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## **PULLING THE PLUG**

*Hank Cates was the kind of guy who could fire you, tell you it was your own damn fault, tell you you had screwed up, and you just liked him more for it.*

**Palmer residence**  
**Austin, Texas**  
**March 2014**

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

“You’re home early,” she said pleasantly.

As a CEO of a startup, Ghost Rider, he was chained to his desk for long hours.

“We need to talk,” he said.

Before Abbie reacted, Pete walked to the French doors that looked out on the swimming pool behind their house in West Austin. Standing there with his fists jammed into his khakis and waiting for Abbie to react, he wondered how long they would continue to live there. He had just planted twelve azalea bushes and wondered if he would ever see them in bloom.

“I take it this isn’t good news?”

She stood there for a second afraid to close the distance between them knowing that the distance would not provide any protection.

“We’re going to pull the plug on Ghost Rider,” he said, trying for matter-of-fact but failing badly.

The words sounded cruel. Much crueler than when they were 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 out loud, he felt sick. He had worked for three years to bring Ghost Rider to life. The company—and by extension, he himself—was a failure.

“Hank any help?” she asked, referring to the Chairman of the Board, Hank Cates, who was a legendary venture capitalist, an investor in the company, and had been an ally of Pete’s on the board of directors.

He still stared out the French doors, his eyes going anywhere but to her. “Our shares together with his equals about forty-four percent,” he said despondently. “The other side has more than fifty percent. They’ve got the votes. We don’t. Simple math.”

“When?” She slowly walked towards him.

“We’ll make an announcement tomorrow after the board meeting,” he said, finally turning to face her. The look on his face was worse than his words. “I’ll notify the entire company before the public announcement. Want them to hear it from me. Two weeks, at the most.”

Abbie closed the distance between them and hugged her husband.

It was not a complete surprise. Pete had told her the company was just about out of money and would have to raise more but he had not indicated there was even a likelihood of the company failing. Still, she had felt Pete’s stress in the last two weeks; so she couldn’t say she was completely surprised.

Abbie hugged him harder.

\* \* \*

**Ghost Rider, Corporate Headquarters  
Austin, Texas**

“You going to be OK?” asked Hank Cates of Pete Palmer about thirty minutes before the board meeting was to start.

“Sure, the shock is over,” Pete replied leaning back in his chair pretending to be relaxed. “Now, I just want to get it done as professionally as possible.”

He looked around his office thinking—knowing—he would miss it.

“I’m just going to call the question and not entertain any discussion,” Hank said calmly.

The venture business had been his trade for more than a third of a century and shutting down companies, never fun, was not a novel challenge.

“Nothing to be served by rehashing the same arguments. If they want to pull the plug, they have the votes.”

Pete nodded.

They walked to the board room. Pete took a detour to the rest room to remove some nervousness brought on by too much coffee. He had been up since four that morning.

The meeting was technically a meeting of the shareholders of the corporation rather than a meeting of the board of directors. It was just a coincidence that the board members were also the representatives of all of the shareholders of the corporation.

“A special meeting of the shareholders of Ghost Rider, Inc., being duly called, we are assembled 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 who constituted both the representatives of all of the shareholders and the board of directors of the corporation.

Heads nodded and Hank read.

“Be it resolved, the shareholders of Ghost Rider, Inc., subject to a duly called special meeting, do hereby direct management to terminate and liquidate the business of the corporation effective as of the first of April 2015.”

Everyone read from their own copy of the resolution following Hank’s words. There were no smiles in the room. Nobody wanted to waste any time. The folks in favor of liquidating the company knew they had the votes but still they wanted to get it done and get out of there. It was like witnessing an execution.

When he was finished, he took off his glasses, smoothed his gray hair, and looked around the room at Pete and five white, prosperous, Republican, fat cats all looking like their dogs had died. There was not a free range smartphone, tablet, or laptop in sight—a distinct novelty.

“We’ll vote now,” he said. “If you are in favor of the resolution, please indicate so by saying ‘aye,’”

As they went around the room, every vote was in favor of the resolution including, surprisingly, Hank’s and Peter’s. The vote was unanimous. This surprised some of the others who had expected a bit of contentiousness.

“Do we have a liquidation plan?” Hank asked knowing there was one.

“Yes, it’s in front of y’all,” Pete said. The plan was very simple.

