

## **PULLING THE PLUG**

**Palmer residence  
Austin, Texas  
March 2014**

Pete Palmer arrived home at three in the afternoon surprising his wife, Abigail.

“You’re home early,” she said. Her tone was pleasant, though she was surprised at the early hour. Pete was never home before nine o’clock.

As CEO of a startup, Ghost Rider, Pete was at his desk for long hours, so an early arrival was a treat, one neither Pete nor Abbie had enjoyed for years.

“We need to talk,” he said.

Before Abbie reacted, Pete walked to the French doors overlooking the swimming pool behind their house in West Austin. The contractors completed the \$154,000 pool last month and the hot tub was a warm haven during the cool February evenings. They slept with the windows open enjoying the fountain’s white noise. The weather wasn’t warm enough to swim yet.

Standing there, fists jammed into his khakis and waiting for Abbie to react, he wondered how long they might live here, because there were going to be some changes. Last month, he planted twelve azalea bushes and wondered if he'd see them bloom or if he would ever swim in their new pool.

“Bad news?”

She stood there for a second afraid to close the distance between them, thinking it provided protection against threatening thoughts. Right now, her mind was wandering in that direction.

“We're pulling the plug on Ghost Rider,” he said, trying for matter-of-fact, but failing.

The words sounded cruel. Much crueler than when they were benignly spinning inside his head on the way home.

“There's a board meeting tomorrow to make it official, but it's just a formality. I've spoken with everyone. They have the votes to do it. It's a certainty.”

Listening to the words, now spoken aloud for the first time, he felt sick. Three years, three long years, he worked to build Ghost Rider. The company—and by extension, himself—was a failure. The board was performing an autopsy; the company was dead.

“Hank any help?” she asked, referring to the Chairman of the Board, Hank Cates, legendary venture capitalist. Hank was an investor in the company, and a loyal ally of Pete's.

Pete stared out the French doors, his eyes going anywhere but to her. “Our shares with his equals forty-four percent,” he said, on the verge of tears. He hated appearing weak and he clenched his jaw to the brink of broken teeth. “The other side has the votes. We don't. Simple math.”

“When?”

She walked to him.

“We’ll announce it tomorrow after the board meeting,” he said, turning to face her. The look of mourning on his face was worse than his funeral words. “I’ll tell the company before the public announcement. Want them to hear it from me. Week, at the most.”

Abbie closed the last bit of distance between them, closed her eyes, and hugged her husband. When Pete didn’t react, Abbie hugged him harder and promised herself they’d make it through this.

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**Ghost Rider, Corporate Headquarters  
Austin, Texas  
The next day**

“You going to be OK?” asked Hank Cates, thirty minutes before the board meeting.

“Sure, the shock is over,” Pete replied, leaning back in his chair pretending to relax. “I just want to get it done.”

He looked around his comfortable office missing it though there were a few days left. In his mind, it was gone. When he left, a large part of his life would remain. It was the hardest he’d ever worked on anything and he’d wanted it more than anything, but Abbie.

“I’ll call the question and there won’t be any discussion,” Hank said. Pete thought Hank sounded too calm, but the venture business was Hank’s trade for more than a third of a century. Shuttering companies, never fun, was not novel. Pete wanted to say something, but Hank put him off.

“Rehashing the same arguments serves nothing. They want to pull the plug and they have the votes.”

Pete nodded.

They walked to the board room. Pete took a detour to the rest room to relieve the sour-belly coffee nervousness, built up since four in the morning. This morning, he'd watched the sun strike the building for the last time. He cried.

The meeting was technically a shareholder meeting not a board meeting. It was coincidental the board members were the sole representatives of the corporation's shareholders. Hank didn't waste time.

"This is a special meeting of the shareholders of Ghost Rider, Inc., called to vote on a single question. Shall I read the resolution?" Hank, reading glasses balanced on the end of his nose, asked the six other men.

Heads nodded and Hank read.

"Be it resolved, the shareholders of Ghost Rider, Inc. direct its board of directors and management to terminate and liquidate the business of the corporation effective the first of April 2014."

When Hank finished, he took off his glasses, stuck them in his shirt pocket, smoothed his gray hair with both hands, and looked around the room. Pete and five white, prosperous, Republican-looking, Ivy League, fat cats grieving their dead dog gazed back. There was not a free range smartphone, tablet, or laptop in sight.

