

**LESSONS FROM THE TRENCHES:
VALUE INVESTING,
ENTREPRENEURSHIP & LIFE**

THE FIVE CALAMITIES THAT CAN DESTROY YOUR LIFE – AND HOW TO AVOID THEM

Life Lessons from Warren Buffett, Charlie Munger (and me)

This presentation is posted at: www.tilsonfunds.com/Tilsoncalamities.pdf

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AT THE WESCO MEETING ABOUT
15 YEARS AGO, MUNGER SAID:

“All I want to
know is where
I'm going to die
so I never go
there...”

CHARLIE MUNGER'S WISDOM

After the laughter subsided, he said: “No, I’m serious. Once you reach a certain position in life, you should spend most of your time trying to avoid the things that can derail your life and send you back to Go (or worse). (By the way, this applies to investing as well.)”

“What happens to too many people, however, is that, even when they’ve got it made, they can’t help but lean out to grab the brass ring – and fall, bringing themselves to ruin.”



THE FIVE CALAMITIES

THAT CAN DESTROY YOUR LIFE (OR AFTERLIFE)

1. Death/serious injury (you or a loved one)
 2. Being in a bad marriage/suffering a permanently impaired relationship with a loved one
 3. Loss of reputation/freedom
 4. Loss of wealth
 5. Addiction/abuse
- The calamity to avoid *after* life: Going to hell
 - Tips on how to handle calamities

NO 1.

DEATH / SERIOUS INJURY

(you or a loved one)



KASE LEARNING

You're only
given one body
for your
entire life!

TAKE CARE OF

YOUR BODY

If you were only given one car and you had to make it last for your entire life, imagine how you'd treat it: you'd drive it slowly and carefully, change the oil regularly, etc.



TAKE CARE OF YOUR BODY

EAT HEALTHILY

- Obesity and anorexia are both killers!
- Rather than try to change everything at once, every so often try to give up (or at least cut back on) something that's not good for you
- When you eat out, bring half of the meal home (even if you throw it out later, it's better than overeating)

STAY FIT

- Countless studies show that being physically fit will make you feel better, not only physically but also mentally – and you will be more energetic, confident and optimistic
- It will likely lead to a longer, healthier life
- It reduces the chance of debilitating chronic injuries (e.g., knees, back), as well as acute injuries (I haven't been hurt the few times I've been thrown from my bike, had nasty falls skiing, etc.)

THERE'S PLENTY OF GOOD NEWS

WE LIVE IN A MUCH SAFER WORLD

Over the past century, Americans have become:

- 96% less likely to be killed in an auto accident
- 88% less likely to be mowed down on the sidewalk
- 99% less likely to die in a plane crash
- 59% less likely to fall to their deaths
- 92% less likely to die by fire
- 90% less likely to drown
- 92% less likely to be asphyxiated
- 95% less likely to be killed on the job

TAKE STEPS TO AVOID

DEADLY DISEASES LIKE CANCER

- Don't use any tobacco products
- Follow screening guidelines for colonoscopies, prostate exams, etc. Sometimes people with no risk factors develop cancer, but to reduce the chance that it kills you, it's critical to catch it early!
 - A few months ago my cousin, in her late 40s with no risk factors, went in for a routine mammogram – which revealed very aggressive breast cancer. She's undergoing radiation treatments and her prognosis is good, but if she'd waited even a year longer for a mammogram, it would have been too late – her doctors said she'd have two years to live
 - See Appendices A and B for my thoughts on an experience with a colonoscopy

AVOID TAIL RISKS

EXAMPLES

- Don't drink and drive (or walk!)
 - Drunk driving causes more than 10,000 deaths in the U.S. every year – nearly one-third of the traffic-related total (one death every 51 minutes)
 - But drunk walking isn't any safer: it's 5x more dangerous than drunk driving (per mile)
- Motorcycles are incredibly dangerous
 - Per mile traveled, motorcyclists' risk of a serious injury or fatal crash are 16x and 35x greater, respectively, than those in a passenger car
 - 80% of reported motorcycle crashes result in injury or death vs. 20% for cars
 - Guy Spier sold his motorcycle when his first child was born – smart man!
- Always wear a helmet when riding anything (bike, motorcycle, horse, skis, snowboard)
- Avoid crazy stuff like wingsuit flying and paragliding
 - My dad almost died in a paragliding accident in Ethiopia



IT'S OK TO CONSCIOUSLY CHOOSE TO TAKE TAIL RISK, BUT TRY TO MITIGATE IT AS BEST YOU CAN

- To reduce my risk when mountaineering, I: a) did five days of private training; b) only climb with (and am roped at all times to) a highly experienced guide; and c) don't do high-altitude climbs or free soloing
- The riskiest thing I do is ride my bike in Manhattan almost every day, rain, snow or shine, but I: a) have disc brakes; b) usually don't ride below 40th St.; and c) have four super-bright blinking lights on at all times
- I reduce sports injury risk by training like a madman, getting shiatsu massages before and after long races, and quitting a race if I feel an injury building
- When I ski backcountry, I wear an airbag that will hopefully save me if I'm caught in an avalanche
- I chose the most experienced docs for my LASIK and KAMRA eye surgeries
- I have a \$10M life insurance policy

16% OF MEN WHO ATTEMPT SUICIDE
SUCCEED, BUT ONLY 3% OF WOMEN DO.
WHY?



