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The following parable was sent to me from a friend in France, who received it from a friend of his. It is a short story of a man named Frank who became very rich by investing in Microsoft stock. (If you had purchased one share of Microsoft when it first went for sale in 1986 for less than \$25, your investment would be worth 300 times that today.)

Although some of the decisions that Frank made on his way to becoming a billionaire may have seemed foolish at the time, in the end, he would prove all of his critics wrong.

See if you can glean the deeper spiritual message that this parable teaches. I've added a few comments of my own at the very end. — David

A Parable about Frank, the Wise Investor

by Roger Hertzler

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In early 1986, a man whom we'll call Frank walked into the office of an investment advisor and sat down for an interview. He explained to the advisor both his current financial situation and his financial goals for the future. Although he was not a rich man, Frank said he did have several thousand dollars in a savings account. More importantly, he had a young body, a sharp mind, a well-paying job, and a willingness to put everything he had into his goal of becoming financially wealthy.

After looking at Frank's situation, the advisor explained to Frank some of the risks and rewards of investing in the stock market and suggested that because of his young age and long-term goals, he should consider putting at least some of his money into this type of investment. He also cautioned Frank never to invest in a company without researching it thoroughly. He then gave Frank a few pointers on how to analyze a company's long-term prospects. Before Frank walked out the door, the advisor made this comment, "One stock you might want to consider, Frank, is a company that is going to go public next month. Its name is Microsoft, and it seems to be a company with a really good growth potential. Just make sure you do your own research on the company before you make your final decision."

Over the next few weeks, Frank did do a lot of research on this company named Microsoft, even getting a chance to interview the president, Bill Gates himself. After coming out of that meeting, Frank was absolutely convinced that Microsoft was the best investment opportunity ever offered in the financial world.

Frank did not waste any time in taking action on this conviction. Upon arriving at home, he called his bank and ordered it to take every penny from his savings account and put it into Microsoft stock. Next, he went through his other belongings to see what else he could do to free up more money to invest. To start with, he decided to sell his coin collection that had been gathering dust in the back closet. Then he took his three guns to a sporting goods store and negotiated a sale price for them. Next, he drove his late-model car to a local dealer and exchanged it for a less expensive model, walking away with \$2,000 cash in his pocket. Finally, he took all the money produced by these efforts and sent it straight to his broker to be invested in Microsoft.

Frank's next move was to call the administrator of the retirement plan offered by his employer. Frank had been contributing to this plan through automatic withdrawals from his weekly paycheck, and the balance by now had grown to slightly more than \$4,000. He asked the administrator whether Microsoft stock was one of the investment options offered by this plan. When he was told that it was not, Frank decided to withdraw all his money from the plan and invest it in Microsoft. His tax accountant warned him sternly that this withdrawal would cost him both income tax and a 10% penalty on the amount withdrawn. Frank, however, decided to do it anyway. He was convinced that the growth potential of Microsoft was enough to easily offset any additional tax that he would have to pay. As a result, Frank was able to add almost \$3,000 to his total holdings in Microsoft stock.

After arriving at work the next day, Frank asked his boss for permission to work several extra hours of overtime each week. The boss granted his request, and from then on the extra income generated by this work was invested directly into Microsoft stock.

Frank also began to live more frugally, limiting his personal spending as much as possible. He started buying less expensive clothes, went out to eat less often, and took fewer and simpler vacations. This lifestyle freed up even more money to be invested in Microsoft. Any spare time he did have was spent reading, thinking, and talking about Microsoft Corporation. It had become a passion that consumed every aspect of his life.

One day Frank received a call from the personnel director of Microsoft. He was told that during his interview with Bill Gates several weeks earlier, Gates had been so impressed with him that he was inviting him to come and work for Microsoft. The director offered Frank a salary more than double the wage he was currently earning, and Frank quickly accepted.

Over the next several months, Frank put all his effort into his job at Microsoft, working his way up through several management levels as he learned more and more about the company. As his earnings continued to increase, he continued to invest everything above his basic living expenses directly into Microsoft stock. Because of his increased income, he was now able to put well over half of his monthly paycheck into this investment, and his total holdings were accumulating rapidly.