"We'll vote now," Hank said. "If you are in favor of the resolution, please say 'aye.'"

Every vote was in favor of the resolution including Hank's and Pete's, which surprised those who expected contentiousness.

"Do we have a liquidation plan?" Hank asked, knowing they did.

"Yes, it's in front of y'all," Pete said.

One of the other attendees spoke. “We sell off the furniture, fixtures and equipment. Is that correct?”

“Yes,” said Pete, flexing his jaw.

“What happens with the company laptops?” asked another.

“I propose to let employees keep their laptops,” Peter said. Nobody objected.

Hank held his hand up to redirect their focus.

“Gentlemen, I adjourn the shareholder meeting. This meeting is now a board meeting of Ghost Rider, Inc.—in liquidation. Everyone fine with that?”

Heads nodded.

“Hearing no objection, let’s consider the liquidation plan and take a vote to approve or reject it. Shall we?”

Heads nodded again.

“The proposed liquidation plan of the corporation is before us, gentlemen. I suggest we approve it. Can I have a second on that motion, please?”

Someone seconded it and the vote was unanimous.

There was one more matter to settle.

“Who gets the IP?” asked another board member. The other board members either didn’t notice the question or want the intellectual property, the code.

“Who wants it?” Hank asked.

“Why does anyone want unworkable code?” asked the same board member.

“Does anyone want the IP?” Hank asked. Nobody made any response.

“Shame to just junk it; it cost millions to write. I’ll buy it for ten thousand dollars unless anyone objects. Anyone want a piece?” Hank asked. Nobody made any response.

Years later the story had Hank Cates *stealing* the Ghost Rider intellectual property for ten thousand dollars, but then it was a frivolous waste of money, vanity.

It was orderly. Hank joked the difference between an *orderly* and a *querulous* liquidation was letting the failed founder step out of his underwear *before* the VCs chopped them up for rags.

A week later, Ghost Rider was rags. The offices were dark, abandoned, and had the look of failure. A crooked For Lease sign was taped to the door.

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“How did it go?” Abbie asked, when Pete was again home earlier than usual. There were no bloodstains.

“Smooth as silk. Not a word of drama. Want to go out to eat tonight?” he asked, trying to distract her.

“Can we afford it?” she asked, with mock seriousness.

Abbie was a Boston trust fund baby who met Pete getting his master’s in computer science at Massachusetts Institute of Technology. They never talked of her wealth and she never provided much evidence of it, content to let it simmer on a back burner.

“You tell me,” he replied. “I’m unemployed.”

“Yes, we can,” she said, holding his hands in hers, kissing each before holding them to her cheek. “Look on the bright side of things. You can be my kept man. Let’s go to Guero’s and get drunk. I’ll even get frisky with you, if you’ll let me. Unemployed guys have sex, right?”

Abbie Palmer was the right medicine for Pete Palmer, and he knew why he married her. She was as tough as nails and could handle her six-foot-four-inch mortally-wounded husband. In appreciation, Pete kissed her and whispered into her ear how much he loved her.

“Get me drunk enough tonight, cowboy, and I’ll show you a good time,” she whispered back. It was a bluff. Inside, she suffered his pain.

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The next morning, right after the fourth Tylenol made its presence known, Hank Cates called.

“Come over for burgers,” he said.

Entrepreneurs would commit murder to spend time with Hank Cates, an *uber* successful venture capitalist and a hard man with whom to arrange an audience.

“Sure, why not?” Pete answered, as if headed to the dentist for a root canal.

“Cheer up,” Hank said. “Nobody’s dead and nobody has cancer.”

Hank’s lake house sits on two hundred and fifty acres of manicured Lake Travis shoreline. When Pete arrived Hank was hard at work, grilling half-pound cheeseburgers, thanks to his personal chef and organic Texas beef from his ranch in the Panhandle. There was a case of iced Peacemaker beer, a local microbrewery in Hank’s portfolio. They pulled chairs up to a teak dining table on the deck looking out on the polished grounds and the lake, a warm and comforting view. The subject was not.

“What did you learn from the experience?” Hank asked, not wasting time and handing Pete a plate of cheese burger, pickles, slaw, and Wavy Lays.

Pete didn’t hesitate. His mistakes haunted him every night and he knew them like family.

“I should have run a leaner, more nimble, and agile shop.”