KASE LEARNING

THE HIGH RISK OF

HAVING A GUN IN YOUR HOME

- I don't quarrel with anyone's *right* to bear arms; rather, I question their *judgment*
- Accidents are alarmingly common
 - I almost shot my best friend when we were hunting as teenagers
 - States with more guns see more accidental gun deaths
 - Children 5-14 are 11x more likely to be killed with a gun in the U.S. compared to other developed countries, where gun ownership is much less common
- Statistically speaking, your gun is *far* more likely to harm you (or a loved one) than help/protect you

THE SINGLE GREATEST RISK OF HAVING A GUN IN YOUR HOME IS SUICIDE

- Nearly twice as many gun deaths every year are from suicide than homicide
- Suicide is the third- and second-most common cause of death for Americans age 10-14 and 15-34, respectively
- 8% of high school students attempt suicide *every year* (11% of girls and 5% of boys)
- Most suicide attempts are impulsive, so it's critical that there isn't a gun nearby when the impulse strikes (typically due to depression, drunkenness (33%) or drugs (24%))
 - Fewer than 9% of all suicide attempts are fatal; of the 91% who survive, 70% never try again and only 7% later commit suicide
 - The most common method is taking drugs/poison, but this is fatal only 1.5% of the time
 - Guns account for only 6% of all suicide attempts in the U.S., but they result in death 82.5% of the time
 - 16% of men who attempt suicide succeed, but only 3% of women do – because they rarely use guns
 - Question: The suicide *attempt* rate in South Carolina is 28% higher than Maryland, yet the *actual* suicide rate is 67% higher. Why? More homes have guns

RAISE YOUR HAND IF YOU OWN A CAR



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KEEP YOUR HAND UP IF YOUR CAR
IS MORE THAN FIVE YEARS OLD



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ONE OF THE MOST COMMON TAIL RISKS IS A

CAR ACCIDENT

- Car accidents in 2016 killed 37,461 Americans, up 14% in two years (after a half-century of steady declines), likely due to increasing electronic distractions
- Wear your seatbelt!
 - The 15% of Americans who don't wear seatbelts account for *half* of auto fatalities

WHY I UPGRADED TO A NEW CAR

- For nearly my entire life, my family drove old cars
 - My dad is a good mechanic, so we'd typically buy 10-year-old cars and drive them for another decade
 - Until a year ago, my wife and I had bought two new cars (both Volvos) and owned each for eight years
- Last year, however, I became concerned about my own and others' distracted driving
 - It's so easy for drivers these days to take their eyes off the road because of a call or text, looking at Google Maps, etc.
- I also became aware of the *incredible* safety features in new high-end cars
- Therefore, we traded in our 2008 Volvo XC90, one of the safest cars available when it was first introduced, for the exact same model, but the 2017 edition
- That decision paid off only a week later when the front-collision-avoidance system (with auto braking) saved us from rear-ending another car that slowed suddenly on a major interstate

MY WIFE COULD HAVE DIED IN A CAR CRASH



- Investing in a new car with all of the latest safety features paid off *in a big way*
- My wife was driving our car alone in a rural area in the early morning on the day after Thanksgiving 2017. She was only five minutes from getting home safely, but dozed off for a moment and the car went off the road
- The front left wheel hit a stump and tore off, the car braked itself, the seatbelts tightened, all of the airbags deployed, and the car came to a rest in between two trees
- The car was totaled, but she walked away completely unhurt
- This *easily* could have been a fatal accident, especially in a less-safe older car!

LESSON #1

Do not take chances with tired driving – you are in control of a two-ton potentially deadly missile!

DON'T JUST KEEP DRIVING

IF YOU FEEL TIRED!

Even if you're only a few minutes from your destination (which was the case with my wife's recent accident), *be proactive*:

- Ideally, pull over and rest; if you can't then:
- Turn on loud music
- Roll down the window
- Drink something with caffeine or take NoDoz
- Call a friend

LESSON #2

Don't Scrimp
on Safety
Pay More for a
High-End Car

THE NEXT TIME YOU BUY A CAR
PAY MORE FOR A
HIGH-END ONE

Not because it looks hot and goes fast (though who's complaining about that?), but because cars from the more expensive brands are structurally more solid and have the latest, best technology to both avoid/prevent crashes and help you survive them (auto-tightening seatbelts, airbags everywhere, Volvo On Call, etc.)