After some time had passed, an even more exciting opportunity presented itself. Frank was called into the office of Bill Gates himself, and the president had this request for him. "Frank, I'd like you to move to Russia for ten years to become the representative for Microsoft in that country. I realize that there is a lot of inconvenience involved in moving to and living in a foreign country, and for that reason I'm offering to give you a salary three times the amount you are currently making. "I have just one caution for you," Bill continued, "Do not make any investments in Russia while you are there. The political situation in Russia is on very shaky ground, and the communists could take over the country at any time. If that should happen, everything you own would immediately pass into their hands. The only safe option is to send your money over here to America and let me invest it in Microsoft for you. "Furthermore," Bill continued, "I have another reason why I don't want you to make investments in Russia. After ten years I want you to return home to work for me here. If you start making investments in the country of Russia, you will become so attached to that country that you won't want to leave when the time comes. So please send everything you make back here to America so you don't lose sight of the fact that you are only in that country temporarily, and that very soon your sojourn there will be over."

Frank decided to accept the offer, knowing that the increased income would provide a huge boost toward his goal of becoming financially wealthy. After arriving in Russia, he found a modest house to rent, purchased a small car to drive, and began putting all his effort into working for Microsoft's branch office in Russia. And always, after picking up his paycheck every month, he would take out what he needed for living expenses and send the balance to America to be invested in Microsoft.

As time went on, Frank's Russian landlord decided to sell the house where Frank was living, and he needed to find another place to live. But suddenly, it seemed that there simply were no other houses around to rent; his only option was to buy a place of his own. Inexpensive houses were readily available, and Frank soon found and bought one that met his needs. Although this purchase caused a temporary decrease in the flow of money he was sending back to America, it seemed to be his only option at the time.

More time passed, and the area where Frank was living experienced a tremendous boom in the real estate market. The little house that Frank had bought for only \$60,000 suddenly became worth almost \$250,000. As Frank thought about this turn of events, and about his newfound Russian wealth, he recalled the warning that Bill Gates had given him before he left America: "Don't make investments in the country of Russia." Frank began to wonder whether there would be any way to move this \$250,000 of equity to some place more secure instead of leaving it to the mercy of Russia's unstable economy.

The answer to this dilemma came one day when Frank was talking to his next-door neighbor, a lifelong citizen of Russia. When the neighbor mentioned that he would be interested in investing in a piece of rental real estate, Frank's ears immediately perked up. "Would you like to buy my house, and then rent it back to me?" he asked his neighbor. The neighbor was very interested in such an arrangement, and the deal was made within a week. After paying for the closing costs, Frank walked away with well over \$200,000 in his pocket, which he immediately converted into American dollars and sent across the ocean to be invested in Microsoft stock.

At various times during his stay in Russia, Frank was approached by his neighbors and coworkers, who recommended different investment opportunities to him. Sometimes they recommended a piece of land. Other times it was a company on the Russian stock market, and still other times people told him about the great interest rate he could earn at a particular Russian bank. Frank always tried to explain to them why he wasn't interested. He told them of the dangers associated with investing in Russia. He told them of the far more wonderful investment opportunities to which he already had access. And he explained to them that it would be foolish for him to forego even a little of his investment opportunity in America to invest in anything that Russia had to offer.

At other times, his Russian friends encouraged him to try to enjoy life a little more during his stay in their country. They told him of the wonderful restaurants, vacation resorts, and amusement parks within driving distance. With the large amount of money he was earning each month, they told him, he could be having a grand time while living in Russia. But again, Frank explained that he had not come to Russia to have a good time, but rather to accumulate as much wealth as possible in a company called Microsoft in that faraway land called America.

The response from his Russian friends was usually the same. They looked at him with a mixture of disbelief and pity, as though he were some sort of lunatic. Why should he be putting all of his hard-earned money into this company that he could not even see? And after all these years, how could he even be sure there really even was such a place as America?

A number of times during his Russian sojourn Frank was pleasantly surprised by some extra money coming his way. Several times he received income tax refunds far greater than he had been expecting. Another time he received an inheritance check from a relative he hardly knew. But no matter where the money came from, his response was

always the same: convert it to American dollars and send it across the ocean to be invested in Microsoft. Although he was tempted at times to use these extra funds either to raise his standard of living or to store up some reserves right there in Russia, he did his best to resist these temptations and to look forward to the day when he would be going home for good.

