

› Two First Dates

I enjoyed reading the “First Date With Math” article (July/August 2006). It brought back memories of my first date in fifth grade. I knew that I wanted to do math forever! My seventh-grade math teacher gave me the love of teaching math, but economics gave me the push toward actuarial science. Even though I’ve really enjoyed working at Towers Perrin for more than 20 years and being an actuary for 15 years, I look forward to returning to the blackboard jungle when I retire from actuarial work to bring the joy of math to the next generation of actuaries.

JULIE LACONTORA
PHILADELPHIA

I don’t think I’ve ever written to an editor before, but I have written thank-you notes. As the father of three children (ages 32 to 22), I particularly enjoyed your article “First Date With Math” in the latest *Contingencies*. I forwarded the article, with apologies for any torture I may have put them through, to two of my children, the nurse and the musician. My son the musician responded, “Believe it or not, music is about math and recognizing patterns, just like what do you, but different.” Surprisingly similar to the response from your friend Tom G.

I did not have to forward the article to my oldest son who, as an FSA and MAAA,



received his own copy. I sent him a separate note telling him how lucky I was to have a son with whom I have so much in common. Unlike your dad, my mathematical gift did not skip a generation.

More important, your article reminded me how blessed I am to have three wonderful children, each of whom are blessed with their own individual gifts. I love them all equally and don’t love the actuary more than the other two. Almost all fathers are proud of their children. I’m sure that your dad, I’ll say a prayer for him, is and should be very proud of you and the wonderfully creative writer that you are. We actuaries are lucky to have you on our team! (Is that grammatically OK?)

ROY K. MORELL
BOSTON

Editor’s note: OK by me. Thanks.

› There Are How Many Born Every Minute?

It certainly seems as if you have a predicament in finding someone in the United States to hold the precious ring while you attempt to broker a sale. I think we can come to an arrangement if you’re willing to modify the terms.

Your proposal states the ring is worth \$1.2 billion, divided as 20 percent to its owner, 50 percent to the charity, and 30

percent to the U.S. holder you’re attempting to recruit, minus a 1 percent upfront donation to the charity. The same financial effect would occur if the proceeds were divided as 20 percent to the original owner, 51 percent to the charity, and 29 percent to the U.S. holder.

Even so, as many people would be willing to take 29 percent or 30 percent to hold a gold ring for a limited time period, I’d like to offer to drop the portion I keep to 5 percent without any upfront donation. The other 24 percent you keep as a well-deserved commission. The owner and charity don’t have to be told about this side arrangement, and it compensates you for all the effort in the sale.

If this is agreeable, I’ll provide an address to which you can send the ring. When you provide an authenticated bill of sale, reimbursement of my ring holding expenses and shipping costs, an address to which the ring should be sent, and the 5 percent amount paid by a secured check from a U.S. bank has definitely cleared, then I’ll send the ring to the address you specify.

If the ring hasn’t sold or other conditions not met after 180 days, I’ll declare the



ring a piece of abandoned property and it’ll become my property. Of course, gold rings become a burden to carry around, whether worn or not, after a while. I might, at that point, hammer it into a bar that could never be worn, or else melt it into a labeled and stamped ingot.

JOHN BLOCHER
EDAR RAPIDS, IOWA

Tom Bakos responds:

I think we're close to a deal. Unfortunately, the paperwork has all been drawn up as described, so we must, at least, stick to the form of the deal as outlined. You see, Mordorian law requires that, once structured and filed, all legal agreements must be carried out exactly as stated or all involved parties suffer severe penalties. This is Mordor. I'm sure you can imagine that these penalties are to be avoided at all costs.

But, Mordorian law does make provision for stand-in legal entities in agreements made when the final parties are unknown. Therefore, the U.S. partner in the contract is identified as a stand-in entity, and we must make a payment of 30 percent of the proceeds of the sale to that entity. Of course, that entity can turn around and make a payment to anyone he wants in any amount after the deal is done

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and the terms of the contract have been honored.

So, here's what I suggest: If you send to me now the 25 percent (\$300 million) you're willing to forgo out of the goodness of your heart, and the 1 percent donation to the charity (\$3.6 million), I'll send the ring to you now for your good safe keeping and will forward to you the 30 percent (\$360 million) share the Mordorian law says we must send to you when the ring is sold.

I did discuss your offer with the Mor-

dorian civil authority. They're of the opinion that you're trying to cheat the charity. You see, donations from Mordorians to charities cause the charity to pay a tax equal to 125 percent of the donation. This seemingly onerous tax law was created out of the goodness of the Mordorian government to discourage charitable solicitation, given the poor state of affairs for Mordorian natives. The Mordorian senior counsel sees your offer as a ploy to reduce your charitable contribution to the children's relief agency to only \$600,000 (1 percent of \$60 million) and would have issued a warrant had it not been for my intervention.

So as you see, I believe we have a workable plan that will take into account your generosity and will avoid the harm I mentioned. I look forward to receiving your payment. ●

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