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

“Yes,” said Peter. If he had had to say anything more, it would have been accompanied by tears. He flexed his jaw hard not trusting himself.

“What happens with 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, if we are done with the shareholder vote, then this meeting is re-constituted as a meeting of the board of directors of the Ghost Rider—in liquidation. Everyone fine with that?”

All heads nodded.

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

“The proposed liquidation plan of the corporation is before us, gentlemen. If there are no questions, then I propose we approve it. Can I have a second on that motion, please?”

Someone seconded it and the vote was unanimous.

There was just one more matter to settle.

“Who gets the IP?” asked another board member. The other board members didn’t seem to notice the question.

“Who wants it?” Hank asked.

“Why would anyone want some code that didn’t work?” asked the same board member.

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

“Seems a waste to just junk it. I’ll buy it for ten thousand dollars unless anyone objects. Anyone else want in?” Hank asked. Nobody made any response.

Years later that story would be told over and over again as to how Hank Cates acquired the Ghost Rider intellectual property for ten thousand dollars. At the time, it seemed like a waste of money.

It had been an orderly process. Hank liked to joke that the difference between an orderly and a querulous liquidation was that the venture capitalists let the failed founder of the company get out of his underwear before the VCs cut them up for rags.

Two weeks later, that was all that was left of Ghost Rider—chopped up rags.

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

“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.

She was a Boston trust fund baby who had met Pete when he was getting his master’s in computer science at Massachusetts Institute of Technology. They never talked about her

considerable wealth and she never provided much evidence of it. It was just there in the background.

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

“Yes, we can,” she said holding his hands in hers and then kissing each in turn before holding them to her cheek. “Now that you’re unemployed, you can become my kept man. You drive. Let’s go to Guero’s and get drunk. I’ll even get frisky with you, if you’ll let me.

Unemployed guys still like sex, right?”

Abbie Palmer was just the right medicine for Pete Palmer, and he knew exactly why he had married her—she was as tough as nails and could handle anything including her six foot four inch mortally wounded husband who kissed her deeply and whispered into her ear how much he loved her.

“Get me drunk enough tonight, cowboy, and I’ll show you a real good time,” she whispered. It was all a front. Inside, she was feeling his pain and loss.

\* \* \*

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

“You want to have a burger at my place?” he asked.

Entrepreneurs would have paid thousands of dollars to have had a chance to spend time with Hank Cates. He was an *uber* successful venture capitalist and a hard man to get an audience with.

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

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

They met at Hank’s lake house on two hundred and fifty acres of manicured Lake Travis shoreline. They sat down to half pound cheeseburgers, thanks to his personal chef and organic Texas beef from his ranch in the Panhandle, and Peacemaker beer. The teak dining table on the deck looked out on the polished grounds and the lake. The view was warm and comforting. 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.

He didn’t hesitate—but then he had been thinking about his mistakes for a long time. “I should have run a leaner, more nimble, and agile shop.” It came out in a torrent. “I let all the money go to my head and grew the infrastructure too fast. I should have pinched the pennies.”

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

“I should never have opened San Francisco and New York offices. I should have waited to do that. That distracted me, the team, and cost a lot of money. We took our eye off the ball.”

Hank took a long sip of his cold Peacemaker.

“I should never have rolled the product out without doing more testing,” Pete said, shaking his head shamefully. “I turned my nose up at focus groups—too Old School. I was stupid. I ended up using the customers as a focus group and lost some in the process. The rollout was worse than healthcare.gov.”

That made Hank laugh.

“It wasn’t as bad as healthcare.gov. Nothing could be that bad. Anything else?” Hank asked.

He folded his arms, not feeling terribly hungry just then. “Yeah, I should have listened more to you and confided more in you. You told me everything I just told you. I didn’t listen. Sorry.”

The apology didn’t seem like it was enough, but there wasn’t much else to say.

They sat admiring the view, finishing their cheeseburgers, and absorbing the wisdom of Pete’s words. Hank let the silence creep up on awkward. When it was almost there, he spoke again.

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

He breathed deeply. He looked so tired, drowning in a combination of self-pity and fatigue. “Abbie is going to take me to Nantucket for the summer,” Pete said as if it 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 a lot of time together, try to decompress, figure out what I did wrong, recharge my batteries, and then who knows? I don't have a job."

