

An Eye For Acquisitions

by Bruce Holland Rogers

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Leonard Vriner felt it in his bones, that old magnetic attraction that he hadn't felt in such a very long time. At first he dismissed it. The mergers and acquisitions game as he used to play it was dead, and there just weren't any easy pickings left to be exploited in a corporate raid. But the more he talked to Moscarón, the more sure he felt of the prospect: perhaps there really was one last plum to pluck.

"I can't believe you've never heard of greenmail, Mr. Moscarón," Vriner said to the man he'd just met at the thousand-dollar-a-plate political fund-raiser. "Surely, as CEO of... What was it again?"

"WWW Service and Supply."

"Yes." Vriner filed the company name securely in his mind. "As CEO, surely you've thought of how you would defend against an unfriendly stock tender?"

"I don't think we'd have a problem."

"Ah," Vriner said, sensing that the plum might not be so ripe. Too bad. "You're closely held."

"Not at all," Moscarón said. "We have no majority shareholders, and our shares trade on the exchange, but our many shareholders want a board and officers who know our business. They are exceptionally loyal."

Vriner was careful not to laugh aloud. How often had he heard that from directors and CEOs? But greed was a persuader that had never failed him. Shareholders could *always* be bought.

"And what does WWW Service and Supply do, exactly?" Vriner asked.

"We are," Moscarón said with a thin smile, "diversified. And becoming more so all the time." The man's eyes were brown with greenish tint, the color of pond scum. "But you were telling me, Mr. Vriner, how you made your fortune. You said you have an eye for acquisitions. Perhaps that's a talent my company can use down the road, when we're a bit more sophisticated."

"My talents aren't for sale," Vriner said, "and I haven't done that sort of deal for a long time."

"Still, it sounds interesting."

But Vriner changed the subject. Why let a naive target know the rules of the game?

And Vriner knew the game well. In the glory days of greenmail and the two-tier tender, in the decade of boardroom bear hugs and bootstrap offers, he had learned the art of the corporate raid. Yes, he did have an eye for acquisitions, a sixth sense for weakling companies that he could buy a taste of and then devour like a shark. Or if he didn't devour, he bit so hard that company's management bid up their own stock to make the deal too pricey, and then he'd sell his stake for a bundle. Win or lose, he made a lot of money. Win or lose, he enjoyed the game.

But the game had changed. The SEC made tougher rules, and companies fought back with self-tenders and the Pac-Man counterbid. Lock-up options and the crown jewel defense kept a company's most profitable divisions out of a raider's reach. There were poison pills and blocking preferreds, staggered boards and golden parachutes and all kinds of other shark repellents. For a while, this had only made the game more challenging, but finally the defense had the edge, and the game wasn't fun any more.

So rather than talk about mergers and acquisitions, Vriner asked Moscarón what he thought of the Senator whose campaign they were supporting at this dinner.

"I've only recently begun to appreciate how useful a Senator can be," Moscarón said.

"You sound as if you own him," Vriner joked. "It takes more than a thousand-dollar dinner to buy a United States Senator."

"Oh, I know that," Moscarón said. "I know exactly what it takes." He took a small box from his vest pocket and opened it. The inside of the lid read, WWSS. "Would you care for a chocolate?"

"A product of your company?"

"A sideline. As I said, we're diversified."

"I'm allergic to chocolate."

"Pity," said Moscarón.

In the receiving line after the dinner and speech, Vriner noticed that the Senator addressed his contributors by first name, and he glanced into their eyes barely long enough to convey sincerity before he passed on to the next person. "Andy, good to see you. How's business, Leonard? Delighted to have your support. Hi, David, Sheila. Good to see you." But when Moscarón came by, the Senator looked him in the eye long and hard. "Mr. Moscarón," he said soberly. "Good evening, sir. I hope every little thing is satisfactory." And Moscarón just smiled.

Maybe Moscarón *did* own the Senator, and that would suggest that his company had a very healthy cash flow indeed, or else some other attractive leverage that would make the company worth owning.

Vriner called his investment banker that night. "Listen," he said, "I think I've found a Saturday Night Special."

"No way," Siegel told him. "There hasn't been an overnight takeover since dinosaurs roamed the earth. What's your supposed target?"

