

INTRODUCTION

It's 3:30 a.m. on Friday, September 19, 2008. I'm awake and I can't go back to sleep. Again! I'm in a cold sweat. This has been going on for months now. My whole body is dripping wet. I really wish I could remember my dreams. Did something bad happen to my youngest daughter, Morgan (she's only two and a half)? Was it her older sister, Lauren (she's just four and a half)? Was it a stock? A long collapsing? Or a short being acquired? Or something else? What am I fearful of? What am I worried about? Why can't I remember my dreams!?

The last year had been a year of transition for me, both personally and professionally. I had gotten divorced from Christine in December 2007. We had been married in 2002 and we had created two amazing, caring daughters together. But this was my first job in which I got paid based on my performance which was clearly something I had to get used to. I took the job because I was confident in my abilities. But less than nine months later, I was truly questioning them!

This time, at least, I knew why I was wide awake and couldn't go back to sleep. The U.S. Securities and Exchange Commission (SEC) took emergency action the night before to temporarily ban the short-selling of all financial institutions. And I am managing a long/short equity hedge fund¹ that invests only in financial companies! Will I be fired? How can I do my job if I can't hedge?

I contemplated what would happen later that day. None of the scenarios could be described as *good*.

First, I realized we were going to lose a lot of money. It was clearly going to be the worst day of my career.

¹ A hedge fund manager is an individual who oversees and makes decisions about the investments in a hedge fund. A hedge fund is an investment fund that pools money from a limited number of wealthy individuals or institutional investors and invests those funds in a variety of assets.

And then I had an even more horrible thought, if that is even possible. Both my longs and shorts were going to go up—*huge!* I had already hit my total exposure limit on Thursday—the amount that Citi allowed me to manage in total assets.

I decided to walk into my boss' office and ask for more capital —yes, *more*.

Our portfolio was up year-to-date. So I asked, and surprisingly, I was approved.

We spent most of the morning deciding at what prices to buy-back half and what prices to cover the rest of the short positions. Because of the ban, we couldn't short anymore.

What is Mindful Money Management? It is being present. It is being aware of what is going on in your investments (be they stocks, bonds or real estate) and also being aware of what is going on in the overall marketplace for your investments.

It is making decisions that you have faith in since you have done the work (analysis) and you are confident in the value of the investment over the long-term—say, one-to-three years. This gives you a distinct advantage over those who have to care about weekly or monthly, and sometimes daily, performance (i.e., most professional investors).

Being mindful in money management is not staring at the stock screen all day to take advantage of a small move in a stock, but doing your analysis up front and knowing what the company should be worth under various scenarios so that if the market does go down (or up) a lot you have a prescribed method on how to react.

In this particular case, we did not make rash decisions without considering the fact that nothing had changed in the value of the stocks we were expecting to go down.

Can this help you on your route to financial freedom? Absolutely!

Can mindfulness help you to realize your dreams and desires? Yes!

This book is about the lessons I learned as a hedge fund manager and about being of service to others, not solely about a career as a hedge funder. Included are views into how I, as a hedge fund manager, looked at the world around me during my almost three years of managing money for outside investors. I also share my mindful practices that I used to deal with the various adversities that arose along the way. It is about the various techniques I used to stay happy or become happy during challenging stock market moves and individual company declines.

It is also about how gratitude can work for you and how you can “Act As If” to achieve what you want in life.

Most importantly, as Napoleon Hill said in *The Master Key to Riches*, “Aside from the consideration of what I shall receive for my endeavor to serve you, there is the question of an obligation which I owe the world in return for the blessings that have been bestowed upon me. I did not acquire my riches without the aid of others ... To GET one must first GIVE.”

That is the main reason I wrote this book. I want to share with others the growth that occurred as I became a more self-aware and spiritual person while also gaining knowledge about managing investments.

For me, being spiritual is not being religious (going to a synagogue, temple, church or mosque). Spirituality means getting in touch with one’s spirit or soul. One can do this many, many different ways. But for me, becoming more spiritual meant doing daily affirmations, meditating, visualizing, and listening to uplifting songs.

One of the most important things I now know is that I had attained definiteness of purpose.

I knew in the 1990s that I wanted to be a hedge fund manager. I thought I could use the fund as a stepping-stone to help individuals by ultimately starting a 40-Act Fund, whereby the same strategy could help individuals through a mutual fund format.

When Charles M. Schwab (as quoted in *The Master Key to Riches*) wanted his first promotion from Mr. Andrew Carnegie, the richest man in the world at the time, Carnegie broadly grinned and replied, “If you have your heart fixed on what you want there is nothing I can do to stop you from getting it.”

I realized that if I help others to find their path to happiness and success, it would be profoundly rewarding. I found the best way to adopt the philosophy of individual achievement principles is by teaching it to others. “When a man begins to teach anything, he begins also to learn more about that which he is teaching” (Napoleon Hill in *The Master Key to Riches*).