He laughed in what should have been wry humor but actually felt good—the liberation from the stress of the last few months.

"I like Abbie. She's . . ." Hank didn't finish the sentence.

"Yeah, the best thing that ever happened to me," Peter said with affection, finishing Hank's sentence for him.

Pete looked far away, his eyes not quite present. "I'm not looking forward to seeing her parents," Pete said with anguish. "They never were too keen on the whole startup entrepreneurial thing. Thought I was just marrying her for her money. Said I should just move to Boston with Abbie and work for the family bank. Her dad is going to have some fun at my expense. I think I'd rather have 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 in anticipation of Pete picking the long answer.

"Give me the one that is the most truthful," 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. Now. If those things hadn’t happened the way they did, who knows where Ghost Rider might be. You with me?”

Pete nodded. He nervously tapped his foot under the table.

“I’ve always like the basic idea of Ghost Rider ever since you first pitched me.” Now, Hank hesitated carefully weighing what he would say next. “I think the hypothesis is fine. It was your execution that suffocated it. I still like the idea.”

They pretended to consider the view a little more.

“What are you planning on doing with it?” Pete asked.

He pushed back his plate, crossed his fingers and leaned back in his chair. Everyone always asked Hank what he was going to do because he always knew what to do. “I’m going to let you go to Nantucket for the summer, get the feeling sorry for yourself out of your system, and think about it. I haven’t made my mind up yet. I may take another crack at it. Might want you to work with me on it. No promises. Not sure, just yet, that you’ve come back to Earth.”

The words settled slowly into Pete’s ears. They sounded much 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 like a dagger. That was a lot of money to lose.

“Are you sure you want to consider doing that again?” Pete asked incredulously. “And, with me? I’m the one who fucked it up, remember? Why would you want to do that?”

Hank laughed in a kind way. There was wisdom in that laugh.

“Pete, in my end of the deal, it’s called tuition.” Hank was measuring each word twice before cutting them loose to fly on their own. “I spent a lot of money training you, didn’t I?”

“Four and a half million dollars worth,” Pete said ruefully.

“Why the Hell should I let someone else get the benefit of all that expensive training? All that tuition?” He caught himself quickly 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 thinking about it.”

Pete looked at his burger. “Hank, if all that’s so, why did the rest of the board decide to pull the plug?” He finally took a bite and chewed awkwardly. Not even a burger felt good when you messed up this bad.

“The rest of the board doesn’t have this,” Hank said pointing at his longish and thick gray hair. “I earned all this gray the old fashioned way. The rest of the board doesn’t know how fleeting failure is and how short term failure is often just the foundation for long term success. Failure and triumph are both imposters. Know 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, who was what Silicon Valley called a Gray Haired Eminence—the guy who could see over the horizon at times like this and whose vast years of experience allowed him to blow on the embers of a dying fire and make it roar back to life—laid out a vision.

“You may have been a little early,” Hank said. “Timing is always a huge consideration in tech startups. A good idea needs to arrive at the right time. I’m thinking you may have been a little early.”

Hank had risen and was now standing leaning against the rail of the deck studying Pete to see if his words were gaining any traction.

“I’ve never seen a really successful company not endure a moment of crisis—the crucible moment, I call it.” He 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 so flawed. You were pissing through the money like you owned Niagara Falls and it would never stop flowing.”

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

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

“Notice that I did not say a damn thing about the idea, the hypothesis,” Hank said, warming to his vision. “The idea is sound and the execution was not. Maybe I can correct that. Maybe not. I have to decide but for ten thousand dollars I’ve got an Irish sweepstakes ticket. Not

like I haven't done it before. I've just got a feeling. Might have the same feeling about you, Pete."

Pete stood to take his leave of the meeting sensing the conversation had reached its conclusion. They parted with a firm handshake.

"Go to Nantucket. Store up some goodwill with that beautiful wife of yours, let her daddy beat you at golf, and if you've learned your lesson, Pete, come see me when you get back. No promises. This is not the end of the world. Hell, you can't even see it from here."

Hank Cates was the kind of guy who could fire you, tell you it was your own damn fault, tell you you had screwed up, and you just liked him more for it.

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

Pete was pretty low when he got to Nantucket, and obsessing on the failure of Ghost Rider did not help him climb out of the funk he had fallen into. Long pre-dawn walks by himself left him feeling more isolated and depressed. The low lying sea fog was a perfect match for his mood.

