

Bausch Health Companies Inc BHC under CEO Thomas Appio



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HEXAGRAM 54 – Kuei Mei - The Marrying Maiden

Above CHEN THE AROUSING, THUNDER
 Below TUI THE JOYOUS, LAKE

Above we have

- Chen, the eldest son, and below,
- Tui, the youngest daughter.

- The man leads and
- the girl follows him in gladness.

The picture is that of the entrance of the girl into her husband's house.

In all, there are four hexagrams depicting the relationship between husband and wife.

1. Hsien, INFLUENCE (31), describes the attraction that a young couple has for each other;
2. Heng, DURATION (32), portrays the permanent relationships of marriage;
3. Chien, DEVELOPMENT (53), reflects the protracted, ceremonious procedures attending the arrangement of a proper marriage; finally,
4. Kuei Mei, THE MARRYING MAIDEN,

shows a young girl under the guidance of an older man who marries her. (1)

THE JUDGMENT

THE MARRYING MAIDEN.

Undertakings bring misfortune.

Nothing that would further.

A girl who

- is taken into the family,
 - but not as the chief wife,
- must behave with special caution and reserve.

She must not take it upon herself to supplant the mistress of the house, for that would

- mean disorder and
- lead to untenable relationships.

The same is true of all voluntary relationships between human beings.

While

legally regulated relationships

- evince a fixed connection between
 - duties and
 - rights,

relationships based on personal inclination

- depend in the long run entirely on tactful reserve.

Affection as the essential principle of relatedness

is of the greatest importance in all relationships in the world.

For

the union of heaven and earth is the origin of the whole of nature.

Among human beings likewise,

spontaneous affection is the all-inclusive principle of union.

THE IMAGE

Thunder over the lake: The image of THE MARRYING MAIDEN.

Thus

the superior man

Understands the transitory

In the light of the eternity of the end.

Thunder stirs the water of the lake,
which follows it in shimmering waves.

This symbolizes the girl who follows the man of her choice.

But

every relationship between individuals

- bears within it the danger that wrong turns may be taken,
- leading to endless misunderstandings and disagreements.

Therefore

it is necessary constantly to remain mindful of the end.

If

- we permit ourselves to drift along,
 - we come together and
 - are parted again as the day may determine.

If on the other hand

- a man fixes his mind on an end that endures,
 - he will succeed in avoiding the reefs that confront the closer relationships of people.

THE LINES

Six at the top means:

- The woman holds the basket,
 - but there are no fruits in it.
- The man stabs the sheep,
 - but no blood flows.

Nothing that acts to further.

At the sacrifice to the ancestors,

- the woman had to present harvest offerings in a basket, while
- the man slaughtered the sacrificial animal with his own hand.

Here

the ritual is only superficially fulfilled;

- the woman takes an empty basket and
- the man stabs a sheep slaughtered beforehand – solely to preserve the forms.

This impious, irreverent attitude bodes no good for a marriage.

MOVING HEXAGRAM

HEXAGRAM 38 - K'uei - Opposition

Above LI THE CLINGING, FLAME

Below TUI THE JOYOUS, LAKE

This hexagram is composed of the trigram

- Li above, i.e., flame, which burns upward, and
- Tui below, i.e., the lake, which seeps downward.

These two movements are in direct contrast.

Furthermore,

- Li is the second daughter and
- Tui the youngest daughter, and although they live in the same house they belong, to different men; hence their wills
- are not the same
- but are divergently directed.

THE JUDGMENT

OPPOSITION.

In small matters, good fortune.

When people live in

- opposition and
- estrangement

they cannot carry out a great undertaking in common; their points of view diverge too widely.

In such circumstances

- one should above all not proceed brusquely, for that would only increase the existing opposition; instead,
- one should limit oneself to producing gradual effects in small matters.

Here success can still be expected,

because

the situation is such that

the opposition does not preclude all agreement.

In general,

opposition appears as an obstruction, but when

- it represents polarity within a comprehensive whole,
- it has also its useful and important functions.

The oppositions of

- heaven and earth,
- spirit and nature,
- man and woman,

when reconciled,

bring about the creation and reproduction of life.

In the world of visible things,

the principle of opposites makes possible

the differentiation by categories

through which order is brought into the world.

THE IMAGE

Above, fire,
below, the lake:
The image of OPPOSITION.

Thus amid all fellowship
The superior man retains his individuality.

The two elements, fire and water,
never mingle
but even when in contact
retain their own natures.

So

- the cultured man is never led into baseness or vulgarity through intercourse or community of interests with persons of another sort; regardless of all commingling,
- he will always preserve his individuality.

INTERPRETATIONS AND CASES

54 THE MARRYING MAIDEN

MANAGERIAL ISSUE:

The CEO – managing to survive a merger / takeover - his new role in the parent corporation after it took his own corporation (the marrying maiden) over.

