

Stan Dziedzic
1976 Bronze Medalist

Excerpts from his book: *“Lehman Brothers' Dance with Delusion; Wrestling Wall Street”*

In the world of sports, international wrestling is the most egalitarian and democratic: no refined fields, courts, courses, or specialized equipment are needed. Wrestling does not require rackets, apparatus, balls, or even gloves, just a twelve-meter by twelve-meter mat and three judges. Two equal-sized wrestlers—armed with nothing more than their individual physical abilities, wit, arsenal of techniques, and most importantly, their will to win—step onto the mat to determine who the best is. Much like the capital markets, international wrestling is designed to be a massive meritocracy.

In August 1984, the Los Angeles Olympic Games had just ended and I was en route to Wall Street, to Salomon Brothers’ training program, to be exact. I had just completed a six-year stint as a United States National Team wrestling coach, a pilot program funded by Sun Oil to determine the efficacy of National Team coaches at the Olympic level. Sun Oil’s original commitment to the grant had been for three years. Yet in 1980, shortly after President Carter decided to respond to the Soviet Union’s invasion of Afghanistan by boycotting the 1980 Olympic Games in Moscow, for the first time the United States wrestlers defeated the USSR national team in the World Cup. At that juncture, with the unprecedented success of the program, Sun Oil decided to renew the grant through the 1984 Olympic Games in Los Angeles.

The 1984 USA Olympic freestyle wrestling team had performed exceptionally well. Out of ten weight classes, U.S. wrestlers won seven gold medals and two silver medals. The only freestyle wrestler not to medal was injured during the early rounds. For me it was a somewhat bittersweet victory. It would have been far more rewarding had the Soviet Union not boycotted. They were clearly the preeminent wrestling team and the ones we sought to dethrone.

Nonetheless, in a dramatic personal change, my attention would now be devoted to Wall Street, a substantially different culture from the one I had grown accustomed to—international sports. My immediate focus would be Salomon Brothers’ training



class and later it would turn to the mortgage-backed securities market as an institutional salesman* at Salomon Brothers and Lehman Brothers.

On the plane from Los Angeles to New York I was filled with conflicting emotions. I was leaving what had consumed my life, the sport of wrestling. For the past twenty years, wrestling had been my passion. After graduation from college, I was hired as the assistant wrestling coach and part-time instructor at Michigan State University (MSU). While assistant at MSU, I continued to compete for the United States national wrestling team. In the 1976 Olympic Games I won a bronze medal, and in 1977 I ended my competitive career and became the sixth American wrestler to win the World Championships in Lausanne, Switzerland.

In 1978 I turned my efforts fulltime to become wrestling's United States national coach. During my tenure as wrestling's national coach, it became increasingly clear that it would be difficult for me to return to a coaching position at the university level. My international wrestling experiences and the difference between the commitments of the Olympic athletes versus those of college wrestlers compelled me to make a change. The amount of focus and effort to prepare and succeed as an Olympic wrestler overshadows the dedication needed to win as a collegiate wrestler.

More important to the decision process, however, was the international travel—often to remote areas of the world such as Chechnya, Dagestan, Iran, or Azerbaijan—where wrestling intersected with economic and social authoritarianism. The experience afforded me an opportunity to witness firsthand the shackles of communism and to appreciate the gift of freedom, both economic and political. I could no longer see myself returning to the relative simplicity of college coaching. It was time to seek a new career.

In preparation for the career shift, I took classes and earned an MBA during my six-year tenure as national coach. Yet now that the time had arrived for my new challenge, I had a sense of anxiety, not dissimilar to the feeling I had the morning after I earned a spot on the Olympic team. My elation and sense of accomplishment from winning the wrestle-offs quickly turned to a feeling of urgency. I realized that in the next few months I needed to prepare to wrestle Olympic and world medalist Jan Karlsson of Sweden, Olympic champion Jiichiro Date of Japan, World Champion and Olympic silver medalist Monsoor Barzegzar of Iran, and two-time World Champion Rouslan Ashuraliev of the Soviet Union.



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Then as now, the jitters did not make me withdraw emotionally, but rather led to an inner determination. I promised myself that I would not fail through a lack of focused effort.

It was not the competitive aspect of Salomon Brothers that gave me pause. There is nothing more fundamentally competitive than international wrestling. The pay-for-performance attracted me, but the conventional opinion of Wall Street's manner of achieving success tugged at me. My perception of the primary difference between Wall Street and the Olympic movement worried me. Yet this was certainly not from the wide-eyed innocent view of an amateur athlete. The Iron Curtain countries, ironically communists, took Ayn Rand's "morality of rational self-interest" to new heights. Think Ayn Rand on steroids!