- Only 20% of new cars sold in 2017 were equipped with Advanced Driver Assistance Systems, a suite of technology that includes adaptive cruise control, lane-keeping steering aides and autonomous braking
- This Consumer Reports web page lists the cars that have seven key safety features either standard or optional: <http://www.consumerreports.org/car-safety/cars-with-advanced-safety-systems> (every Volvo in the past few years has all of them available)

IF YOUR CAR IS MORE THAN ~5 YEARS OLD & YOU CAN AFFORD IT

BUY A NEW ONE!

- We cheapskate value investors take pride in making cars last forever
 - I used to think this way – but it's bad thinking
 - Not getting a new car could cost you or someone you love their life!

DON'T GIVE YOUR SON OR DAUGHTER THE OLD FAMILY CAR

- Think about it: how insane is it to buy yourself a safe car, but give your child an unsafe one???
- Again, if you can afford to, sell the car and buy a new one (we bought our daughter a Subaru Outback in 2017)

WHEN YOU RENT A CAR

RENT A FULL-SIZE OR LARGER

- Accidents are more likely when you're driving an unfamiliar car in an unfamiliar area
- So rent a safe car!

NO 2.

BEING IN A BAD MARRIAGE/
SUFFERING A PERMANENTLY IMPAIRED
RELATIONSHIP WITH A LOVED ONE



KASE LEARNING

RAISE YOUR HAND IF YOU'RE SINGLE



KASE LEARNING

HOW TO MARRY

THE RIGHT PERSON

- Marrying the right person is the single most important decision you will make in your life (no pressure!)
- Most importantly, *be someone that a great person would want to marry*
 - Simple (and obvious) in concept, but difficult in practice!
 - By definition, great people don't marry non-great people
 - Therefore, if you want to marry a great person, you must first be great yourself
 - So look in a mirror and figure out how you can be better (and then do it!)

CHOOSE CAREFULLY

- Choose carefully
 - Have the right profile/priorities in mind
 - Look in the right places/have good screens
 - I met my wife in Sept. 1990 when Bill Ackman and I crashed the boat cruise of Boston Harbor during orientation week for first-year Harvard Law School students
 - She recognized Bill – he grew up in the adjacent town in Westchester
 - My friend met his wife when they were both volunteering to guide blind runners in a marathon
 - I know a Navy SEAL who met his wife at a strip club where she was performing
 - Guess which guys are happily married today, and which had his wife sleep with his best friend and empty his bank account while deployed overseas?

DON'T MAKE A QUICK DECISION AND

BE ON THE LOOKOUT FOR WARNING FLAGS

- Don't make a quick decision
 - It's like a punch-card where you got one punch in your life
 - Nobody is perfect, but if you're not 99% certain that you want to spend the rest of your life with this person, then wait and collect more information
- Be on the lookout for warning flags and don't hesitate to call things off
 - If someone reveals their true (negative) colors, even if it's after the engagement, don't go through with the marriage
 - Maya Angelou: "When someone shows you who they are believe them; the first time."
 - Be careful not to get commitment bias – it's hard to break off an engagement, but being in a bad marriage, followed by divorce, is 100x harder!

THE KEY QUESTIONS TO ASK YOURSELF

WHEN CONSIDERING WHETHER TO MARRY SOMEONE

The questions are identical irrespective of gender, so I alternate pronouns.

1. Is she a kind and good-hearted person, both toward you and others? Does she have a mean bone in her body? How does she treat people beneath her (e.g., employees, waiters)? Do children and dogs like her?
2. If you weren't romantically interested in each other, would you be close friends? Do you make each other better?
3. Does he have high integrity? Is he a stable, solid, predictable person who you can count on 100%? Do you trust him completely? Any issues with alcohol or drugs?
4. Do you share core values (philanthropy/making the world a better place, meritocracy, humility, life balance, spirituality, thinks before acting, looks for win-win solutions)?
5. Is she intelligent and intellectually curious? Do you find her interesting?
6. Does he like to do fun things and have a zest for life? Is he a happy and optimistic person?
7. Does she have a strong work ethic and a good job/career?
8. Does he come from a stable family? Do you want to spend time with them (because you will!)?
9. Do your friends and family like her?
10. Does he have similar views on big issues such as where to live, children (how many, what religion), and finances (spending habits, lifestyle, debt)? Will he be a good parent?
11. Has she had long-term relationships in the past? How have they ended? What would previous boyfriends say about her?
12. Do you think he's hot and do you have a wild, passionate sex life? (I have deliberately listed this as the least important question – but, sadly and foolishly, many young people seem to put it first!)