Hexagram 54:

- Describes the corporation as a marrying maiden, sometimes ready and sometimes willing to be taken over. And
- Provides guidance to the CEO on the proper behavior for joining the much larger and powerful corporation.

At a micro level, this Hexagram also applies to the proper behavior of an executive (as a Marrying Maiden) who is coming over to a corporation to run one of its many divisions.

MANAGERIAL LESSONS:

The Superior CEO knows that when playing the role of the CEO of the acquired company, he must:

1. Behave as a young CEO under the guidance of an older and wiser CEO, regardless of actual age. In the case of Citicorp, even though John Reed and Sandy Weil were co-Chairmen, the street-wise Reed of Citicorp should have acted as one who is under the guidance of the older and wiser Weil. In the case of Westinghouse when it bought out the radio company Infinity, the Infinity CEO should have behaved as one under the guidance of the older Westinghouse CEO. This was also the case of Ross Perot when he sold out to General Motors.
2. Realize the difficult position he is in. A proper frame of mind is the secret to his success. This was the case of Ross Perot when entering into the GM family. Throughout its history, there have been so many CEOs of other companies in the GM family of subsidiaries, such as Armstrong of Hughes Electronics, that they could have been compared with a series of concubines in a harem. The CEO of the newly acquired corporation, just as a new concubine cannot pretend to come in all of a sudden and take control of the parent corporation. Ross Perot tried to do it in GM and of course he failed miserably. Even if he was right, and Ross Perot was right in most of his criticism of the GM imperial managerial style, no one can break the corporate protocol and get away with it.
3. Differentiate between legal obligations and voluntary relations. Even if the CEO of the newly acquired company comes with a great contract which includes some legal protection such as a golden parachute, he must understand that this basically a voluntary relationship. Ross Perot came to GM by his own decision, no one forced him. The Superior CEO makes this distinction because for voluntary relations to work out properly, four elements must be in harmony.
 - a) Tactful reserve - Ross Perot openly criticized the GM management. Tactful reserve requires humility on the part of the new CEO. And humility is the most important characteristic of a successful CEO.
 - b) Affection - even in the worst-case scenarios, such as a Civil War, affection could have averted disaster. That is why Lincoln so wisely spoke of the bonds of affection, which could prevent the war. He also spoke of friendship as the

only way to win a man to one's cause. The I Ching says: "spontaneous affection is the all-inclusive principle of union." Was there ever any spontaneous affection between Ross Perot and the GM management?

- c) Focus, focus, focus. The Superior CEO makes a clear differentiation between the eternal and the temporary by keeping in mind the ultimate goal. In voluntary human relations there is always the possibility of misunderstandings and disagreements. Such is the case of CEOs whose corporations have been taken over. Relations between CEOs of conglomerates and CEOs of recently acquired companies are similar to those of spiders in a bottle. Such relations are always full of dangers. Only a vision of a common ultimate goal will keep them from bickering and fighting. If the spiders would realize that their common goal was to get out of the bottle they would not fight but rather help each other out.
4. Keep an eye on his adversaries. Lincoln gave us a wonderful example of how to deal with one's adversaries. He placed all the spiders in the bottle by inviting all his political enemies to join his cabinet. But he kept the final outcome in mind at all times. His goal was to win the war regardless of the everyday bickering amongst his Secretaries or his Generals. Did Ross Perot try to see the whole picture or was he like Lincoln's McClelland, undermining the whole war effort? His criticisms probably did force some changes but in the end GM got rid of him and made a fortune with his own company (bought EDS for \$2.5 billion in 1984 and sold it 11 years later for \$21 billion). In the case of Citicorp, Sandy Weil got inside the bottle with John Reed keeping in mind at all times his grand vision of a financial supermarket and knowing full well that in the end he would succeed. His, however, was a classic pyrrhic victory.

INVESTMENT ADVICE:

For the investor, the Marrying Maiden represents in general terms an unfavorable Time-Space to invest. It is quite difficult to manage under a position of disadvantage as that of a concubine or a second choice. Particularly when there is a hostile takeover attempt from a larger corporation as in the case of Computer Sciences Corporation (see below)

By itself (no lines) the Time-Space points to Undertakings bring misfortune. Nothing that would further.

THE MARRYING MAIDEN.

Undertakings bring misfortune.

Nothing that would further.

A girl who is taken into the family, but not as the chief wife, must behave with special caution and reserve. She must not take it upon herself to supplant the mistress of the house, for that would mean disorder and lead to untenable relationships.

The same is true of all voluntary relationships between human beings. While legally regulated relationships evince a fixed connection between duties and rights, relationships based on personal inclination depend in the long run entirely on tactful reserve.

Affection as the essential principle of relatedness is of the greatest importance in all relationships in the world. For the union of heaven and earth is the origin of the whole of nature. Among human beings likewise, spontaneous affection is the all-inclusive principle of union.