"WWW Service and Supply."

"Never heard of them," Siegel said. "But I'll take a look. I'll call you soon."

"Call me sooner than soon. I've got a feeling."

In the morning, Siegel paced Vriner's office and said, "Their numbers look sharp, Leonard. But they can't be as unprotected as you say."

"Wide open," Vriner said. "I have it from the head man himself. Now tell me why someone else hasn't gone after them."

Siegel shrugged. "Couple of reasons, I guess. One, maybe no one has *seen* them. It's a low-profile stock, very thinly traded. Weeks go by and no one buys or sells a share. The other thing is that, well, even from their annual report, it's hard to tell exactly what they do. I mean, they trade commodities I can't imagine anyone would want to buy. Cactus spines and live owls. Dried roots and herbs you never heard of."

"And do they do this profitably?"

"They're healthy."

"Let me see."

Vriner flipped through Siegel's report, then passed it back to him. "I wouldn't care if they were cannibals trading in human skulls, Aaron. I like these numbers. Buy me a quiet five percent, and let's go hunting."

Siegel spread the stock trades out over several weeks. Even so, the shares weren't easy to come by. He had to bid the price up to shake loose sellers. "I don't know," he told Vriner. "This is turning into an expensive stake. Maybe they've got wind of you. Making a tender might not be worthwhile."

"I want the deal," Vriner said. "I want to play the game."

"So we go anyway?"

"We go. On Friday, we go."

"It's late, and I'm rather busy," Moscarón said irritably when Vriner called and insisted on an immediate meeting. "Can't this wait until Monday?"

"I think you'd rather talk to me now," Vriner said. "In any case, you have a fiduciary responsibility to hear what I have to say. After all, I have a five percent stake in your company. I believe that makes me one of your largest shareholders, if not *the* largest."

Moscarón sighed. "All right, all right. I'll meet you in my office. You'll have to show yourselves up. My staff is already gone for the day. Do you know how to get here?"

Vriner hung up and smiled at Siegel. "The poor stiff is so out of it that he doesn't know enough to be scared."

"Where in the hell did they get these colors?" Siegel said as he rode the elevator with Vriner. From the outside, the corporate headquarters for WWW Service and Supply had been ordinary enough-blue glass and black steel. The outer lobby, too, was standard and conservative, if surprisingly empty-an open, tiled atrium with a security station absent of security guards. But beyond the public face of WWW, the carpets and wall coverings were sickly shades of green and rust, colors that made the air seem stale and thick. The inside of the elevator was the color of bread mold.

"That'll be the second thing that I get rid of," Vriner said, tapping the elevator wall.

"The first, presumably, is Moscarón."

"I'm not going to have someone so simple-minded running any company of mine."

"He does seem to have a Senator in his pocket, from what you say."

"Anybody who's rich enough can do that if he cares to."

"Don't kid yourself."

Moscarón's office was on the top floor, but it was hardly what Vriner expected in an executive suite. Flames flickered in the fireplace near Moscarón's desk, and the room was stuffy with stale smoke-not wood smoke, but something more rancid, like the smoke from burnt hair. The fluorescent lights seemed ordinary enough, but they cast a dim light that didn't quite illuminate the corners of the expansive room.

"My time is short," Moscarón said. "Come, sit, and tell me what this is about."

"What this is about," said Vriner, staying on his feet as Siegel sat down, "is my holding company's offer for a controlling share of WWW Service and Supply. I told you I have an eye for acquisitions, Moscarón. I also have a pretty good idea of what constitutes an irresistible price. We're buying you out at thirty-two dollars a share."

"I see," Moscarón said. "Well, it's out of the question. The company is not for sale."

"We'll see what your shareholders have to say about that. I want you to produce, by tomorrow, a list of your owners."

"This company's shareholders," Moscarón said, "are very private people. I'm sure they don't want me passing out their names and addresses to anyone who asks. Now I have things to do tonight. You will excuse me."

Vriner laughed, and Siegel said, "You have a fiduciary responsibility to your shareholders to let us make our offer known to them. Failure to live up to that responsibility will land you in civil court."

"I'm a shareholder, too," Vriner said. "My interests are your interests. Or they had better be."