RAISE YOUR HAND IF YOU'RE MARRIED



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KEEP YOUR HAND UP IF HAVING A
HEALTHY, HAPPY, LASTING MARRIAGE
IS REALLY IMPORTANT TO YOU

(IF YOU LOWERED YOUR HAND, YOU FLUNKED THIS BASIC INTELLIGENCE TEST)



KASE LEARNING

KEEP YOUR HAND UP IF YOU WOULD RATE
YOUR MARRIAGE, ON A SCALE OF 1-10, A 9
OR BETTER – AND YOU’RE CONFIDENT THAT
YOUR SPOUSE WOULD AS WELL



KASE LEARNING

FOR THOSE OF YOU WHO LOWERED YOUR HAND,
PUT IT BACK UP IF YOU'RE CONFIDENT THAT YOU
AND YOUR SPOUSE ARE COMMUNICATING WELL
AND ARE WORKING EFFECTIVELY TOGETHER TO GET
YOUR MARRIAGE UP TO AT LEAST A 9



KASE LEARNING

IF YOU DIDN'T JUST RAISE YOUR HAND,
WHAT IS STOPPING YOU FROM HAVING A
CONVERSATION WITH YOUR SPOUSE *SOON*
ABOUT HOW TO IMPROVE YOUR MARRIAGE???



KASE LEARNING

MY WIFE'S COMMENT UPON READING THIS: "YOU F**CKIN' HYPOCRITE, HOLDING YOURSELF OUT AS THIS GREAT HUSBAND...." MY REPLY: "TRUE DAT! I'LL TELL THEM THAT WHAT I'M TEACHING IS *ASPIRATIONAL*...

(SERIOUSLY: THINKING ABOUT AND TEACHING THIS HAS MADE ME -- AND OUR MARRIAGE -- BETTER)



KASE LEARNING

HOW TO MAINTAIN

A HAPPY MARRIAGE

- Once you're married, you have to play the hand you're dealt (dealt yourself) – and how you play it will determine the success of your marriage (and life)
- No marriage is perfect and my observation is that every healthy marriage (including my own) fluctuates between a 6 and a 9.5 on a 1-10 scale
 - The key is that, when happiness falls to a 6, to mutually recognize this, identify the problems, and take steps to turn things around
- In more than half of the divorces I have observed, they are both good people, and neither did anything sudden or destructive that led to the divorce (infidelity, addiction, criminal activity, etc.)
- Instead, the marriages ended slowly: the first five years were very good, then the next five years were mediocre, the next five years were pretty unhappy, and the last five years were a glide path to the train wreck of divorce

BE SENSITIVE TO

THE BIG THINGS

- Day-to-day behavior toward each other
 - Patience, forgiveness, kindness and love, being a good listener, etc.
 - If you want to be loved, be lovable (again, simple in concept, but hard in practice...)
 - Every day try to earn goodwill so that when you screw up (you will!), your spouse forgives you
 - It's a smart way to live your life in general!
 - Beware of scorn, which is deadly
 - Hold hands a lot and have one good kiss every day

BE SENSITIVE TO

THE BIG THINGS (2)

- Kids
 - Must be a unified team
 - Reach agreement on discipline, behavior boundaries, when they get an iPhone, amount of TV, etc.
 - Share the child-rearing workload at least somewhat equitably
- Financial matters (spending habits, budget, debt, priorities, etc.)
 - Being poor can put strain on a marriage, but so can extreme wealth
- Communicate and reach an agreement on your sex life
 - If you have sex, say, weekly (the U.S. average) and it drops to monthly, *you have a problem*

BE SENSITIVE TO

THE LITTLE THINGS

- Pay attention to the little things and don't get sloppy
 - Leaving the toilet seat up, being smelly, waking up your spouse when going to bed or getting up, hogging the blanket, leaving dirty clothes or dishes lying around, etc.
 - A burr under the saddle will chafe and eventually turn into a sore, which can turn gangrenous and kill the horse
- Have a process to surface issues so you can discuss and address them – don't let things fester!

BE SENSITIVE TO

THE LITTLE THINGS (2)

- Look for mutual interests or activities that draw you together
 - A pet, travel, theater/opera, sports (jogging, golf)
 - Do not become like “two ships passing in the night” (to quote a friend)
- Look for regular time together
 - Rosie (the Wonder Dog) and I walk Susan to work every morning (she is the most beloved member of our family!)