The lines include two possibilities of Good Fortune (the first and the fifth). The rest are semi negative or full negative.

At the present moment there are no cases of corporations under the Marrying Maiden Time-Space in the DJI or the NASDAQ 100; however we can review one from the archives:

- **Computer Sciences Corporation under Van Honeycutt (Archives 1995)**

(Read at the end of the Hexagram)

We can also review one of a politician which proves once again the I Ching is always right.

- **USA under Bill Clinton (Archives 1972)**

(Read Chapter On Management)

THE LINES

NINE IN THE FIRST PLACE

Managerial Issue: The CEO – managing to survive a merger / takeover - his new role in the parent corporation after it took his own corporation (the marrying maiden) over.

Managerial Lesson: Be useful.

Managerial Warning: At the first stage of the Marrying Maiden Time-Space, the CEO faces his role as the CEO of the newly acquired corporation who is in a similar business as that of the parent company. This means he is not a complete stranger to the family of business but rather a part of it. So actually there is no reason why he should not feel right at home. However, there is a strict code or etiquette or protocol to be kept and the new CEO must behave accordingly.

Managerial Advice: The Superior CEO knows he:

- Must blend in and take his proper position within the family clan – in his role as new CEO of the subsidiary..
- Must keep in mind that he has been chosen by the CEO of the holding and as such he already counts with his trust.
- The key to his survival lies in being of use to the CEO of the holding as well as by producing for the overall group. The more he produces in his own division, the greater his chance of eventually becoming the CEO of the holding - provided he behaves properly.

Investment advice: Invest.

NINE IN THE SECOND PLACE

Managerial Issue: The CEO – managing to survive a merger / takeover - his new role in the parent corporation after it took his own corporation (the marrying maiden) over - dealing with disappointment.

Managerial Lesson: Be loyal.

Managerial Warning: At the second stage of the Marrying Maiden Time-Space, the CEO of the newly acquired company who was brought on board by the CEO of the holding with promises of active leadership, now finds himself alone either because the CEO who brought him in has found another executive in whom to trust or because the CEO who brought him in has already left the corporation.

Managerial Advice: The Superior CEO, when playing the role of the CEO of the newly acquired company will:

- Continue to work for the good of the group.
- Find success only in his complete devotion to the group, regardless of how well he is treated.

Investment advice: Do not invest.

SIX IN THE THIRD PLACE

Managerial Issue: The CEO – managing to survive a merger / takeover - his new role in the parent corporation after it took his own corporation (the marrying maiden) over – when he is not wanted.

Managerial Lesson: Be worthy.

Managerial Warning: At the third stage of the Marrying Maiden Time-Space, the CEO of a newly acquired corporation finds he has not been invited to join the holding corporation nor given a place of honor; yet he insists and begs on coming on board even if it means accepting the lowest of positions with the hope of eventually making it to the top.

Managerial Advice: The superior CEO is a man of honor. He knows that to beg for a position is unworthy, and that nothing good will ever come out of a situation where an executive begs to be accepted. This would not be humility but self-abasement. An executive as such is of no use to any corporation.

Investment advice: Do not invest.

NINE IN THE FOURTH PLACE

Managerial Issue: The CEO – holding back the merger / takeover of his top-notch corporation for a better suitor.

Managerial Lesson: Be mature.

Managerial Warning: At the fourth stage of the Marrying Maiden Time-Space, the CEO has talent and runs a top-notch corporation. He plays hard to get, making all kinds of demands from the pursuing corporation. By so doing, he misses the opportunity of a merger forcing the other CEO to give up any takeover attempts.

Luckily, he needs not worry. Fate protects this talented and conceited CEO. He will find a new corporation to join either as the CEO or as a high-ranking executive. Sooner or later talent is always rewarded. However, he must change his attitude.

Managerial Advice: The Superior CEO is humble. Even more so when he is talented and being sought after.

Investment advice: Do not invest. Look for a better alternative

SIX IN THE FIFTH PLACE

Managerial Issue: The CEO – managing to survive a merger / takeover - his new role in the parent corporation after it took his own corporation (the marrying maiden) over – serving under the parent’s corporation less talented CEO.

Managerial Lesson: Be humble.

Managerial Warning: At the fifth stage of the Marrying Maiden Time-Space, the CEO is talented and faces the possibility of working for the less talented CEO of the holding corporation.

Managerial Advice: The Superior CEO is humble and because he is talented, he is able to blend in with the new corporation. When he is more talented than the CEO himself, he will do his duty and prove his loyalty without complaints.

Investment advice: Invest.

SIX IN THE SIXTH PLACE

Managerial Issue: The CEO – managing to survive a merger / takeover - his new role in the parent corporation after it took his own corporation (the marrying maiden) over – looking for a good role but bringing nothing to the table.

Managerial Lesson: Be honest.