It would have been nice if Frank had experienced nothing but financial prosperity during the time he was in Russia, but this was not the case. He also experienced some significant financial setbacks during his stay there. In one case, for instance, he had to have emergency surgery, which would cost him well over \$50,000. How in the world was he going to handle this? The doctors performing the surgery wanted to be paid right away, but Frank did not have anywhere near that amount of money, having sent all his extra income to America. Had Frank made a mistake by not keeping a reserve fund in Russia for situations such as this?

The solution was simple. Frank placed a collect call to Bill Gates and told him of the dilemma. Bill told him not to worry. The money would be wired over to him yet that day. "And, oh, by the way, Frank," Bill told him, "don't worry about this withdrawal depleting the value of your investment in Microsoft. Your account is so large by this time that this really won't even make much of a dent in it."

This last comment set Frank's mind to wondering: how much was his investment worth by this time? He hadn't been able to keep very close track. The communication system between the two countries was a little like seeing "through a glass, darkly." He had believed from the beginning that Microsoft was a good company and, because of that belief, had entrusted them with everything he owned. But every once in a while a small doubt would arise in his mind about whether all his effort would really be worthwhile in the long run.

The day finally came when Bill's predictions came true. Russia's economy collapsed. The communists took control of the country, and all private property passed into the hands of the government. Frank was able to get on a last-minute flight out of the country, carrying nothing but the shirt on his back.

As he sat thinking on his long flight across the Atlantic, Frank began to ponder all that had transpired. His first thought was one of gratitude to Bill for the wise counsel he had given. Most of Frank's Russian friends had lost everything they owned in a matter of hours. All they had ever lived for had been suddenly snatched from their hands with no time to prepare. Frank, on the other hand, had lost virtually nothing in the revolution. Even the equity in his personal residence had been moved to safety ahead of time.

Next he began to wonder: What will happen to me when I land in New York? Will anyone be there to meet me? Will I have a place to live and food to eat? Have my investments really done as well as Bill says they have? Or will I be a penniless pauper wondering the streets looking for work? The same old nagging doubts were just enough

to give him a slight feeling of uneasiness as the plane began its final descent toward American soil.

As Frank walked down the ramp into the airport terminal, he noticed a large group of important-looking people who appeared to be waiting expectantly for someone. It wasn't until he saw Bill Gates himself at the head of the procession and the huge banner reading "Welcome Home, Frank" that he realized all these people were waiting for him! There were newspaper reporters, cameramen, a television station, and all the top people in Microsoft, all gathered there, they said, to give a royal welcome to one of the richest men in America!

Yes, it was true, Bill explained to Frank as they headed through the terminal. Microsoft's astounding growth and Frank's diligent investing had combined to make him one of the wealthiest men in America. With this kind of wealth, Bill told him, he could enjoy the very best of everything America had to offer. A lack of money would never be a problem for him again as long as he lived.

As the story of Frank's Russian sojourn, his investment habits, and his astounding wealth made headlines across the country, different people had different reactions. Some were jealous of him. Others resolved to imitate him. Some simply sat back and admired him. But there was one thing everybody was forced to admit without any reservations: Frank had been a very, very wise investor.

If this parable were a true story, the large majority of people in the world would admire every decision and sacrifice that Frank made on his road to riches. If, however, Frank had made the same sacrifices and decisions in order to lay up heavenly treasures, the majority of people in the world, including many professing Christians, would consider him to be a fool.

It is also interesting that, had this been a true story, while the world would have admired Frank, God would have considered him to be a fool (see Luke 12:20). Yet if Frank had been making the same decisions and sacrifices to lay up treasure in heaven, God would have considered him to be very wise indeed.

Do not store up for yourselves treasures on earth, where moth and rust destroy, and where thieves break in and steal. But store up for yourselves treasures in heaven, where neither moth nor rust destroys, and where thieves do not break in or steal; for where your treasure is, there your heart will be also. (Matthew 6:19-21)