Moscarón shook his head. "I don't want a court battle just now. I haven't made arrangements for that sort of thing. But I don't think you understand who you are dealing with. You say, Mr. Vriner, that you have an eye for acquisitions. Perhaps you do. But in this case, your eye has misled you. Our shareholders..."

Something moved in the dark corner behind Moscarón.

"What's that?" said Siegel.

"An owl," Moscarón said, and Vriner could now see it in the shadows, a small owl on a tall perch. Its eyes glinted from the darkness.

"I don't want excuses," Vriner told Moscarón. "I want that list tomorrow."

"All right," said Moscarón. "You'll have your list." He opened a confection box and pushed it toward Siegel. "Would you care to try one of these?"

"We're taking over your company and you're offering us chocolates?" Vriner said.

"You might as well know something about what you're trying to take over."

Vriner waved off the offer, but Siegel accepted.

On their way out of the building, Vriner said, "You see what I mean about this guy? He just doesn't get it."

Siegel didn't answer. He was fishing around in his mouth with his tongue, and finally he gagged and reached in with his fingers. He drew out a long, long black hair. Tied to the end of it was a wet little bundle that looked like animal fur.

Siegel had the dry heaves there in the empty hallway.

"Was that in the chocolate?" Vriner said, looking at the glistening hair.

"Must have been," said the investment banker, getting his breath. "You might be buying yourself a huge consumer product liability suit, Leonard, if that's a standard ingredient." Siegel retched again and spit into his handkerchief.

"Maybe that's Moscarón's idea of a takeover defense," Vriner said with a smile. "Nauseate the opposition."

"You still want to buy a company that makes chocolate with hair in it?"

"I want a deal, Aaron. I'm hungry for a deal."

"No one's selling," Siegel reported over the phone a week after the offer had been tendered.

"Aaron," said Vriner, reclining behind his desk, "we're bidding five dollars above the last trade."

"Yeah, but that last trade was a week ago. There's no movement. I can't even get anyone to report an asking price. It's as if we've already bought up all the shares that are going to be sold." "Out of ten thousand shareholders spread out all over the world, out of all these penny-ante owners, you can't squeeze even a handful of shares?"

"Can't squeeze *one* share. It's like the word is out that the stock will be worth a million a share tomorrow, you know?"

"No, I don't know. This doesn't happen. People get greedy."

"I can't figure it, either, Leonard, but I'm getting bids to buy back your stake at a little bit under what you paid for it. I think maybe it's time to cut your losses and run."

"I don't run."

"Well, maybe you do this time, if you're smart. Your own stock is trading at record volume. There may be a move afoot to cut your feet out from under you."

Vriner sat up. "Moscarón?"

"I'm having Erlich & Bahr look into it. So far, the orders are spread between a dozen street names, so if it's one buyer, he's doing a hell of a job of disguising himself."

"I didn't think the old boy had it in him," Vriner said, grinning, relishing a fight.

"Don't take this lightly," Siegel said. "You're heavily defended, but there's a lot of capital moving your shares. If this is Moscarón, he has heavy hitters backing him."

"I'm going to put Logan Edwards on this. He can do a background check on Moscarón, and I'll have him check out some of the shareholders, too."

"That's going to get into some money. Ninety percent of the shareholders are overseas."

"I don't care. I want to know who these people are. What's their compelling interest in maintaining control? With a little insight, Aaron, we can still break this open."

"You're the boss, Leonard. Listen, though. I'm going to orchestrate this from bed for a day or two. I don't feel so hot. Touch of flu, maybe."

"I need you on this, Aaron."

"Have I ever let you down?"

In wing tips, a business suit and neck tie, Logan Edwards didn't look much like a gumshoe. On the other hand, he wasn't the usual sort of private investigator.

"I've pushed it hard," Edwards said, looking from Vriner to Siegel. "I've got six of my best people digging full-time into Moscarón, and we can't get much. I can tell you that he's been in New York for ten years, has been CEO of WWSS since incorporation, and was in Gallup, New Mexico, before that. But I've had a hell of a time finding anyone who knew him, and those who did know him won't talk at any price. They're spooked, I think." Then to Siegel, Edwards said, "You don't look so good."

"No," Siegel said, blinking his red-rimmed eyes. "I don't feel so hot, either."