Managerial Warning: At the sixth stage of the Marrying Maiden Time-Space, on the one hand, the CEO of the newly acquired corporation has little to offer to the CEO of the holding corporation, while on the other hand, the CEO of the holding corporation makes false promises to the CEO of the newly acquired corporation.

Managerial Advice: The Superior CEO is honest. He will refrain from joining a holding where he has nothing to offer. He is also wise enough to know that nothing good will ever come out of two CEOs who misguide and lie to each other. To behave in such fashion, can only bring harm to themselves as well as to their corporations.

Investment advice: Do not invest.

MANAGERIAL CASES

**Computer Sciences Corporation under Van
Honeycutt (Archives - 1995)**

Points the investor should have considered:

1) THE HEXAGRAM

HEXAGRAM 54 – Kuei Mei - The Marrying Maiden

Above we have Chen, the eldest son, and below, Tui, the youngest daughter. The man leads and the girl follows him in gladness. The picture is that of the entrance of the girl into her husband's house. In all, there are four hexagrams depicting the relationship between husband and wife. Hsien, INFLUENCE (31), describes the attraction that a young couple has for each other; Heng, DURATION (32), portrays the permanent relationships of marriage; Chien, DEVELOPMENT (53), reflects the protracted, ceremonious procedures attending the arrangement of a proper marriage; finally, Kuei Mei, THE MARRYING MAIDEN, shows a young girl under the guidance of an older man who marries her. (1)

THE JUDGMENT

THE MARRYING MAIDEN.

Undertakings bring misfortune.

Nothing that would further.

A girl who is taken into the family, but not as the chief wife, must behave with special caution and reserve. She must not take it upon herself to supplant the mistress of the house, for that would mean disorder and lead to untenable relationships.

The same is true of all voluntary relationships between human beings. While legally regulated relationships evince a fixed connection between duties and rights, relationships based on personal inclination depend in the long run entirely on tactful reserve.

Affection as the essential principle of relatedness is of the greatest importance in all relationships in the world. For the union of heaven and earth is the origin of the whole of nature. Among human beings likewise, spontaneous affection is the all-inclusive principle of union.

2) THE ADVICE

Thunder over the lake: The image of THE MARRYING MAIDEN.

Thus the superior man

Understands the transitory

In the light of the eternity of the end.

Thunder stirs the water of the lake, which follows it in shimmering waves. This symbolizes the girl who follows the man of her choice. But every relationship between individuals bears within it the danger that wrong turns may be taken, leading to endless misunderstandings and disagreements. Therefore it is necessary constantly to remain mindful of the end. If we permit ourselves to drift along, we come together and are parted again as the day may determine. If on the other hand a man fixes his mind on an end that endures, he will succeed in avoiding the reefs that confront the closer relationships of people.

3) THE LINES:

Six at the top means:

The woman holds the basket, but there are no fruits in it.

The man stabs the sheep, but no blood flows.

Nothing that acts to further.

At the sacrifice to the ancestors, the woman had to present harvest offerings in a basket, while the man slaughtered the sacrificial animal with his own hand. Here the ritual is only superficially fulfilled; the woman takes an empty basket and the man stabs a sheep slaughtered beforehand - solely to preserve the forms. This impious, irreverent attitude bodes no good for a marriage.

4) THE MOVING HEXAGRAM

HEXAGRAM 38 - K'uei - Opposition

This hexagram is composed of the trigram Li above, i.e., flame, which burns upward, and Tui below, i.e., the lake, which seeps downward. These two movements are in direct contrast. Furthermore, Li is the second daughter and Tui the youngest daughter, and although they live in the same house they belong, to different men; hence their wills are not the same but are divergently directed.

THE JUDGMENT

OPPOSITION.

In small matters, good fortune.

When people live in opposition and estrangement they cannot carry out a great undertaking in common; their points of view diverge too widely. In such circumstances one should above all not proceed brusquely, for that would only increase the existing opposition; instead, one should limit oneself to producing gradual effects in small matters. Here success can still be expected, because the situation is such that the opposition does not preclude all agreement.

In general, opposition appears as an obstruction, but when it represents polarity within a comprehensive whole, it has also its useful and important functions. The oppositions of heaven and earth, spirit and nature, man and woman, when reconciled, bring about the creation and reproduction of life. In the world of visible things, the

principle of opposites makes possible the differentiation by categories through which order is brought into the world.

THE IMAGE

Above, fire, below, the lake: The image of OPPOSITION.
Thus amid all fellowship
The superior man retains his individuality.

The two elements, fire and water, never mingle but even when in contact retain their own natures. So the cultured man is never led into baseness or vulgarity through intercourse or community of interests with persons of another sort; regardless of all commingling, he will always preserve his individuality.

