’ missions. He radiates an infectious enthusiasm. He is a great example of a humble hero, he learns from his errors, he is modest in his successes, and he knows how to listen to advice from those with more experience.

Currently, we are invested in his new social networking, advertising site called Demand Media. So far so good, but the best is yet to come. Go, Richard, go.

THE MANOCHERIAN FAMILY

*A Book of Verses underneath the Bough,
A Jug of Wine, a Loaf of Bread — and Thou
Beside me singing in the Wilderness —
Oh, Wilderness were Paradise enow!*

— RUBÁIYÁT OF OMAR KHAYYÁM

THIS IS THE BEST EXAMPLE of a business friend becoming a true friend.

About thirty years ago, I had a business meeting with the scion of the family Freydon (better known as Fred). One of my former superstars at Oppenheimer, Phil Sassower, had introduced us.

I will digress a bit to talk about Phil, a Harvard Law School grad who married the boss Max Oppenheimer’s daughter. Phil is a first-class

investor, primarily in smaller companies that required rehabilitation. This means much money and motivating management. He is also a first-class character. I asked him once why he liked working on Wall Street. His reply: "Where else can you get overpaid for underworking a job where you don't get your hands dirty and you work where it's warm or air-conditioned?"

Now back to Fred Manocherian. His office was decorated in Persian splendor, with thick antique rugs and warm, dark Middle Eastern furniture. There was Fred, in a silver suit and hair to match, looking like a Persian James Bond.

At the time, Fred owned 10 percent of a savings bank in Ann Arbor, Michigan, Great Lakes Bancorp. He called me because he found out that Cramer Rosenthal also owned 10 percent of the same bank. We tried, unsuccessfully, to persuade its management to sell out to a larger bank. (Many years later, after we had liquidated our position, it finally did.) I appreciated Fred's interest in "exercising" his monies trying to "make something happen."

Fred also owned stock in Nu West Industries at the time I was involved in the company and before it became Glenayre. He recognized that Nu West had \$45 million cash in the till, and many times, over steak dinners, he offered to trade me real estate parcels for Nu West's treasury. Although he wasn't successful in getting a swap, we both later enjoyed the significant appreciation of Glenayre stock.

After that shared experience, Fred looked upon me as someone special. I wonder why? I looked upon him as a unique human being, a philosopher, a philanthropist, and a wise man. I became a certified family member, counseling members of his family, especially his sons Greg and Jon. Fred advised my son Roy on real estate activities. His wife, Jennifer, is an angel.