BE SENSITIVE TO

MAJOR BREACHES

Most marriages end slowly, but also think about avoiding major breaches that can end a marriage suddenly, such as infidelity

- Fidelity is like virginity: fairly easy to maintain with minimal effort, but once lost, impossible to restore
- Getting drunk at the wrong time can be very dangerous
 - It's probably not a great idea to get totally wasted at a bachelor party in Vegas, away from your spouse... (“What happens in Vegas stays in Vegas” is total BS)

DON'T FLIRT – EVER!

- Most infidelity doesn't happen suddenly; rather, it starts with flirting
- SO DON'T FLIRT – EVER!
- It amazes me how many married people flirt – like horny teenagers who can't control themselves
 - I get it: it can be fun and ego-boosting to flirt with an attractive member of the opposite sex
 - But it's *really dumb* because there are only two possible outcomes, both bad:
 - Either the other person reciprocates, and now you're on the slippery slope to an affair; or
 - The other person doesn't and just thinks you're a lech

THE MANY WAYS GETTING RICH *INCREASES* ODDS OF DIVORCE

- 1) Divorce is crazy expensive, so having a lot of money reduces this barrier
- 2) Making a lot of money generally requires working long hours and, often, a lot of travel, which can put a huge strain on a marriage (and increase opportunities for infidelity)
- 3) Rich people tend to attract those interested in having an affair
- 4) If one person makes a lot of money, then the spouse often drops out of the workforce; while a life of comfort and leisure sounds great, it can be accompanied by boredom, lack of meaning in one's life and depression
- 5) When a couple is hustling to make ends meet, it's a bonding experience
- 6) Deciding how to spend (or not spend) the newfound wealth can lead to conflict
- 7) Becoming very rich can change people for the worse: they can become arrogant, self-absorbed, look down on others, etc.

GOING THROUGH A DIVORCE CAN HAVE A HUGE IMPACT ON FUND PERFORMANCE

- Divorce can affect fund performance in four primary ways:
 - 1) It sucks up a huge amount of time
 - 2) It sucks up even more mental energy and creates mental stress
 - 3) It creates huge financial pressure, which can lead to reckless, swing-for-the-fences investment behavior
 - 4) After separation, resuming a dating life occupies the mind, consumes huge amounts of time, and (let's be honest) often leads to extreme sleep deprivation
- Do you want to be invested with someone experiencing all four of these simultaneously for an extended period (typically 1-2 years)???
- Some investors have a policy to immediately redeem from a fund if the manager is going through a divorce
- It had an effect on my business

DIVORCE BECOMES MORE LIKELY WHEN THE YOUNGEST CHILD REACHES ADOLESCENCE

- This is purely anecdotal, but my observation is that the risk of divorce spikes when the youngest child reaches adolescence
- Raising young children is often very fulfilling for one or both parents (something they can do together)
 - But by age 10, children are more independent, talking back, etc.
- Even if they're unhappy with their marriage, parents often stay together for the sake of young children
 - But by age 10, the parents may feel that the children are better able to handle divorce

HOW TO AVOID BLOWING UP

IMPORTANT RELATIONSHIPS

- All of the techniques for maintaining a happy marriage work for other relationships as well
- Carefully pick your friends and who you choose to do business with
 - You will (rightly) be judged by who you associate with
 - If you make a mistake, quietly disengage without creating an enemy
- You can't do this with cousins, in-laws, etc. – but you *can* choose how to act around them
 - Even if you don't like them very much, make an effort to show genuine interest in them, forgive their trespasses, be generous, etc.
 - Think hard about and invest in your closest family relationships (parent, child, sibling)
 - Try to avoid ending up like my grandfather, who didn't speak to his brother for the last 40 years of his life because of some minor argument

CHOOSE YOUR FRIENDS CAREFULLY

SEVEN OF THE SPOUSE QUESTIONS APPLY WHEN CHOOSING/KEEPING FRIENDS

The questions are identical for men and women, so I alternate pronouns.

1. Is she a kind and good-hearted person – both toward you and others?
2. Does he have high integrity? Do you trust him completely?
3. Is she a stable, solid, predictable person who you can count on 100%?
4. Do you share core values?
5. Is he intelligent and intellectually curious? Do you find him interesting?
6. Does she like to do fun things and have a zest for life?
7. Has he had long-term [friendships] in the past?

CHOOSE YOUR BUSINESS PARTNERS/COLLEAGUES CAREFULLY

SIX OF THE SPOUSE QUESTIONS APPLY WHEN CHOOSING/KEEPING BUSINESS PARTNERS/COLLEAGUES

The questions are identical for men and women, so I alternate pronouns.

1. Is she a kind and good-hearted person – both toward you and others?
2. Does he have high integrity? Do you trust him completely?
3. Is she a stable, solid, predictable person who you can count on 100%?
4. Do you share core values?
5. Is he intelligent and intellectually curious? Do you find him interesting?
6. Has she had long-term relationships in the past? What would previous business partners/colleagues say about her?