Vriner wanted to stay with business. "Mob connections?"

"Could be," Edwards said, "but I doubt it. There's not enough in Gallup to get the attention of organized crime."

"What about the shareholders? You've done background checks on them as well?"

"I've run into brick walls," Edwards said. "It's the same story over and over. You wouldn't believe the

places where holders of small lots live. Tiny villages in Africa and South America. On the other hand, you've got big industrialists in Germany and Spain, people of Moscarón's stature and much bigger, and all of them are as opaque as can be. If my people meet them, they won't talk, and their neighbors won't talk. I can't get squat."

"For three million dollars, that's what you give me? Less than squat?"

Edwards held up his hands in a gesture of helplessness. "I'm as frustrated as you are, Mr. Vriner."

"Not yet, you aren't, Edwards. From now on, you're off retainer. Get out of my office." Edwards stood.

"Don't do this," Siegel said feebly. "Logan is the best in the business."

"The best investigator in the business," Vriner said, "would bring me useful information about my opponent. For that matter, the best *investment banker* in the business, which you used to be, would be finding his own ways to stop Moscarón."

"Short of a self-tender," Siegel said, "what can we do? We know this is a tidal-wave open-market assault by a whole bunch of coordinated buyers."

"Don't hand me excuses," Vriner said. "Give me results!"

But things got worse. Two loyal members of Vriner's board of directors died of sudden illnesses, and another, Greg McCarthy, moved to call an emergency meeting to rewrite the corporate charter.

"Rewrite it for *what*?" Vriner said.

"To rescind your golden parachute, Leonard. I think it's pretty much unanimous that we're a company with hardened arteries."

"You can't dump me! I'll sue your ass!" Then, more gently and reasonably, Vriner said, "I founded this company, Greg."

"Things change," McCarthy told him.

Moscarón wouldn't answer his phone. Time after time, Vriner would call WWWSS, talk to a receptionist, and then be transferred to a phone that rang forever. Vriner thought of leaving a message, but that would put the ball in Moscarón's court. He decided to see the man in person, to catch him off guard if possible, though he wasn't sure of exactly what his approach would be if he could get through to him. Negotiate a compromise? Beg for mercy?

He went in the early evening when shadows were lengthening and the streetlights were coming on. As before, the lobby of WWW Service and Supply was empty.

Vriner took the elevator up. There was no receptionist in the outer office. The door to Moscarón's inner sanctum was unlocked.

A fire crackled in the fireplace, and the room again smelled of a sickly smoke. Moscarón was nowhere to be seen.

A shadow moved in the corner-- the owl on its perch. Vriner stepped towards it for a closer look. The owl turned at the sound of his approach, and Vriner squinted into the dark to see it better. There was something strange about the animal, but in the half light, it was hard to say exactly-- Vriner stepped back.

The bird had no eyes. Where its eyes should have been, there were only empty sockets. Vriner turned away from Moscarón's repulsive pet, and when he did, he saw the yellowed orbs that sat in a dish on Moscarón's desk.

There was no mistaking them, or what they came from.

They were eyes. Human eyes the color of pond scum, turned up on the dish so that they seemed to be looking at him.

What he did next wasn't rational, and even as he did it, Vriner knew that he should probably leave the things alone. But he wanted them out of his sight, out of his *memory*. Retching, Vriner picked up the dish and carried the eyes to the fire. He threw them in and heard them pop and hiss in the flames.

Moscarón's call came the next morning. "I'd like to come by for a chat with you and your banker," he said. "Say at three?"

"Siegel's here with me now," Vriner said. "Why don't you come and get it over with."

"All right," Moscarón said. "Why not?"

Vriner hung up. "He's coming," he said.

Siegel-eyes rheumy, face pale-nodded. "At least it will be over soon, Leonard."

Vriner closed his eyes. It would, in fact, be almost a relief.

When the receptionist showed him to the office, Moscarón started to come through, but then bumped his shoulder against the doorjamb.

"Are you all right?" the receptionist said, not knowing the enemy when she saw him.

"Fine, fine." Moscarón was wearing sunglasses. "You can leave us," he said, as if she already worked for him.