Comments:

With the Marrying Maiden, the Oracle was advising Van Honeycutt of the coming hostile takeover attempt by Computer Associates International. He acted correctly in rejecting the offer as per: the advice in the Judgment, the line and the Moving Hexagram:

- **The Judgment:**
THE MARRYING MAIDEN. Undertakings bring misfortune. Nothing that would further.
- **The Line:**
The woman holds the basket, but there are no fruits in it. The man stabs the sheep, but no blood flows. Nothing that acts to further.
- **The Moving Hexagram:**
Opposition

The following article covers the hostile takeover attempt.

In late 1997 Computer Associates International, a software services company, made an offer to buy Computer Sciences. When the offer was turned down, Computer Associates International launched a hostile takeover bid, creating one of the most public and nastiest battles between major corporations in the late 1990s.

Computer Associates International offered \$108 per share, a total of \$98 billion, for Computer Sciences. It turned out that Honeycutt was not weak; he was an unpretentious person, but he was, as he described himself at the time (Lubove 1998); a "pain in the ass." To Honeycutt, Computer Associates International and Computer Sciences were antithetical companies. Honeycutt viewed Computer Associates International as a rigid company that insisted on having all services for clients developed in-house, whereas Computer Sciences had a flexible business model that encouraged finding solutions for clients even if those solutions were to be found in

an outside company. Honeycutt was proud that Computer Sciences was objective in its analyses of its clients' needs, whereas he viewed Computer Associates International as a vendor that always tried to force clients to fit the services Computer Associates International itself had to offer.

The CEO of Computer Associates International was the computer-industry pioneer Charles Wang, who along with the company's president, Sanjay Kumar, had built the company into a corporate giant through acquisitions. Wang saw Computer Sciences as a good fit with his company because Computer Sciences had a worldwide sales force and success in financial services. Honeycutt sued Wang and Computer Associates International, asserting that Wang and Kumar had tried to bribe him into going along with the takeover by offering him \$50 million in cash and stock. Wang insisted that talks with Honeycutt had focused on how much Computer Associates International would pay per share, declaring that Honeycutt had asked for \$130 per share and that negotiations had eventually focused on \$115 to \$125 per share.

Honeycutt insisted that he had never negotiated with Wang and that Computer Sciences was not for sale at any price. Wang and Computer Associates International sued Computer Sciences in Las Vegas, Nevada, because Nevada laws favored the takeover bid. Wang declared that Computer Sciences was violating the law by not presenting the takeover bid to Computer Sciences shareholders for a vote. Computer Sciences changed its bylaws to require that 90 percent of its board members had to vote in favor of a takeover before it could be brought to a vote of shareholders. Wang accused Honeycutt of racism, because someone at Computer Services had said that Computer Sciences was at risk of losing its defense contracts, which were 29 percent of Computer Sciences business at the time, because Wang was a native of China and Kumar was a native of Sri Lanka. Computer Sciences quickly apologized.

Honeycutt took his case to Computer Sciences shareholders, arguing that a takeover by Computer Associates International would harm Computer Sciences customers because Computer Associates International lacked the flexibility and objectivity of Computer Sciences and that the takeover would harm employees because Computer Associates International had a history of firing large numbers of employees after successfully taking over a company. Wang promised that such firings would not occur. Honeycutt promised that Computer Sciences shares would soon be worth more than \$108 apiece and that Computer Sciences would have an 18 percent increase in earnings for 1998. Journalists considered Honeycutt's promises difficult to keep because the U.S. Department of Defense was cutting spending, lowering potential income for Computer Sciences.

On February 10, 1998, the value of Computer Sciences shares increased to \$106.94 each. On February 17 Computer Associates International officially initiated its hostile takeover bid. On February 19 Honeycutt pressed his case that the hostile takeover would damage customers and employees, two points recognized as a legal defense in Nevada, and that shareholders would lose money. Shareholders supported Honeycutt, and on March 16, 1998, Computer Associates International let its offer expire, but not without Wang's writing a scathing public letter chastising Honeycutt for harming shareholders.

By May 1998 the value of Computer Sciences stock was near \$108, and the stock was split. In a display of lack of flexibility that summer Computer Sciences turned down an outsourcing deal with the telecommunications giant BellSouth because at a consultant's urging BellSouth wanted to share the outsourcing deal with Andersen Consulting and EDS. On September 10, 1998, President Clinton appointed Honeycutt chair of the National Security Telecommunications Advisory Committee, which was then working on the year-2000 computer problem, which would have had millions of computers resetting their dates to 1900 on January 1, 2000. With help from Computer Sciences and other technology companies, the government managed to adapt its software and computers in time to avert the resetting to 1900. Later in 1998 Computer Sciences signed a \$3 billion contract with the U.S. Internal Revenue Service to help manage the service's flow of information. By the end of the year Computer Sciences had 45,000 employees in seven hundred offices around the world and had won a reputation for toughness. By then three-fourths of its revenue was coming from commercial businesses.