NO 3.

LOSS OF REPUTATION/FREEDOM



KASE LEARNING

HOW TO PRESERVE

YOUR REPUTATION (AND FREEDOM)

- “Remember that reputation and integrity are your most valuable assets – and can be lost in a heartbeat.” – Charlie Munger
- Other than your brain and your health, your reputation is your most important asset
 - It takes a lifetime to build – and can be destroyed in minutes
 - You might not only lose your reputation, but your freedom as well!
- Don’t allow yourself to become under duress – mistakes happen when you’re under pressure
- Don’t go anywhere close to gray areas
- The question isn’t whether it’s legal, but whether it passes (with flying colors) the front-page-of-the-local-paper test

You are judged and
will be remembered
not by what you do
99% of the time,
but by your worst
1% moments

HOW TO PRESERVE

YOUR REPUTATION (AND FREEDOM) (2)

- Be very careful who you associate with, both personally and professionally
- Emails live forever, so it's best to assume that someday they will be read by a hostile regulator/investigator/ lawyer
 - It's happened to me a few times and it's no fun
- Be extra careful in public emails/statements/writings and live TV appearances – you're often saying things off the cuff, without reflection or editing, and once said/written/sent, you can't take it back

NO 4.

LOSS OF WEALTH



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HOW TO PREVENT

LOSS OF WEALTH

- The surest way to get poor quickly is to try to get rich quickly
- The second-surest way is getting fired or divorced
- Avoid debt
 - Certain types of smart debt are ok, like subsidized student loans or a fixed-rate, low interest, tax-deductible mortgage
 - Especially avoid high-cost, destructive debt like credit cards, etc.
- Invest in liquid stocks of sound companies without leverage or options
- Avoid high risks (e.g., bitcoin) or size them very small
- Don't invest in private companies (unless this is your career)

NO 5.

ADDICTION/ABUSE



KASE LEARNING

ADDICTIONS

THAT DESTROY LIVES

ALCOHOL/DRUGS

- 88,000 Americans die from alcohol-related causes annually
- Nearly 70,000 Americans now die from drug overdoses (2/3 opioids) each year
 - Rising 18% annually
 - The leading cause of death for Americans under 50
- I rarely drink to excess and have never tried any drug, not even once
 - I will either like it or I won't – either is a *bad outcome*
 - Drugs can hurt short term (instant death, arrest, or a terrible accident) and long-term (addiction)

GAMBLING/TRADING

- Trading stocks is highly addictive so I never made a stock trade in 18 years of managing money (I emailed my broker to make trades)
- I've never played the slots (the most addictive of all the casino games)

SEX

- This can be an addiction too
- Stay away from slippery slopes
- One night of pleasure isn't worth the calamity of a ruined marriage

ADDICTIONS

THAT DESTROY LIVES (2)

EATING DISORDERS

- Anorexia is a demon
- The key is to catch it early (it often starts in the early teens)
- Wealthy teenage girls, especially on the Upper East Side of NYC where we live, are in the highest risk cohort, so my wife and I keep a close eye on our three daughters
 - There has never been any dieting in our house – just plenty of healthy food
 - We consciously steered them away from activities like modeling, ballet, figure skating or gymnastics
- Fathers play a critical role, so I try to be very careful in what I say
 - I avoid saying things like “Don’t eat that – it’ll make you fat”, “Boy, is she hot” (referring to a skinny woman), and I try to never make comments/jokes about eating and/or weight

PROTECT YOUR CHILD FROM SEXUAL ABUSE

- 25% of children are sexually abused prior to their 18th birthday, yet only 16% of child victims are able to tell someone that they are being abused and only 3% of sex offenders are caught and prosecuted
- Keep a close eye on situations in which adults spend long periods of unsupervised time with your child (in which “grooming” can occur)
 - The most likely abusers are extended family members, teachers, coaches and religious figures
 - Don’t be paranoid, but don’t *under*-react to warning signs like alcohol or drug abuse or odd behavior
 - It is not normal for a 32-year-old to be best friends with a 12-year-old
- If inappropriate behavior occurs, it must be exposed/reported, not least for the sake of future children
 - *There is no such thing as someone who molests only one child*

PROTECT YOUR COLLEGE STUDENT FROM SEXUAL ABUSE

- As many as 19-27% of women and 5-8% of men report being sexually assaulted during their time in college
- Teach your child about the risks and how to mitigate or avoid them
- The majority of college sexual crimes occur when one or, usually, both students have been drinking to excess
 - One survey revealed that 40% of college students have engaged in binge drinking in the *previous two weeks*
- Beware of frat parties and other high-risk environments
- Particular vigilance is called for during certain times of the year (more than 50% of college sexual assaults occur from August through November) and during certain times (students are at an increased risk during the first few months of their first and second semesters in college)

