

# PROPOSITION TO WARREN BUFFETT

I APPRECIATE THE OPPORTUNITY YOU GAVE ME IN 2013  
BY POSITING THAT BERKSHIRE WAS “IMMUNE”.

I RESPECT YOUR RESPONSE IN 2015 WHEREBY YOU SHOW  
YOUR REPUTATION AND LEGACY, NOT EGO, IS MOST IMPORTANT TO YOU.

MOST OF ALL, I ADMIRE YOUR ENDORSEMENT THROUGH ACTION AS  
YOU HAVE CHOSEN TO FOLLOW MY ADVICE IN 2014 TO PUT THE \$ 100 BILLION IN US BILLS.  
 (“EPD 2014”, P.43)

OF COURSE YOU DON’T KNOW WHAT TO DO, MUCH LESS HAVE THE CONVICTION TO DO IT.

HOW COULD YOU ?

YOU ARE THE GREAT MAN, BUT YOUR ACHILLES HEEL IS THAT YOU CANNOT RECONCILE  
“THE INTELLIGENT INVESTOR” WITH “REMINISCENCES OF A STOCK OPERATOR”  
INTO COHESIVE ACTION IN MARKETS.

I CAN.

I BRING JESSE LIVERMORE, WD GANN, BERNARD BARUCH AND BEN GRAHAM INTO  
A SINGULAR, COHESIVE ABILITY TO UNDERSTAND THE  
LANGUAGE OF THE INSTRUMENTS THEMSELVES.

YOU SAY THE DOW IS GOING TO 1 MILLION.

BETWEEN HERE AND 1 MILLION BERKSHIRE WILL CEASE TO EXIST.

**FROM THE REAL BOTTOM AHEAD, IT WILL NEVER RECOVER THE GENERATIONAL HIGHS.  
WHEN THAT HAPPENS THERE WILL BE A BULL MARKET IN BLAME, NOT VALUATION.**

YOUR LEGACY CANNOT BE EXTINGUISHED EVEN BY THE FINANCIAL RECKONING AHEAD.

BUT IT WON’T SURVIVE THE WAY YOU WISH IT TO BE.

NOR WILL BERKSHIRE.

I KNOW THAT MATTERS FAR MORE THAN ANY MONEY DOES TO YOU.

THIS IS THE “TIDE IN THE AFFAIRS OF MEN”.

# PROPOSITION TO WARREN BUFFETT

HERE IS MY PROPOSITION TO YOU:

TAKE AT LEAST 10% OF THAT \$ 100 BILLION TO START,  
UNDER YOUR CONTROL, BUT MY LEADERSHIP IN THE US BOND MARKET.

20% OF PROFITS OF CLOSED POSITIONS AS LONG AS WE ARE ALLIED.  
I FULLY CONCUR WITH YOU: PAY FOR PERFORMANCE.

I AM INTERESTED IN BEING YOUR ALLY, NOT YOUR “HELPER”.

WE ALL KEEP HEARING ABOUT THE “3%” ON THE US TEN YEAR.

THE NUMBER THAT MATTERS IS THE NUMBER FAR FROM “3%”  
WHERE THE TEN YEAR WILL TRADE AT IN THE NEXT 4 YEARS.

TRILLIONS RIDE ON THAT NUMBER, NOT BILLIONS.

I KNOW THAT NUMBER.

THE “INSTRUMENT” HAS ALREADY SAID WHAT IT IS.

BEFORE THAT NUMBER LOSES ITS VALUE, THE INSTRUMENT WILL HAVE DECLARED THE NEXT.

ALL OF THESE SO SMART MEN THINK THEIR “IDEAS” MEAN SOMETHING IN MARKETS.

THAT IS THE ULTIMATE ARROGANCE.

YOU HAVE MASTERED

IT IS NOT COST BUT RATHER OPPORTUNITY BY WHICH VALUATION IS PRODUCED.

YOU GIVE BEN GRAHAM THE LEGACY.

BY THAT METRIC, IT IS IMPOSSIBLE FOR YOU TO LOSE HERE.

GET \$ 100 BILLION RIGHT WITH CONVICTION IN THE US BOND MARKET NOW,  
AND THE FUTURE OF YOUR LEGACY AS WELL AS  
THE WEALTH OF BERKSHIRE SHAREHOLDERS WILL BE QUITE DIFFERENT.

BET ON THE MAN, AND AS JESSE WOULD SAY,  
WE WILL “GET BUSY” WARREN.