It came out in a torrent.

“I let the money go to my head and grew the infrastructure too fast. I should have pinched pennies.”

Hank nodded his head and bit into his burger. He knew you could learn by just listening.

“I believed our press clippings and got caught showboating and grandstanding. I want to puke. Never should have opened San Francisco and New York offices. I should have waited to do that. That distracted me, the team, and cost gobs of money. We took our eye off the ball. No, it was me. I took *my* eye off the ball.”

Hank took a long sip of his Peacemaker.

“I should never have rolled the product out without doing more testing,” Pete said, shaking his head. “Turned my nose up at focus groups—too Old School. Stupid. Ended up using the customers as a focus group, drove them off with that silliness. The rollout was worse than healthcare.gov.”

That made Hank laugh.

“It’s wasn’t worse than healthcare.gov, Pete. Nothing could be that shitty. What else?”

Pete folded his arms, feeling nauseous.

“I should have confided more in you, Hank. You were there and I didn’t listen. Sorry.”

The apology was the final defeat, the broken sword of surrender.

They sat admiring the view, finishing their cheeseburgers, and absorbing the wisdom of Pete’s words. Hank let the silence creep up on awkward before speaking.

“What are you going to do?” Hank asked Pete.

Pete stole a breath from somewhere in his past before he’d tasted undiluted failure. He looked tired, drowning in self-pity and fatigue—exacerbated by a four-Guero’s-margarita-hangover.

“Abbie’s taking me to Nantucket for the summer,” Pete said, as if Nantucket were a minimum security prison which, being an island, maybe it was.



“Her family has a shingle mansion up there. Right out of the Great Gatsby. Spend time together, try to decompress, figure out how I fucked things up, recharge my batteries, and then who knows? I don’t have a job.”

Pete laughed in what should have been wry humor but felt good—the first stress free laugh in months.

“I admire Abbie. She’s . . .”

Pete did not let Hank finish the sentence.

“Best thing in my miserable life?” Pete asked with affection.

“I’m not looking forward to seeing her parents,” Pete said with anguish. “They never were keen on the whole startup entrepreneurial thing. Thought I was marrying her for her money. Said I should just move to Boston with Abbie and work for the family bank. Her dad will have a blast at my expense. I think I’d prefer a barbed wire enema.”

Hank laughed.

Pete pulled his hand through his hair. “Hank, can I ask you something?”

Hank nodded.

Now Pete was looking right at him. “Why did you buy the IP?”

“You want the short or long answer?” Hank said, tilting his beer to wet his mouth, anticipating Pete picking the long answer.

“Give me the truthful one,” Pete said.

“You fucked up, Pete,” Hank said without venom. Pete did not argue.

“It was your execution,” Hank continued. “You’ve got a good handle on what went wrong. Who knows where Ghost Rider might have gone if you’d taken a different tack. You with me?”

Pete nodded and tapped his foot under the table.

“I’ve always liked the basic idea of Ghost Rider since you first pitched me.” Hank hesitated, weighing what to say next. “I think the hypothesis is fine. No question there’s a market for scouring one’s stupidity off the web. Your execution suffocated it. Idea’s a winner.”

They pretended to consider the view.

“What are you planning to do with it?” Pete asked.

Hank pushed back his plate, crossed his fingers over his stomach, and leaned back in his chair.

“Pete, go to Nantucket for the summer, get rid of the feeling-sorry-for-yourself-self-pity bullshit. I haven’t decided yet. May take another crack at it. Might want you to work on it. No promises. Not sure you’ve returned to Earth.”

The words settled into Pete’s ears. They sounded more insulting than they were. It was a simple utterance based on fact devoid of emotion. It was the truth.

“You lost four and a half million on Ghost Rider, Hank.” Pete’s words were a dagger. “A lot of money.”

They studied each other.

“Sure you want to consider doing that again?” Pete asked. His tone betrayed incredulity. “And, with me? I’m the one who fucked it up, remember? Why?”

Hank laughed. Equal measures of wisdom and kindness coexisted in that laugh.

“Pete, it’s called tuition.” Hank measured each word twice before cutting them loose to fly on their own. “I spent a shit pot of money training you, didn’t I?”

“Four and a half million dollars,” Pete said. He studied his hands and fingernails, avoiding Hank’s eyes.