AFTER LIFE

GOING TO HELL



KASE LEARNING

GOING TO HELL

- I suspect that I've thought about my own death more than most folks, due to my reaching middle age (51) and the risky things I love to do: obstacle course races, climbing mountains and, most dangerously, riding my bike in the streets of Manhattan every day
- I'm not a religious person, but I certainly can't rule out the possibility that there's a heaven and hell, so I figure it would be wise to hedge my bets to make sure that I can make a strong case for admission if/when I come to the pearly gates
- For this reason (as well as to enrich my life while I'm alive!) I try my best to be so kind and giving and, overall, live my life in such a way that:
 - I'm beloved while I'm alive; and
 - When I die, they have to hold at least two services in the 1,200-seat sanctuary at Central Synagogue (to which my family and I belong) because there are so many people who want to mourn me and give eulogies!

HOW TO HANDLE CALAMITIES



KASE LEARNING

HOW TO HANDLE CALAMITIES

- If a calamity is fixable (e.g., a broken relationship), fix it
- Build strong relationships with lots of family and friends so you have a support network
- Try to wall off the calamity – but be careful of walling off too much
- Seek professional help (shrink, religious figure, etc.)
- Feel and express gratitude
- Focus on both the long run...
 - Many calamities pass/get better
- ...And the day to day
 - Every day, try to take a few steps forward

APPENDIX A:
GET SCREENED FOR COLON CANCER
BECAUSE EARLY DETECTION IS KEY!



KASE LEARNING

“The most preventable, yet least prevented cancer.”

— JOURNAL OF THE NATIONAL CANCER INSTITUTE

COLON CANCER

IS THE SECOND-LEADING U.S. CANCER KILLER

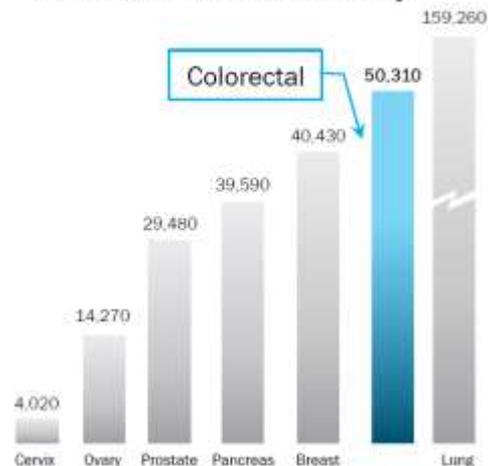
136,830

new U.S. cases

50,310

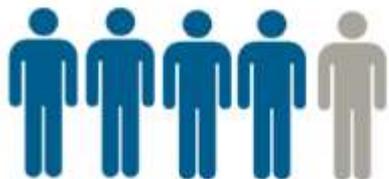
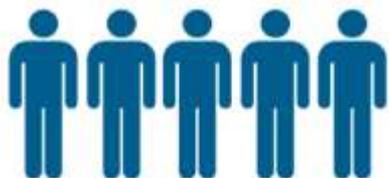
U.S. deaths

Annual U.S. cancer mortality



EARLY DETECTION

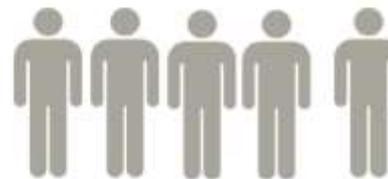
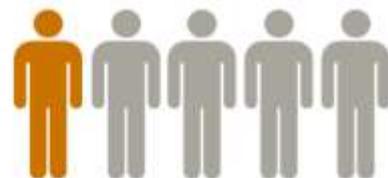
IS CRITICAL



9 out of **10**

Diagnosed early stage (I-II)

Survive 5 years



1 out of **10**

Diagnosed Stage IV

Survive 5 years

* Other studies show 74% and 6%, respectively.

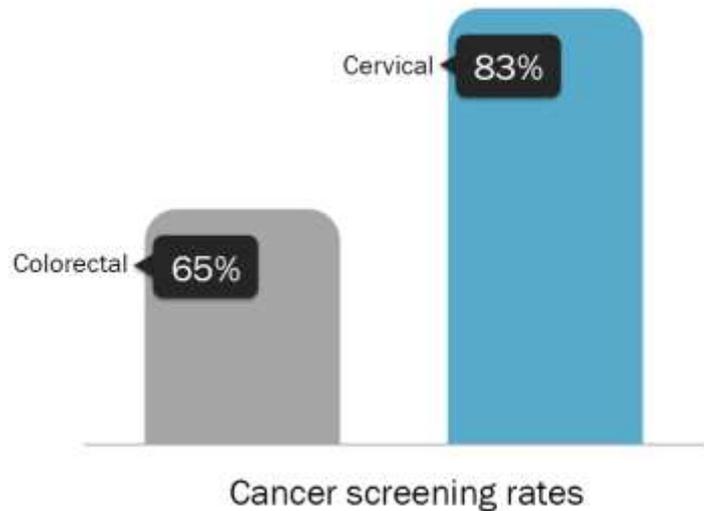
Source: Exact Sciences annual meeting presentation, 7/22/14.