One of my first exposures to this attitude as a coach came during the 1979 World Championships. At the time, the international rules employed a round-robin format. In the first of the three round-robin matches in the eighty-two-kilogram weight class the Hungarian wrestler pinned the Soviet wrestler. In the second of three, the U.S. wrestler John Peterson, the '76 Olympic champion, defeated the Hungarian by points. Since the Soviet wrestler lost by fall against the Hungarian, he could defeat John by a decision and still not win the gold medal.

The Soviets viewed this situation as an opportunity to improve their future tally of gold medals. One of their coaches approached me with a proposition: "We are willing to allow Mr. Peterson to win the match and gold medal." His perverse justification or moral logic was, "The round-robin format provides this circumstance and we are only availing ourselves of the situation." To the Soviets, the "spirit of the rule" was merely an abstract concept and viewed as a weakness. Not ever having lived under the heavy hand of a totalitarian regime and its cultural influences, I hesitated to make a judgment of his personal morality.

Of course there were conditions. Not to offend his sense of morality I explained, "There are two things you may not understand. First, if John Peterson ever found out I was complicit in arranging his victory; he probably would never speak to me again. Second, you would require us to reciprocate at some time under similar circumstances."

He responded, "Of course," as if this were an everyday occurrence.



I tried to explain. “Even if I wanted to, I would never be able to pay you back.” “But you are the national coach,” he emphasized, with a quizzical look on his face. In a gracious tone and manner, striving not to convey even a hint of condescension, I responded, “Yes, maybe someday I will be able to explain it to you.” Grabbing his hand to shake it, I said, “Let Arazilov and Peterson determine who wins, okay?” With a somewhat puzzled look on his face, he turned and walked away. Peterson and Arazilov tied, and the Hungarian wrestler Kovacs won the gold medal, John the silver, and Arazilov the bronze. Kovacs is now an accomplished international referee. On the occasions when I see him, I often wonder if he is even faintly aware of the behind-the-scenes negotiation that played out in his world championship.

Given the publicity surrounding Olympic athletes testing positive for performance-enhancing drugs and the bidding history by those who hoped to be selected as the Olympic host city, I run a risk of straining the reader’s incredulity by citing the fundamental principles that govern the noble idea of Olympic spirit. But most of the Olympians strive to abide by the ideals of the Olympic movement. Also the U.S. wrestlers take pride in the fact that no American wrestler has ever tested positive for a performance-enhancing drug at any Pan American, World, or Olympic games. My next claim may draw even more suspicion, but I hope no guffaws. My concerns about a moral cavity at the core of Wall Street were mistaken. The media’s depiction of shady dealings and insider trading did not hold true. Salomon’s training class made it clear that there were distinct rules of engagement and protocol—with no lack of moral clarity. “When you don’t know the answer, don’t bluff it, just say you don’t know but that you will learn the answer, and then find out.” This was Salomon’s creed. Withholding information was tantamount to lying. It was the responsibility of the sales-person to uphold the reputation of the firm and to deliver information.

The storied history of Wall Street established a tradition of open markets that most adhered to. While self-interest and profit motives drove trading, untrammelled greed was mostly absent. Adam Smith and our forefathers described greed as “the motor that powers capitalism.” They understood—and the collapse of the Soviet Union validated—the pursuit of self-interest as a necessary ingredient in a successful democratic society. Yet they also understood that it was more



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complicated. Adam Smith's greed (or self-interest) requires boundaries—a set of rules or protocols to keep it from drifting into unscrupulousness.

Although too often characterized by the public as greedy, most traders, even if gruff and foul-mouthed, did not fit the image of the scalawag, scrambling for the bounty. Normally, they were talented, decent, hardworking individuals dedicated to earning or advancing self-interest. They were skilled professionals who felt their work made the capital allocation process more efficient and who thrived on the energy, competitiveness, and discipline that was required to succeed on Wall Street. When trading desks wandered from this precept and got caught up in unexpected or perilous risk taking, it was the responsibility of management to rein in the practice. As revealed in the recent crisis, artfully demonstrated by Lehman, management missed the mark wretchedly.