The receptionist closed the door on her way out, and Moscarón approached Vriner's desk somewhat hesitantly, groping for the chair when he was still a foot away from it. Siegel got up and helped him. Moscarón sat down heavily, as though grateful to quit navigating through the office.

"Well," Moscarón said to Vriner, "I have certainly learned a lot from you." He reached into his pocket and put what looked like a silver soup spoon on Vriner's desk. The handle was engraved with WWWSS.

"What's that?" Vriner said.

"An item from our catalogue."

"I didn't know there was a catalogue."

"As I told you when we met," Moscarón said, smiling from behind the sunglasses, "we are a diversified company. But the catalogue does not circulate widely."

"Why don't you cut the crap," Vriner said, "and tell me that you're here to tender an unfriendly offer for control of my company."

"I hardly need to do that," Moscarón told him. "My associates already hold a majority interest in Vriner Holdings, but in many small bites. We prefer to be subtle. No SEC filings and disclosures this way. My associates are very private people."

"So I've learned."

"Have you?" Moscarón said. "I still don't think you understand who we are." Then, to Siegel, Moscarón said, "Show him, Aaron."

Vriner looked at Siegel. Who was taking something out of a black case. "Aaron? You're working both sides?"

"Only temporarily," Siegel said. "After today, my services go exclusively to Mr. Moscarón."

"I'll sue your ass into kingdom come," Vriner said, sitting up straight, sensing that all might not be lost after all.

"No you won't," Siegel said, and with a deft movement, he flicked gray powder from the case into Vriner's face.

"What the hell--" Vriner started to say, but Moscarón uttered a syllable and Vriner froze in mid-sentence. He could see, he could hear, but he could not speak or move.

"Nicely done," said Moscarón. "I thank you. My current condition has naturally done nothing for my aim."

"All right," Siegel said. "He's yours. Now help me."

"I always fulfill my obligations, but I would thank you to speak more respectfully."

Siegel lowered his head. "Yes, Mr. Moscarón. Of course, Mr. Moscarón."

"Open your mouth."

Still unable to move, or even to look away, Vriner watched as Moscarón coiled a long hair onto Siegel's tongue.

"Swallow," he said, still holding one end of the hair.

Siegel obeyed, and Moscarón uttered another syllable, then began to pull gently on the hair. Siegel gagged. "Easy, now," Moscarón said.

A black mouse, squirming and covered with slime, erupted from Siegel's mouth. The banker turned and vomited.

"Please!" Moscarón said. "Not on the carpet!"

Siegel stayed doubled-over, catching his breath.

"You understand," Moscarón said, "that there are others. You'll be fine for a while, but if you don't

come to me as they mature, they'll fill your body. To the uninitiated, it will look like cancer."

"I understand," Siegel said, wiping his brow. Already he looked better. "You have my unquestioned loyalty, Mr. Moscarón."

Moscarón turned toward Vriner. "Ah, Mr. Vriner," he said. "How very helpful you have been to World-Wide Witchcraft Service and Supply."

He sat down again, as if the business meeting were to continue.

"You've taught us a lot, sir. You've done a great deal to show us the way. Between a good investment banker and a few hundred coordinated witches, I don't think there's a company in the world that can resist us."

He stood again and leaned toward Vriner with the mouse. Something wriggled through Vriner's lips, and then Vriner felt Moscarón's fingers push the mouse past his tongue. It squirmed down. Moscarón took off his glasses. Black and yellow eyes no bigger than large marbles rolled in his eye sockets.

"Unfortunately, your little visit while I was out conducting some night business deprived me of an important asset."

He picked up the spoon.

"We have a lot of advantages in a corporate environment," Moscarón said. "Who, in the boardroom, believes in witches? Who knows how to mount a defense against us?"

He leaned forward, and one of the owl eyes almost rolled out of his head.

"But I can't very well do business looking like this, can I? I think suspicions might arise. Agreed?"

Deep in his stomach, Vriner felt tiny teeth beginning to gnaw. He'd scarcely have believed that something so small could cause so much pain.

"You say you have an eye for acquisitions."

Moscarón slid the edge of the spoon beneath Vriner's eyelid. If Leonard Vriner hadn't been frozen into silence, he would have screamed.

"I wonder," Moscarón said, "which one it is?"

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