“Why the Hell should I donate that tuition money and all that education to someone else?” Hank caught himself and chuckled. “No promises, Pete. Don’t you go to Nantucket thinking there’s another gig waiting for you. Not with me. No promises. Just speculating.”

Pete looked at his burger. “Hank, why did the board pull the plug?” He took a bite and chewed. Even the burger mocked him, waiting for its turn to return as vomit.

“The rest of the board doesn’t have this,” Hank said pointing at his longish and thick gray hair. “I earned this the old fashioned way. The rest of the board doesn’t know failure can be fleeting. How short-term-failure can be the foundation for long-term-success. Failure and triumph are both imposters. Who said that?”

He didn’t wait for Pete to answer before saying, “Rudyard Kipling.” It was a line out of Kipling’s poem IF.

Hank, what Silicon Valley called a Gray Haired Eminence—the guy who could see over the horizon and whose vast years of experience allowed him to blow on the embers of a dying fire and make it roar to life—laid out a vision.

“You may have been early,” Hank said. “Timing is huge in tech startups. Good idea needs to arrive on time. Lousy execution, but it may have been timing as much.”

Hank rose and leaned against the rail of the deck studying Pete to see if his words were gaining traction.

“I’ve never seen a successful company make it without a hitch. Every company endures a moment of crisis—the crucible moment, I call it. The tough ones survive. The weak ones don’t. Leadership is what makes the difference.”

Hank was reaching back into thirty plus years of venture capital experience.

“A crisis that requires an inflection point. The board wasn’t willing to throw more money at Ghost Rider because your execution was flawed. You were pissing through the money as if you held the deed to Niagara Falls and expected it to flow forever.”

Pete felt ashamed at this accusation from a man whose goodwill he craved and whose opinion he respected.

He raised his hands. “Guilty, as charged,” Pete said with resignation.

“Notice I did not criticize the idea, the hypothesis,” Hank said, warming to his vision. “The idea is sound, The execution not so much. Maybe I can correct that. Maybe not. I have to decide, but for ten thousand dollars I’ve got an Irish sweepstakes ticket. Got a gut feeling. Same way I perceived you, Pete, when we first met.”

Pete stood to take his leave, sensing the conversation was over. They parted with a firm handshake.

“Go to Nantucket. Store up goodwill with your angelic wife, let her daddy whip you at golf, and if you’ve learned your lesson, Pete, come see me when you get back. No promises. Not the end of the world. Hell, you can’t even see it from here.”

Hank Cates could fire you, tell you it was your own damn fault, tell you you screwed up, and you liked him more for it.

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**Nantucket Island**  
**Late April 2014**

Pete arrived on Nantucket depressed. Obsessing on the failure of Ghost Rider did not diminish his funk. Long pre-dawn walks by himself left him feeling isolated. The low lying sea fog was a perfect match for his mood.

*I did this to myself. I'm smarter than this.*

Healing does not begin until you diagnose the sickness, plot a treatment program, and swallow your medicine. It did not come easy for Pete. Abbie tried to help, but he withdrew and didn't let her in. She hated seeing him so despondent; knowing she could bridge the financial implications made it worse. They slept together, alone in their bed, their sex life as vibrant as a convent.

"I'm a failure," Pete exclaimed to Abbie one night. They were watching the ships in the harbor swing at anchor under their peaceful lights. "How could I be such a fool? Hank Cates told me what to do and I didn't follow his advice because I was too pig headed."

Pete looked at Abbie and the ocean.

"Abbie, let me dive in and swim toward France and just keep going. I pissed away millions of dollars of other people's money. What a fucking loser I am."

He spat, turned on his heel, ran up the stairs, and went to bed angry. Forgiveness was sleeping out somewhere by Sankaty Light that night.

Abbie did not give up, trying to break through the negativity. It was not an easy chore, but soon she made dogged progress. Pete exercised every day, brutally testing—punishing—his body seeking the solace of hard-earned pain and sleep.

Abbie reinforced the pattern with golf, tennis, biking, jogging, walking, fishing, sailing, and sun worshipping. They took long, silent, hand-in-hand, late-night walks. With painstaking effort, she lured him out of the swamp and back into their bed and her arms.

Abbie's dad, with his revoked charm school diploma, lived up to his billing. Not wanting to miss a chance to make his views known, he waited until they were dining together on the porch one night before assessing things.