What was most refreshing, when accurately measured, was the respect for performance. As in wrestling, when management did its job, you were measured by how well you competed, irrespective of your race, nationality, or religion. In consecutive seats you might find an Irish Catholic, Iranian Muslim, Indian Hindu, and Russian Jew, and no one gave it a moment of thought. If it were not for the suits and ties, you would think you were at a weigh-in for the World Wrestling Championship. The only thing that mattered was how well you did your job. Because of my responsibilities as the Olympic freestyle manager, I entered Salomon's training late. Knowing I would miss the first section of the class, Leo Corbett, the man at Salomon responsible for overall recruiting and the training class, suggested I spend time reviewing the section I would miss. So between the Olympic trials and the start of our U.S. training camp I spent several days holed up in Salomon's media room reviewing the previous year's training-class videos. This also gave me the opportunity to move most of my personal belongings. I was fortunate enough to be assigned to one of Salomon's efficiency apartments in Battery Park while most of the training class stayed in an uptown hotel. On the first morning I arose before dawn, as I suspect is customary for most trainees. By choice I walked from my apartment to Salomon's offices at One New York Plaza via Wall Street. The only time I had seen Wall Street was in a cab going to my final interviews; now I wanted to sense the energy from the ubiquitous rickety yellow cabs and the mass of people as they rushed from the subways to their offices. As I walked toward the center of the world's largest financial market, with the sun peeking thru the skyscrapers, I began to wonder why Salomon chose me. What set me apart from the thousands of other Ivy-League educated MBAs?



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The competition had been fierce, at least that is what they told me, and I was not your typical Salomon trainee. I lacked a pedigree MBA and it was not my life's passion to be in the investment business. Though finance classes were more appealing to me than accounting, the first time I had given such a career any serious consideration was after one of many wrestling trips to the Soviet Union. Each winter the U.S. sent a team to Tbilisi, the capital of the Republic of Georgia, for a tournament followed by three dual meets. In exchange, the USSR National Team traveled to the United States each spring for the World Cup and a series of three dual meets here. On several occasions in the Soviet Union there were hints of restrictions. One such incident that comes to mind occurred during my second trip as a competitor.

Most of our U.S. teams had at least one wrestler who was a member of Athletes in Action's (AIA) team. The AIA is a ministry of Campus Crusade for Christ. They utilize the platform of sport to extend Christ's message to the world. And what more fertile audience than an atheistic state whose propaganda discouraged any religious worship? More importantly, because the U.S. wrestlers were guests of the Soviet sports minister, the team was subjected to far less scrutiny than in the normally intrusive customs process. The AIA athletes knew this, of course, and used the opportunity to smuggle in a few cases of Bibles translated into Russian. On this particular trip John Peterson, an Olympic champion and AIA member, was part of our team at eighty-two kilograms while I was in the seventy-four-kilogram weight class.

Following a night in Moscow, the team flew to Tbilisi on Aeroflot. The next day, after our morning practice, we returned to our hotel. Shortly afterwards two KGB agents—a euphemism for thugs—grabbed my arms and guided me to a private room. The setting was surreal. Like a scene in a spy novel, the lights glared in my face as they began to interrogate me. Meanwhile, on the desk behind them was a small black-and-white TV showing *Midnight Cowboy* with Jon Voight and Dustin Hoffman, dubbed into Russian.

It might sound more captivating if I could say that the sweat poured down my forehead and my heart raced as my emotionless interrogators glared at me. But in reality it took all of my restraint not to laugh. As the agents questioned me regarding the dispensing of Bibles, I realized they had mistaken me for John Peterson. Irritated but not afraid, I did not try to reason with the interrogators.



Instead, without divulging who may have passed out the Bibles, I told them, “Check my room. I assure you, you won’t find any Bibles.” As I suspected they might, they soon released me, warning, “You will remain under scrutiny.” No kidding!

That they would risk the negative international press by detaining a member of a visiting sports team, was highly improbable. So, no one was allowed into my room for the remainder of my stay in the USSR. As if I would be naive enough to trade anything in my room. We were, of course, aware that our rooms were most likely bugged. When we arrived, the first item of business was to keep Big Brother busy. It was common practice to designate someone on the team to mention to his roommate that the radio, a lamp, or, if there were one, the TV was not working. Of course we would not report it to any of the hotel employees, including the security women parked at the elevator twenty-four/seven. If a repairman responded unannounced to fix the supposedly broken item, we knew our rooms were bugged. This game was something to amuse us over dinner.