In February 1999 Computer Sciences split stock was trading at \$64 per share, the equivalent of \$128 before the split and \$20 dollars more than Computer Associates International's offer the previous February. Earnings had increased 24 percent. These numbers were above Honeycutt's promises of the previous February. For 1999 revenues were \$7.60 billion. In January 1999 Honeycutt negotiated a \$300 million deal with AT&T to manage AT&T's billing processes. More remarkable was Honeycutt's making peace with Computer Associates International through a deal whereby Wang's company would participate with Computer Sciences in outsourcing work.

38 THE OPPOSITION

MANAGERIAL ISSUE:

The CEO – managing opposing views within the corporation.

Hexagram 38 refers to a corporate Time-Space where management is divided into opposite forces with different points of view and strategies; some of which may be

too wide to reconcile. Under these circumstances, no CEO can successfully execute any project.

MANAGERIAL LESSON:

The Superior CEO:

- 1) Proceeds with much diplomacy so as not to widen these differences, welcomes any progress in reconciling these differences no matter how small, and does all he can to encourage harmony between these opposite forces. Because there is still a possibility of an improvement in earnings; the Superior CEO maintains a positive general attitude in this particular case because these opposite positions might still be reconcilable.
- 2) Realizes that opposition in itself is not necessarily destructive. He knows that In some cases, opposition may be destructive because it could end in irreconcilable differences between the parties and bring them to a final separation. But that in other cases, opposition may be constructive and could give birth to new ideas and projects, provided in the end the parties reconcile.
- 3) Is impartial and does not take sides with any of the opposite forces.
- 4) Is gentle in his efforts to reconcile these opposite forces.
- 5) Lowers the expectations. Expects few results during the Opposition Time-Space.
- 6) Keeps his sense of balance.
- 7) Creates an atmosphere of harmony. He knows that if the opposite forces were the result of corporate losses, a harmonious atmosphere could return the profitability to this corporation.

INVESTMENT ADVICE:

For the investor, the OPPOSITION Time-Space is not a favorable time to invest. How could an Opposition Time Space be positive for investors?

By itself (no lines) there is still the possibility of success provided the CEO limits himself to small projects.

OPPOSITION.

In small matters, good fortune.

When people live in opposition and estrangement they cannot carry out a great undertaking in common; their points of view diverge too widely. In such circumstances one should above all not proceed brusquely, for that would only increase the existing opposition; instead, one should limit oneself to producing gradual effects in small matters. Here success can still be expected, because the situation is such that the opposition does not preclude all agreement.

In general, opposition appears as an obstruction, but when it represents polarity within a comprehensive whole, it has also its useful and important functions. The oppositions of heaven and earth, spirit and nature, man and woman, when reconciled, bring about the creation and reproduction of life. In the world of visible things, the principle of opposites makes possible the differentiation by categories through which order is brought into the world.

There is only one Good Fortune possibility in line 6 but it is too complicated. It is best to look for a better investment.

The following cases are those of corporations under the Opposition Time-Space:

- **Nokia Corporation NOK under CEO Stephen Elop**
- **Motorola Solutions Inc. MSI under CEO Greg Brown**
- **Bed Bath & Beyond, Inc. BBBY under CEO Steven H. Temares**

(Read at the end of the Hexagram)

THE LINES

NINE IN THE FIRST PLACE

Managerial Issue: The CEO – managing opposing views within the corporation – the beginning of the Opposition.

Managerial lesson: Be patient.

Managerial Warning: At the first stage of the Opposition Time-Space, the CEO must concentrate on not making mistakes by:

- Refraining from too much activity,
- Focusing on keeping the right attitude, and
- Tolerating all differences to avoid confrontations.

Managerial Advice: The Superior CEO is patient and waits until the differences disappear. He never imposes unity by force, as he knows force is not the TAO when reconciling opposing points of view. He lets the opposite forces wear out until they come to their senses on their own. He applies this same attitude to those who:

- Belong to the CEO's inner circle,
- Are in disagreement with him,
- Attempt to launch a takeover against it.

Investment advice: Don't invest

NINE IN THE SECOND PLACE

Managerial Issue: The CEO – managing opposing views within the corporation – reconciling opposing groups with common goals.

Managerial Lesson: Be conciliatory.

Managerial Warning: At the second stage of the Opposition Time-Space, the CEO must reconcile groups that may share a common goal but their views are so opposite it may be impossible to bring them together. The managers who are already divided into two opposite forces might be unwilling to even partially agree on any issue.

Managerial Advice: The Superior CEO aims to having these two parties come to at least a partial agreement by appealing to their self-interest - both groups have profits as their ultimate goal. He knows that when profits are the ultimate common goal between opposite parties and there are disagreements, even a minor agreement between these forces could be the beginning of an eventual understanding provided both parties show good intentions.

Investment advice: Do not invest.

SIX IN THE THIRD PLACE

Managerial Issue: The CEO – managing opposing views within the corporation - encountering strong Opposition.