“Well, you fucked that up, didn’t you, Pete?”

Pete never let Abbie’s father win a single golf match by brute force born of frustration. When Pete was a few strokes up, he pressed harder, never relieving the pressure.

By late September, Abbie and Pete were longing to return to Austin. Pete, ready to start over, completed one last set of the Stations of the Cross, a few novenas, thousands of acts of contrition, and struggled for the peace of the confessional, penance, and absolution.

They made progress and Pete and Abbie patched things up. Abbie returned to Austin pregnant.

When they landed, Pete called Hank.

“I’ve learned my lesson, Hank. I’m ready. Give me a second shot.” There was a long pause. “Please, Hank. I’ve learned my lesson.”

“Have you, Pete? Have you? Don’t tell me; show me.”

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**Austin, Texas  
October 2014**

Hank let Pete stew for a week before calling him.

“Come see me, Pete. Bring your laptop. I’ve got something I want you to work on.”

When they met, Hank had an agenda.

“Pete, I want you to start from scratch and line out the Vision, Mission, Strategy, Tactics, Objectives, Values and Culture for a new company. I’m calling it Silent Night.”

Pete said nothing and took notes.

“I’m throwing the IP from Ghost Rider into the company. You can start from there,” Hank said. “I’ll show you how to run a startup and how to take it to the pay window. You ready to learn?”

“Yes, sir.”

Two weeks later, Pete finished the planning documents plus a business engine canvas, business process graphic, dollar weighted organization charts. Taken together, they mapped the growth, resources, and cost of building an agile new organization. You could hear the pennies squealing. It *was* a lean startup. Abbie watched him work and prayed for him as he worked through several nights.

*Dear God, please reward my darling with the fruits of his labor. Please, God. He’s trying so hard. Tell me what I can do to help.*

Hank studied Pete’s plan for a week. When he finished, he knew Peter Palmer *had* learned his lesson because the plan was nimble, agile, and tight-fisted. Not a wasted penny. Hank laughed and called Pete. They met in person.

“Plan looks good, Pete. Who should I hire to run the show?”

Pete squirmed. There was contrition in his voice when he spoke, “Please give me a shot, Hank. I’ve learned my lesson. I can do it right this time. Please.”

Hank slid an Employment Agreement across the table.

“Read that and, if it works for you, sign it.”

Pete looked at Hank and took a black pen from his shirt pocket. Without looking at the agreement, he signed it and pushed it back across the table to Hank. The pen was the same one he’d used to sign the Ghost Rider term sheet.

“You sure?” Hank asked, incredulous that Pete signed it without reading it.

“Never been surer,” Pete said.

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Hank invested two million dollars, and a mystery investor matched it. In the equity split, Pete received ten percent and each of the investors forty-five percent. The option pool created a ten percent dilution.

Silent Night came to life at 9:53 am the fifteenth of October of 2014 with four million dollars in its coffers and a timetable to roll out their new product on the Fourth of July.

The company occupied cubes in a concrete-floored warehouse, not fancy office space. No San Francisco or New York offices. Lesson one learned.

Pete hired a staff for Silent Night. It was easy. His Ghost Rider team loved working with him. With the Vision, Mission, Strategy, Tactics, Objectives, Values and Culture mapped out, and with a business engine canvas, a business process graphic, and dollar weighted org charts, he signed up the right people. In days, their efforts aligned with the Silent Night plan. The culture showed up, work-booted in overalls with gloves, and took shape under midnight lights.

In less than a month, the wire diagrams were complete. After initialing the wire diagrams, software engineering began. The Ghost Rider IP was eighty percent of the final product, saving more than a million dollars in development costs. Hank’s hunch was right.

Pete kept everyone on a tight schedule and an important cultural value emerged: accountability. Silent Night grew into a lean, flat organization as it morphed from crawling to walking to running. Pete and Hank met every Tuesday morning at six, over breakfast tacos, to review progress. After the meetings, Pete would return to the office with two dozen bacon, egg, and cheese tacos flavored with boundless energy.



Hank watched the changes in Pete. He took power. Founders and founding CEOs don't get power, they *take* power. Pete Palmer was in charge.

The first rough of the product went live before Christmas, a welcome Christmas present. Prototype testing and de-bugging began in the New Year. By the middle of February, alpha testing began. The alpha testing shook out more bugs which they squashed.