This night at dinner the team had plenty of amusement. Our team leader, who had no prior experience traveling within the Soviet Union and was unaware that a few team members had smuggled in a few boxes of Bibles, was still in a state of shock. I think he may have feared the Russians would banish me to a Siberian prison camp on his watch. Of course, I could not let the opportunity pass. First thing at dinner that evening, in comments meant to be overheard by our team leader, I reminded John Peterson that he owed me since “one more cigarette burn and I was giving you up.” At that moment, we all laughed, even the team leader.

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These life experiences help explain why I wanted to work on Wall Street but not why Salomon chose me over the countless other applicants with superior academic credentials. Within a few weeks the reason began to emerge. During lunch in Salomon’s cafeteria, John Russell, a fellow trainee and friend, asked why I had missed the first two weeks of the training program. I explained, “I’d been the United States national wrestling coach and was the manager of our Olympic freestyle wrestling team in Los Angeles.”

“Were you a world champion?” he suddenly asked.



“Yes,” I answered. “Why?”

“The first question in my last interview was ‘We just offered a position to a world champion wrestler. What have you done?’ They must have meant you,” he said. Not that there was any doubt but my route to Wall Street was uncommon. Besides, by then I had heard countless times, “It doesn’t take a rocket scientist to do this job.” And they were right. Also my unusual route to Wall Street served as great party conversation. As I would say, “I was Salomon’s Eddie Murphy. Like Randolph and Mortimer Duke in Trading Places, John Gutfreund and John Meriwether had a wager on whether anybody, regardless of background, could, if given a chance, become a successful bond salesman.”

Salomon Brothers understood more than any other Wall Street firm that it didn’t take a rocket scientist for every seat in fixed-income markets. They concluded that an Ivy League pedigree often said a great deal about a person. Yet they also understood it might say more about college-level potential than about a person’s will to succeed, problem-solving capabilities, or wisdom. Sufficient intelligence, combined with creative thinking and drive, was a valuable skill set.

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USA Wrestling, in conjunction with New York City’s Olympic Bid Committee, was hosting the World Freestyle Wrestling Championships in Madison Square Garden. I was president of USA Wrestling. The night before, at the New York Athletic Club, USA Wrestling sponsored a banquet honoring six distinguished individuals and recognized all of the United States’ past Olympic and world champions. The six honorees were Pulitzer Prize-winning author John Irving, former chairman and CEO of Goldman Sachs Steve Friedman, founder of Alcoa Standard Corporation John Vaughan, Speaker of the House Dennis Hastert, Secretary of Defense Donald Rumsfeld, and 1970 Nobel Peace Prize-winning agricultural scientist Norman Borlaug. All received a Lifetime Achievement Award from the International Wrestling Federation.

With all due respect to the extraordinary accomplishments of the award recipients, I was most impressed by modest Norm Borlaug, known as the “father of



the Green Revolution.” I first met the The six honorees were Pulitzer Prize-winning author John Irving, former chairman and CEO of Goldman Sachs Steve Friedman, founder of Alcoa Standard Corporation John Vaughan, Speaker of the House Dennis Hastert, Secretary of Defense Donald Rumsfeld, and 1970 Nobel Peace Prize-winning agricultural scientist Norman Borlaug. All received a Lifetime Achievement Award from the International Wrestling Federation.

I first met the unassuming Mr. Borlaug at a NCAA wrestling championship and have admired him ever since. Borlaug had refused to accept the idea that the poor and starving in the world were doomed. His tireless efforts to develop drought and disease-resistant wheat helped save millions of lives. Through his work, poor people around the world have been spared famine and are now able to feed themselves.

Of course, wrestling played an important role in his determination. Dr. Kenneth Quinn writes, in his biography about Borlaug, “Norman developed a dogged tenacity from participating in his high school wrestling program—another quality that would play a crucial role in some of his greatest achievements.”

As president of USA Wrestling at the time, it was my responsibility to give the opening remarks at the awards ceremonies. I compiled what I wanted to say but still anguished over the presentation. The possibility of forgetting my lines or saying something stupid and making a fool of myself in front of the assembled awardees elevated the normal performance anxiety one gets before delivering a speech.

The master of ceremonies that evening was John Bardis, chairman and CEO of MedAssets—and a consummate host. In his introduction, Bardis told a story about one of USA’s first multiple world gold medalists, Lee Kemp, a teammate of his at the University of Wisconsin. Bardis described how accomplished he felt every day after practice when Kemp would only beat him by one point. That is, until he realized, “Lee would only beat his grandmother by one point.” It was a great introduction for the audience but also an opening for me.