Only 65% of people who should be screened are, a major reason why 60% of colon cancers detected are already in late stage.

CURRENT SCREENING

IS POOR

American Cancer Society Goal: 80% by 2018



THE BEST PRACTICE IS COLONOSCOPY

- The Centers for Disease Control and Prevention and the American College of Gastroenterology recommend a colonoscopy every 10 years, beginning at age 50, for average-risk men and women ages 50-75
 - During a colonoscopy, physicians use a flexible, lighted tube (colonoscope) to look at the interior walls of the rectum and the entire colon. During this procedure, samples of tissue may be collected for closer examination, or polyps may be removed. Colonoscopies can be used as screening tests or as follow-up diagnostic tools when the results of another screening test are positive.
 - Colonoscopy also is used as a diagnostic test when a person has symptoms, and it can be used as a follow-up test when the results of another colorectal cancer screening test are unclear or abnormal.
- But a colonoscopy is expensive, time-consuming, invasive, not available everywhere, risks complications, and uncomfortable – both the preparation as well as the actual procedure
- In lieu of a colonoscopy, “patients should be offered an alternative CRC prevention test (flexible sigmoidoscopy every 5–10 years, or a computed tomography (CT) colonography every 5 years) or a cancer detection test (fecal immunochemical test for blood, FIT).”

APPENDIX B: MY FIRST COLONOSCOPY

(WARNING: CONTAINS PICTURES OF MY COLON)



KASE LEARNING

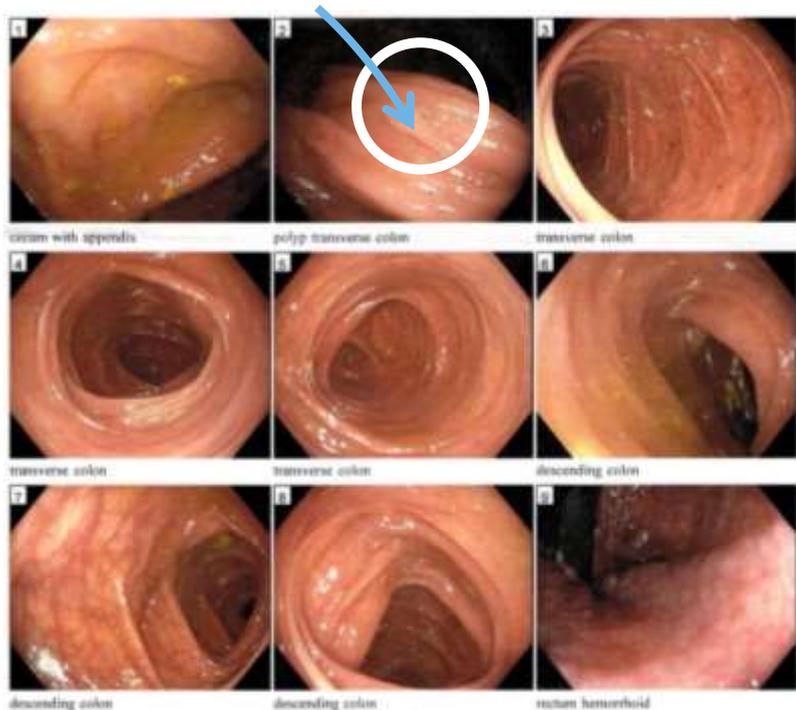
MY FIRST

COLONOSCOPY

- Soon after I turned 50, I had a routine colonoscopy in March 2017
- While the prep wasn't so fun, the procedure itself was a piece of cake
 - I was put under anesthesia so it felt like I fell asleep and then woke up having had a nice nap, and walked home with no discomfort at all
- Overall it was a perfectly tolerable experience and I'm very glad I did it, especially since they found a polyp

Do NOT turn the page if you will be upset to see pictures of my colon.

Small 5mm polyp



RESULTS OF MY COLONOSCOPY

- My doctor found and removed a small 5mm polyp, which is the first stage of colon cancer, so she recommended that I get another colonoscopy in 5 years rather than the usual 10
- I share this not to disgust you (or try to impress you with the beauty of my colon!) but to try to reduce the stigma of the procedure and maybe inspire more people to get colonoscopies – which just might save their life!
 - More than a half dozen friends said they scheduled colonoscopies that they'd been putting off after receiving my email about this



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