*I did this to myself*, he blurted out time and again.

Healing does not begin until you have correctly diagnosed the sickness and plotted out a program of treatment. It did not come easy for Pete. Abbie tried to help him. She hated seeing him so despondent and the fact that she could bridge the financial implications made it worse.

“I feel like such a failure,” Pete exclaimed one night when they were watching the ships at anchor in the harbor swinging under their peaceful anchor lights. “I feel like such a fool. I should have listened to Hank Cates from the start. I was too pig headed. I want to start swimming toward France and just keep going. I pissed away ten million dollars of other people’s money. I feel like such a fucking loser.”

He spat, turned on his heel, ran up the stairs, and went to bed angry with himself. Not even remotely considering forgiving himself.

Abbie tried to break through all the negativity and help him. It was not an easy chore but soon she was making the slightest bit of progress. Pete was exercising every day, brutally testing—punishing—his body seeking the solace of hard-earned pain and sleep.

Abbie studied what he was doing and reinforced the pattern with golf, tennis, biking, jogging, walking, fishing, sailing, and sun worshipping. They took long late night walks and ate carefully. It was almost like summer camp and, slowly, she began to pry him out of the swamp.

Abbie’s dad, whose charm school diploma was in question, lived up to his billing. Not wanting to miss a good chance to make his views known, he waited until they were all together for a casual dinner on the porch one night before providing his assessment of things.

“Well, you managed to really fuck that up didn’t you, Pete?”

Pete never let him win a single golf match. Some of it was talent but a lot was sheer brute force born out of frustration. He never boasted about their record but he never let him win even once. When he had him down by several strokes, he continued to press until he had pummeled him.

By late September, Abbie and Pete were finally ready to return to Austin. Pete had done the Stations of the Cross, a few novenas, thousands of acts of contrition, and had the new found peace of the confessional, penance, and absolution. He was ready to start again.

Abbie was pregnant.

When they landed, Pete called Hank.

“I’ve learned my lesson, Hank. I’m ready. Tell me what I need to do to get a second shot.” There was a long pause. “Please, Hank. I’ve learned my lesson.”

\* \* \*

**Austin, Texas**  
**October 2014**

Hank let him stew for a couple of weeks before calling him back.

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

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’ve decided to call it Silent Night.”

Pete said nothing and just took notes.

“I’m going to throw the IP from Ghost Rider into the company. You can start from there,” Hank said. “I’m going to show you how to run a startup that’s going to make it to the pay window. You ready to learn?”

“Yes, sir.”

Two weeks later, the planning documents were all finished as well as a business engine canvas, a business process graphic, and a dollar weighted organization chart which mapped the growth and cost of building a new organization. It was all iterative and you could hear the pennies squealing as they were pinched and stretched. It was a lean startup.

Hank took a week to study it all. When he was finished, he knew an important fact. Peter Palmer *had* learned his lesson. The plan was nimble, agile, and tight fisted. Not a penny was being wasted. Hank laughed.

“I like your plan. Who do you think we should hire to run the show?” Hank asked.

Pete squirmed and finally said with contrition, “Please give me a shot at it, 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. You’ve got the job, Pete.”

Pete looked at Hank and took a black pen from his shirt pocket. Without looking at the agreement, he signed it and slid it back across the table to Hank.

“You sure?” Hank asked, incredulous that Pete was going to sign it without reading it.

“Never been surer of anything in my life,” Pete said.

\* \* \*

Hank invested two million dollars and another mystery investor matched that investment. The equity was split up with Pete getting ten percent and each of the investors receiving forty-five percent. Everyone was diluted to provide a ten percent option pool for critical employees.

Silent Night was launched on the fifteenth of October of 2014 with four million dollars and a timetable to roll out their new product on or before 1 April 2015.

The company operated out of cubes in a warehouse and didn't have any fancy office space. It had cubes. No San Francisco or New York offices. Cubes in a warehouse. Lesson one learned.

Pete began to hire a staff. It was easy. His previous team had loved working with him and he was a competent leader. It was not difficult to attract their attention. With the Vision, Mission, Strategy, Tactics, Objectives, Values and Culture mapped out and with a clear business engine canvas, a business process graphic, and dollar weighted org charts, it was not difficult to attract the right people and to immediately align their efforts on making it happen.