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After Bardis introduced me, I began, “John’s story about Lee reminded me of my first major responsibility as U.S. national coach. It was the 1979 World Championships in Mexico City, which also was Lee Kemp’s first major international competition. In the early rounds Lee drew several of his toughest opponents, namely the Iranian and the Soviet, and prevailed in close matches. The wrestling world was not yet aware that Lee characteristically would beat the worst wrestler in the world just as he would beat the best guy in the world—by a few points.” I continued to set the scene. “There were ten wrestlers remaining going into the next round, but only six wrestlers could place. Under the double elimination format, Lee’s next opponent, a Yugoslavian, had to either beat Lee or lose by less than eight points to finish in the top six. I suspect because they realized his chances of beating Lee were slim, the Yugoslavian coach approached me with a proposition.”

“He said, ‘If Kemp agrees not to defeat my wrestler by more than eight points, my wrestler will allow Kemp to win.’ Somewhat puzzled by the proposition, I said, ‘We don’t do that’ and walked away. As I was walking away it occurred to me that Lee doesn’t beat anyone by more than eight points.”

I continued, “Later that evening Lee wrestled the Yugoslavian and, you guessed it, he won by only a few points. I glanced over to the other corner, and the Yugoslavian coach winked and gave me the thumbs-up sign.” In finishing the story I said, “To this day when I see the Yugoslavian coach, now president of the Macedonian Wrestling Federation, he says, ‘Stan my friend’—and I cringe at the thought.” I heard Hastert and Rumsfeld chuckle and Norm Borlaug laugh. I was at ease.

Mutual respect among wrestlers transcends nationalism, religion, ethnicity, and government ideology. Wrestling’s competitive internationalism makes the world seem smaller and often trumps sectarian and even national interests. I recall vividly



the night before the final day of competition at the 1977 World Championships in Lausanne, Switzerland. I was sitting in the sauna. The last weigh-in was the next morning and I needed to lose just a few pounds. My next opponent was Monsoor Barzegar of Iran. Barzegar was a 1973 world champion and had beaten me in a close match in the round-robin the year before at the Montreal Olympics.

As I was contemplating my strategy and tactics for the most important wrestling match of my career, Rouslan Ashuraliev, the Russian in my weight class, entered the sauna along with an interpreter. Ashuraliev was a medalist in the Munich Olympics and world champion in 1974 and 1975. In the Montreal Olympics the year before, both Barzegar and I had defeated Ashuraliev, dropping him to fourth. On this particular day he had been beaten and eliminated from the competition.

Through his interpreter, Ashuraliev proceeded to provide me with a detailed scouting report and the attendant strategies and tactics I would need to defeat Barzegar. Whether Ashuraliev's tactics helped in my victory the next day was not the point; what was important was the fact that my Russian competitor, at the height of the Cold War from the USSR's Muslim republic of Dagestan, would seek to deliver his privileged scouting information on the Iranian.

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Ralph Waldo Emerson eloquently captured the essence of my anguish in numerous lectures when he proposed: "One thing is forever good; that one thing is success."⁵ And I understand and believe the concept. After graduating from college I devoted the next five years of my life to winning a wrestling gold medal, not solid gold, just gold plated—a coveted, not valuable precious metal.

The sport of wrestling is not a precision or garden-variety sport. It demands as much physical preparation, if not more, than any other Olympic sport. In a typical two-hour practice at the Olympic training camp, most of the team would lose roughly 8 percent of their body weight. And there were two practices a day, plus individual workouts. Imagine a 400-pound *Biggest Loser* contestant losing sixty-four pounds, not after two months in a controlled, structured environment, but just from a couple of two-hour practices where no one cries after being weighed!

Not that any sane person would suggest such a punishing exercise regime for the average person, especially *Biggest Loser's* Dr. Rob Huizenga, himself an NCAA All-American wrestler at the University of Michigan. It takes years of



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progressively pushing to new horizons for Olympic-level wrestlers to master exhaustion at that capacity.

Wrestling as a competition weighs relative performance, not absolute performance.

It is not how high, how far, or how fast, but how much better you are than your opponent. As in most highly competitive international contests, there are occasional moral transgressions such as a corrupt official selling his ability to influence the match outcome, or even the desperate wrestler who is willing to trade his performance for money. But in almost all cases, if a wrestler loses he has no one to blame but himself. And all of this for a medal: success!



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