Managerial lesson: Be united.

Managerial Warning: At the third stage of the Opposition Time-Space, the CEO not only encounters strong opposition but also receives insults and even injuries from the opposing forces.

Managerial Advice: The Superior CEO does not allow emotions to cloud his judgment. He takes nothing personal. He knows that if he keeps close to those

executives who are of proven merit, he will eventually be successful. Things will certainly improve.

Investment advice: Invest. Do not expect much. It is best to look for better alternatives.

NINE IN THE FOURTH PLACE

Managerial Issue: The CEO – managing opposing views within the corporation – finding himself completely isolated by opposite forces.

Managerial lesson: Be inclusive.

Managerial Warning: At the fourth stage of the Opposition Time-Space, the CEO finds himself in a company of managers from whom he is separated by opposite views and becomes isolated.

Managerial Advice: The Superior CEO will overcome the isolation and override any temporary opposition:

- In the case of his own personal condition, he will find an executive he can trust, someone who agrees with his views both in mind and spirit.
- In the case of the corporate condition (a weak corporation), he will look for a strong corporate partner, one that is in the same business and has the same views on business.

Investment advice: Do not invest.

SIX IN THE FIFTH PLACE

Managerial Issue: The CEO – managing opposing views within the corporation – finding an able assistant in the midst of Opposition.

Managerial lesson: Be receptive.

Managerial Warning: At the fifth stage of the Opposition Time-Space, the CEO meets an executive who agrees with his views and holds the same values. Unfortunately, at first the CEO fails to recognize him even though eventually he will because this executive will do everything within his power to approach the CEO.

Managerial Advice: The Superior CEO is open and fair. He rewards tenacity.

- In the case of his own personal condition, he accepts the executive who wants to approach him whether he is coming from within or without the corporation. He views such executive as a strategic ally and a good future partner because their views are compatible.

- In the case of the corporation, he accepts the corporation that wants to merge. He views such corporation as a strategic ally and a good future partner because their businesses are compatible.

Investment advice: Do not invest.

NINE IN THE SIXTH PLACE

Managerial Issue: The CEO – managing opposing views within the corporation – the turning point.

Managerial lesson: Be impassive.

Managerial Warning: At the sixth stage of the Opposition Time-Space, the CEO finds the corporation's spirits at its worse point. There is animosity and division within the ranks. The situation is such that the CEO has allowed his personal feelings to influence his actions. He has practically developed a hatred for everyone in the corporation.

Managerial Advice: The Superior CEO is unemotional in his decision making process. He quickly admits his mistake and realizes that in this particular case, there might be disagreements but also the best intentions. He knows that an understanding attitude will create a better atmosphere.

In any event, this would seem to be the turning point. The opposition between the parties is diminishing. From now on, there will be unity, reconciliation, and harmony within the ranks. Success is in the future. The corporation is about to turn around.

Investment advice: Invest. Be patient. This is a turning point for the corporation.

MANAGERIAL CASES

Nokia Corporation NOK under CEO Stephen Elop

Stephen Elop's Performance:	ROI= (33.48%)	Annualized	Return=
	(33.78%)		
SPY's Performance:	ROI= 8.77%	Annualized	Return=
	8.87%		

Stephen Elop became CEO of Nokia in September of 2010. It is relatively too early to comment on his performance. However, based on a comparison with the SPY's performance, it is becoming evident that Nokia is suffering from its own internal Opposition and that Elop is having quite a difficult time in managing it.

What is interesting is the comment in the second line:

One meets his lord in a narrow street.

Could it be Microsoft?

Points the investor should consider:

1) THE HEXAGRAM

HEXAGRAM 38 - K'uei - Opposition

This hexagram is composed of the trigram Li above, i.e., flame, which burns upward, and Tui below, i.e., the lake, which seeps downward. These two movements are in direct contrast. Furthermore, Li is the second daughter and Tui the youngest daughter, and although they live in the same house they belong, to different men; hence their wills are not the same but are divergently directed.

THE JUDGMENT

OPPOSITION.

In small matters, good fortune.

When people live in opposition and estrangement they cannot carry out a great undertaking in common; their points of view diverge too widely. In such circumstances one should above all not proceed brusquely, for that would only increase the existing opposition; instead, one should limit oneself to producing gradual effects in small matters. Here success can still be expected, because the situation is such that the opposition does not preclude all agreement.

In general, opposition appears as an obstruction, but when it represents polarity within a comprehensive whole, it has also its useful and important functions. The oppositions of heaven and earth, spirit and nature, man and woman, when reconciled, bring about the creation and reproduction of life. In the world of visible things, the principle of opposites makes possible the differentiation by categories through which order is brought into the world.

2) THE ADVICE

Above, fire, below, the lake: The image of OPPOSITION.

Thus amid all fellowship

The superior man retains his individuality.