In less than a month, the product was fully wire diagrammed. Software engineering was turned loose as soon as the wire diagram was approved. The Ghost Rider IP was instrumental in visualizing the Silent Night transformation. In reality, the Ghost Rider IP was about eighty percent of the final product. It saved more than a million dollars in direct development costs. Hank knew a good deal when he saw one.

Pete kept everyone on a tight schedule and an important element of the culture emerged. Accountability. The team was accountable to each other and to Pete. There was a lean, flat organization which communicated effectively. Pete and Hank were in constant contact and met every Tuesday morning at six, over breakfast tacos, to review progress.

Hank noted that Pete had taken power. Founders and founding CEOs don't really get power, they take power. Pete Palmer was in charge.

The first rough of the product was done before Christmas. It was a welcome Christmas present. The testing of the prototype and the de-bugging began in earnest when everyone returned in the New Year. By the middle of January, it was time to begin alpha testing. The alpha testing shook out some more bugs which were fixed.

The beta version was ready for a pre-selected group of interested parties by the end of January. All February long, the product was wrung out. By the end of February, the product was ready.

As the product approached completion—a month ahead of schedule—the marketing team began its work and began to tease its launch. Hank sat down with a couple of the tech press

publications and played dumb for them. They jumped to the logical conclusions and there was a huge wave of interest as the scheduled launch date approached.

On 1 April 2015 at one second after midnight, Silent Night went live.

At the end of the first day of business, Silent Night had more than two thousand paid subscribers. The back end of the site was robust and was able to handle the traffic, though there were some tense moments. The software team went to work immediately improving the cascading architecture to allow more traffic to be accommodated.

Silent Night was a software application which scoured the Internet and found a client's web presence and queried the client whether the client wanted Silent Night to make those drunken Facebook pics or those embarrassing Instagrams disappear. It was a huge hit.

At the end of April 2015, Silent Night had more than a million paying customers and had begun to attract unusual attention.

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The call from Google went to Hank Cates and not Pete Palmer.

“Hank, I want to talk to you about Silent Night.” The caller did not identify himself because Hank knew his voice. He was a serious man who had an intense interest in search. He had, arguably, invented search.

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

“Everything’s for sale. I’m a businessman,” Hank said. He had backed more than a dozen companies that had ultimately been sold to Google. He liked Google and its money.

“Yes, I thought that would be the case. Good to know that some things don’t change.”

Hank said nothing knowing the voice at the other end of the phone would decide what happened next.

“Can I send one of our people to see you with an offer?” the voice said when it finally decided how to proceed.

“Of course,” Hank said. “Have him call on the CEO, Pete Palmer, here in Austin. I’ll tell him of your interest. Let’s let them cut the deal and we can stand on the sidelines in case they need us to get involved.”

“Smart, Hank. No mistake why you’re so successful. I heard you bought the IP out of a failed deal for ten thousand dollars. That right, Hank?”

Hank laughed.

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

“Very interesting,” the voice said. “Very interesting. You have a good nose for a deal, 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. Thank you, Hank Cates.”

The call ended.

The next day a written offer to buy Silent Night was delivered in person to Pete Palmer at his cubicle in the warehouse by a gentleman purporting to be the head of Google Ventures.

The offer was in the form of a term sheet, a letter of intent, and had a check for one hundred million dollars attached. The offer called the check “non-refundable earnest money deposit.” The purchase price was eight hundred million dollars. All cash and a quick close. It was a very good offer for a company that was less than a year old.

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

“What does it say?”

“Eight hundred million dollars. All cash.” Pete emphasized the words “all cash.” “One hundred million in the form of a non-refundable earnest money deposit. They want to close in fourteen days. No strings. No employment agreements. A permanent non-compete. It seems pretty damn clean.”

“What do you think?” Hank asked.

“They’re going to buy it and euthanize it.” There was just the slightest trace of bitterness in Pete’s voice. “Close it down. They can’t have folks like us helping people hide from their web crawlers. What do you think?”

“I’ve been involved with more than a dozen companies that were ultimately sold to Google.” He stopped for a second likely cataloging all those deals and all those checks and all those journeys to the pay window. It had been those deals that had built his reputation, developed his wisdom, and made his fortune. They were all different. “My rule of thumb is they will pay

twice whatever the original offer is. Not sure that applies at these rarified levels but they're going to negotiate."

