



Global Trend Capture: SPECIAL REPORT: Sharks (1/5)



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Sharks are amazing creatures. Although I can understand the reluctance for people to join their fan club, I admit I am intrigued by them. They have a presence that is undeniable and hard to truly appreciate unless you have been close to one. I don't mean close as in "best friends", but in terms of proximity. I think they get an undeserved reputation overall, but there is another kind of shark that I view with much more concern.

I admit lawyers have served many important roles in my career, trading and personal life. I also have to be fair and state that many times they only act out the wishes of their clients. Some of the most brutal attorneys are the nicest people you could meet outside of the courtroom. That being said, I had a recent experience (lasting several months during 2011) that really questioned my faith in our legal system. You may have noticed that my company name is now known as Global Trend Capital (www.globaltrendcapital.com) vs. the prior name. I will avoid the specific details of the case, but let's just say when a company has deep enough pockets the issue of right and wrong (along with common sense) goes out the window.

There was a time when most business dealings were cemented with a handshake and a person's word. Any issues were brought to the forefront and typically resolved without the use of third parties. I realize those days are gone, but whether attorneys were used or not there was a professionalism that both parties understood and followed. The idea of picking up a phone and discussing issues has gone to the wayside.

Anymore it is more common to receive certified mail with demands and consequences layered with threats if those demands are not met. It reminds me of the park bully (in step with his older brothers) that insists on using the merry-go-round you and your friends are on vs. the two others that are unoccupied. It is simply a show of force for no legitimate reason. Without the older brothers (or unlimited funds for legal in my case), we are on even ground and no one has an advantage.

One of the problems with our legal system is by winning you can still lose. What I mean by this is that if I do everything right and ultimately win it could cost a minimum of



\$200,000 in legal fees. A larger company can bleed you dry to make it not even worth the time and cost to stand up for what is right. On one hand I am impressed that I am viewed as a threat by the big guys. The fact that they are insecure enough that my company worries them is a compliment to what I am doing. On the other hand the tactics employed by this group to force my hand were unspeakable and shocking. Again, I can't go into details but I can tell you there is very little that shocks me in this world. This was one on those exceptions!

To be honest I think the new name fits in better with what I do and describes my company with more accuracy. I trade a global macro approach to the markets including Indexes, Sectors, Commodities and Currencies. I have my own version of a trend trading system to accomplish this and the ultimate goal is to grow my Capital (until such time that I manage a fund). It really just comes down to the principle of the matter and the way in which it was handled. The honor and integrity that was at the heart of businesses is much less prevalent than it was years ago. My business and trading will never be run in such a manner and I would shut the doors in an instant if it ever were the case. On the positive side, I am grateful that there are still companies out there that "get" it.

Mercenary Trader is one of those few companies that has integrity, character and "gets" it. I also want to thank the attorneys at **Troutman Sanders** (Rob Madayag and Rich Rimer) for their great counsel in this matter. They went out of their way to really provide solid representation vs. a quest for billable hours.

I suppose this is more of a rant or something I needed to get off my chest more than anything else. Life is too short to waste precious time and resources on areas filled with negative energy despite my stubbornness. My first instinct in trading may be to take the quick loss, but in these matters my normal course of action is not to stand down. Maybe it is a sign of maturity on my part (though my wife may say that is a stretch), as though I prepared for battle initially I came to my senses in the end. It reminds me of the importance of taking a loss vs. holding on out of stubbornness. Despite the fact that I was in the right, the "position" was a losing one and made no sense to hold any longer.

This is the long version of the story behind the name change. I always believe things happen for a reason, so onward and upward fellow traders!

Nathan



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