By the end of March, a pre-selected group scrubbed the beta version. By the end of May, the product was being tucked into its debutante gown.

As the product approached final completion—a month early—the marketing team teased the launch and demoed it for writers and reviewers. Hank sat with two tech press publications and played dumb. The writers jumped to the logical, hinted conclusions and a tidal wave of interest rose. The week before the launch, marketing had a list of twelve thousand prospective disciples.

On 4 July 2015 at one second after midnight, Pete Palmer hit the “enter” button and Silent Night went live. Cheers filled the room.

At the end of the first day of business, more than a thousand freemium tryers and two thousand paid subscribers joined the rolls.

Silent Night's secret sauce was scouring the Internet and finding a client's web presence. Silent Night made those drunken Facebook pics or those embarrassing Instagrams disappear. It was a huge hit.

On Christmas Eve 2015, Silent Night had more than twenty-three million paying customers and attracted unusual attention.

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The caller from Google did not identify himself. Hank Cates took the call. The caller did not exchange pleasantries, but spoke.

“Hank, we need to chat concerning Silent Night.”

The caller did not need to identify himself because Hank recognized his voice. He was a serious man with an intense interest in search since he’d invented the discipline.

“Hank, is it for sale?” the voice from Google asked.

“Everything’s for sale. I’m a businessman,” Hank said.

Hank had backed more than a dozen companies whose exit strategy involved Google. He liked Google and its deep pockets.

“Excellent,” the Google voice said. “When I heard you were involved, I thought that might be the case. Good to know things don’t change. You know I cannot allow Silent Night to exist. You will destroy my little company. We have to be able to crawl the Internet unimpeded. You understand, I am sure.”

Hank said nothing. He knew the voice controlled what happened next.

“May I send a person with an offer, Hank?” the voice asked.

“Sure,” Hank said. “Have him call on the CEO, Pete Palmer, here in Austin. I’ll tell him you’re interested. Let them flesh it out and we can stand on the sidelines in case they need us.”

“Smart, Hank. No accident you’re so successful. I heard you bought the IP from a failed startup for ten thousand dollars. That right, Hank?”

Hank laughed.

“Don’t believe everything you hear. Just between you and me, that’s close.”

“Very interesting,” the voice said. “Very interesting. You have a good nose for business, my friend. Promise me you will come see me in Napa next month. I’m having a party. I hope I’ll be able to announce an important acquisition by then. Thank you, Hank Cates.”

The call ended.

The next day, a man purporting to be the head of Google Ventures arrived in person with a written purchase offer. He handed an envelope to Pete Palmer at his miserly cubicle in a warehouse in north Austin.

Inside the thick envelope were a proposed term sheet and a check for one hundred million dollars, described as a “non-refundable earnest money deposit.” The price was eight hundred million dollars. Cash and a quick close. It was a substantial offer for a company less than a year old.

“Hank, I received the offer,” Pete said, when he got Hank on the phone that evening.

“What does it say?”

“Eight hundred million dollars. Cash.”

Pete emphasized the word “cash.”

“One hundred million non-refundable earnest money deposit. They want to close in fourteen days. No strings. No employment agreements. A permanent non-compete. It’s clean.”

“What do you think?” Hank asked.

“They will buy it and euthanize it. They will kill Silent Night because it could destroy their franchise.”

There was detectable bitterness in Pete’s voice before he continued.

“Google can’t have folks hiding from their web crawlers. What do *you* think?”

“I’ve sold more than a dozen companies to Google.”

Hank cataloged the deals and the checks in his head. Lots of trips to the pay window. Those deals built his reputation, developed his wisdom, and made his fortune. Each one was different.

“My rule of thumb is they pay twice whatever the original offer is. Not sure that applies at these rarified levels, but they’ll negotiate.”

“What do you want me to do?” Pete asked.

“Go home, get a good night’s sleep,” Hank said. “Let me know your opinion in the morning. Keep operating as if we’re not sellers. Don’t take your eye off the ball.”

That night at dinner, Pete told Abbie the news.

“Do not repeat this to anyone.”

The secret did not make it through the salad.

“We got an offer from Google for eight hundred million dollars. Hank thinks they will pay more.”

“And?”

“Should we sell?” Pete asked.

“Can’t say. Up to you, Hank, the other investors. Isn’t it?” Abbie said.

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The exact word Pete used in declining the Google offer was “inadequate.”