"What do you want me to do?" Pete asked.

"Go home, get a good night's sleep," Hank said evenly. "Let me know what you think in the morning. Keep operating like we're never going to sell. 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 dressing. "We got an offer from Google for eight hundred million dollars. Hank thinks they will pay more."

"And?"

"Should we sell?" Pete asked.

"Not up to me. I guess it's up to you, Hank, and the other investors. Isn't it?" Abbie said.

\* \* \*

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

In Google's dictionary, "inadequate" seemed to be equal to a billion dollars or more as the next offer Google presented was for two billion dollars.

To Pete's credit, he did not break the speed limit bringing it to Hank's place to discuss the offer. The discussion was a short one made all the more by Hank unceremoniously signing

the offer on behalf of the board and handing it to Pete, who also signed it. The mystery investor's signature was not really necessary because between Pete and Hank, they owned more than fifty percent of the stock. The option pool did not get to vote on such matters.

Google wired the funds and the deal closed two days later.

It was not as well received by the team—now numbering twenty-four—until Pete informed them that the option pool at ten percent was fully funded and they would split two hundred million dollars. This was easy math to do. Frowns turned to smiles.

Pete received one hundred and eighty million as his ten percent share of the profits upon which he had to pay capital gains taxes as he had made an 83b election thereby enabling him to retain more on an after tax basis.

Hank and the mystery investor each received eight hundred and ten million dollars on an investment of two million dollars each.

The sale to Google was an asset sale coupled with a permanent non-compete. The non-compete prevented any of the persons receiving any funds from the transaction from competing with Silent Night for the rest of their lives. As it turned out, it was a toothless tiger because Silent Night was put to death shortly thereafter and therefore nobody could have competed with a dead stack of code anyway.

In Silicon Valley they call that “pitchforking” a deal. Google pitchforked Silent Night.

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“Hank, who’s the mystery investor?” Pete asked wanting to disburse the funds correctly. They were sitting in the now empty cubicle farm. It was quiet.

Hank laughed and pointed to Abbie who was coming through the door.

Pete started laughing. Hank joined in. Abbie ran to Pete leaping into his arms laughing. She had to be careful because she was carrying precious cargo.

“I have to tell you something, Pete,” Abbie said. “I was sleeping with the CEO of a startup and I invested in his deal. I hope you’re not angry with me. I had his baby, also.”

In her arms was four month old Henry Palmer, who she had taken to calling Hank. He was a fat cherubic baby and he giggled.

“I’m going to have to leave. I’ve got to see a man about a horse,” Hank said sensing that Pete and Abbie needed to talk alone.

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

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

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

Pete could only nod because if he started talking he was sure he'd start crying. For a different reason this time than the last.

When Hank was at the door, he turned back and said, "Give me a call when you get back from wherever you're going. I just bought some IP that looks interesting. No promises but there might be something there for you now that you've learned how to run a company. Good luck."

It turns out that Hank Cates was not just a guy with a nose for deal; he was also a world class talent spotter. He knew when a guy could learn from his own mistakes because that was the way he'd learned what he knew. He had wisdom and good judgment.

Hank used to say, "Wisdom is the application of good judgment over a long period of time. Good judgment is the product of making mistakes. Mistakes are the result of the exercise of bad judgment." Pete remembered him saying that.

Pete looked at Abbie. "Want to get something to eat? I have to warn you, I'm unemployed again."

"Can we afford to?" she laughed. Little Hank giggled. He liked it when his mother laughed.

"You tell me."

\* \* \*

Pete, with his share of the profits, offered to repay all the venture capitalists who had invested in the first failed Ghost Rider. That did wonders for his own character. The story made the rounds of Silicon Valley and Austin like Ebola.

Pete and Abbie returned to Nantucket that summer after the sale to plan their next adventure. Abbie's father was very angry that Pete had not given him a chance to invest in Silent Night. Even giving him six strokes per round, Pete beat him unmercifully not conceding the shortest putts. Abbie's dad said he always knew Pete would be a big success and that he was the perfect husband.

Failure is not permanent. Sometimes, it's just the first step on the road to long term success and you have to learn a few lessons along the way. Rudyard Kipling knew that. Triumph and disaster—two impostors that he counseled to treat just the same. Good advice.