In Google’s dictionary, “inadequate” equaled a billion dollars or more as the next offer was two billion dollars.

To Pete’s credit, he did not break the speed limit driving to Hank’s place. Hank shortened the discussion by signing the offer on behalf of the board and handing it to Pete, who signed it.

The mystery investor's signature was not required because Pete and Hank owned a majority of the stock.

Google wired the funds and the closing was two days later, no more ceremony than a Federal Express delivery.

Confusion reigned amongst the team—now numbering twenty-four—until Pete explained the deal fully funded the option pool and they were to split two hundred million dollars. This was easy math. Frowns turned to smiles.

Pete received one hundred and eighty million pre-tax, his ten percent share of the net profits. He paid capital gains taxes as he had earlier made, on Hank's recommendation, an 83b election with the Internal Revenue Service.

Hank and the mystery investor each received eight hundred and ten million dollars. A nice return on a two million dollar investment.

The sale to Google was an asset sale coupled with a permanent non-compete. The non-compete prevented any of the sellers from competing with Silent Night for the rest of their lives. It was a toothless tiger because, shortly thereafter, Silent Night died an unnatural death and nobody could compete with a dead stack of code.

In Silicon Valley they call that "pitchforking." Google pitchforked Silent Night.

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"Hank, who's the mystery investor?" Pete asked. He had to send them their profits. They were sitting in the now-empty, quiet cubicle farm.

Hank laughed and pointed to Abbie coming through the door. She ran to Pete laughing before leaping into his lap. She took care as she carried precious cargo.

“I have to tell you something, Pete,” Abbie said. “Sleeping with the CEO of a startup I invested in was fun. You’re not angry, are you, darling?”

In her arms was four-month-old Henry Palmer, who she called Hank. He was a fat cherubic baby and giggled.

“Have to go see a man about a horse,” Hank said, sensing Pete and Abbie needed to talk alone.

Hank extended his hand. Pete knocked it aside and hugged him.

“Thanks for giving me a second chance, Hank. I didn’t deserve it. Thanks for taking a gamble on me after I screwed up Ghost Rider.”

Hank looked at him and said, “Failure isn’t permanent, Pete. You don’t get a get-out-of-jail-card for Ghost Rider. That lesson is a tattoo, stays with you forever. But you did just fine on Silent Night, didn’t you?”

Pete could only nod, because if he spoke he was sure he’d cry.

At the door, Hank stopped.

“Call me when you get back from wherever you’re going. Bought a bunch of interesting IP last week. No promises, but might be something there for a guy who knows how to run a lean company. Good luck.”

It turns out Hank Cates was not just a guy with a nose for business; he was a world-class-talent-spotter. He knew a guy could learn from his own mistakes because he’d learned that way.

Hank used to say, “Wisdom is good judgment over a long period. Good judgment is the product of experience. Experience is the product of flawed judgment and mistakes.”

Pete remembered him saying that though at the time he didn’t understand its meaning.

“Want to get something to eat?” Pete asked Abbie. “Better warn you, I’m unemployed again.”

“Can we afford it?”

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Pete, with his share of the profits, repaid the venture capitalists who lost their bait in the failed Ghost Rider. Every penny doing wonders for his character. The story made the rounds of Silicon Valley and Austin at Russian-ransom-virus speed.

Pete and Abbie returned to Nantucket that summer. It was a better summer than the last one. Abbie’s father was angry Pete hadn’t invited him to invest in Silent Night. Even giving the old man six strokes per round, Pete beat him rented-mule-style, unwilling to concede the shortest putts.

At a family reunion dinner on the porch overlooking the Atlantic, the old man stood, tapped a silver spoon on a crystal goblet, and said, “To my brilliant son-in-law, Pete. He’s too humble to tell you, but he just hit a grand slam with his Silent Night company. Sold it to Google for a jillion dollars. I always knew he’d be a huge success, not just as my favorite son-in-law and supplier of grandchildren, but as a business man. Never doubted it. My only regret? I didn’t get a piece of the action. Maybe next time, Pete?”

Abbie threw herself at her father’s neck and clung to him crying.

Failure is not permanent. Sometimes, it’s just the first step on the road to long-term success, but you have to learn a few lessons along the way. Rudyard Kipling knew triumph and disaster were impostors. Now Pete Palmer did, too.

**THE END**