The two elements, fire and water, never mingle but even when in contact retain their own natures. So the cultured man is never led into baseness or vulgarity through intercourse or community of interests with persons of another sort; regardless of all commingling, he will always preserve his individuality.

3) THE LINES:

0 Nine in the second place means:

One meets his lord in a narrow street.

No blame.

As a result of misunderstandings, it has become impossible for people who by nature belong together to meet in the correct way. This being so, an accidental meeting under informal circumstances may serve the purpose, provided there is an inner affinity between them.

4) THE MOVING HEXAGRAM

HEXAGRAM 21 - Shih Ho - Biting Through

This hexagram represents an open mouth (cf. hexagram 27) with an obstruction (in the fourth place) between the teeth. As a result the lips cannot meet. To bring them together one must bite energetically through the obstacle. Since the hexagram is made up of the trigrams for thunder and for lightning, it indicates how obstacles are forcibly removed in nature. Energetic biting through overcomes the obstacle that prevents joining of the lips; the storm with its thunder and lightning overcomes the disturbing tension in nature. Recourse to law and penalties overcomes the disturbances of harmonious social life caused by criminals and slanderers. The theme of this hexagram is a criminal lawsuit, in contradistinction to that of Sung, CONFLICT (6), which refers to civil suits.

THE JUDGMENT

BITING THROUGH has success.

It is favorable to let justice be administered.

When an obstacle to union arises, energetic biting through brings success. This is true in all situations. Whenever unity cannot be established, the obstruction is due to a talebearer and traitor who is interfering and blocking the way. To prevent permanent injury, vigorous measures must be taken at once. Deliberate obstruction of this sort does not vanish of its own accord. Judgment and punishment are required to deter or obviate it.

However, it is important to proceed in the right way. The hexagram combines Li, clarity, and Chen, excitement. Li is yielding, Chen is hard. Unqualified hardness and excitement would be too violent in meting out punishment; unqualified clarity and gentleness would be too weak. The two together create the just measure. It is of moment that the man who makes the decisions (represented by the fifth line) is gentle by nature, while he commands respect by his conduct in his position.

THE IMAGE

Thunder and lightning: The image Of BITING THROUGH.
Thus the kings of former times made firm the laws
Through clearly defined penalties.

Penalties are the individual applications of the law. The laws specify the penalties. Clarity prevails when mild and severe penalties are clearly differentiated, according to the nature of the crimes. This is symbolized by the clarity of lightning. The law is strengthened by a just application of penalties. This is symbolized by the terror of thunder. This clarity and severity have the effect of instilling respect; it is not that the penalties are ends in themselves. The obstructions in the social life of man increase when there is lack of clarity in the penal codes and slackness in executing them. The only way to strengthen the law is to make it clear and to make penalties certain and swift.

Motorola Solutions Inc. MSI under CEO Greg Brown

Greg Brown's Performance:	ROI= (32.57%)	Annualized	Return=
(10.26%)			
SPY's Performance:	ROI= (15.82%)	Annualized	Return=
(4.62%)			

Greg Brown became CEO of Motorola Solutions (Motorola) in January 2008. Since then, his performance compared to the SPY's has been very poor. Here also, as in the case of Nokia, it is becoming evident that Motorola Solutions is suffering from its own internal opposition and that Brown is having quite a difficult time in managing it.

Points the investor should consider:

1) THE HEXAGRAM

(Same as Above).

2) THE ADVICE

(Same as Above).

3) THE LINES:

0 Nine in the second place means:

One meets his lord in a narrow street.
No blame.

As a result of misunderstandings, it has become impossible for people who by nature belong together to meet in the correct way. This being so, an accidental meeting under informal circumstances may serve the purpose, provided there is an inner affinity between them.

4) THE MOVING HEXAGRAM

HEXAGRAM 21 - Shih Ho - Biting Through

This hexagram represents an open mouth (cf. hexagram 27) with an obstruction (in the fourth place) between the teeth. As a result the lips cannot meet. To bring them together one must bite energetically through the obstacle. Since the hexagram is made up of the trigrams for thunder and for lightning, it indicates how obstacles are forcibly removed in nature. Energetic biting through overcomes the obstacle that prevents joining of the lips; the storm with its thunder and lightning overcomes the disturbing tension in nature. Recourse to law and penalties overcomes the disturbances of harmonious social life caused by criminals and slanderers. The theme of this hexagram is a criminal lawsuit, in contradistinction to that of Sung, CONFLICT (6), which refers to civil suits.

THE JUDGMENT

BITING THROUGH has success.
It is favorable to let justice be administered.

When an obstacle to union arises, energetic biting through brings success. This is true in all situations. Whenever unity cannot be established, the obstruction is due to a talebearer and traitor who is interfering and blocking the way. To prevent permanent injury, vigorous measures must be taken at once. Deliberate obstruction

of this sort does not vanish of its own accord. Judgment and punishment are required to deter or obviate it.

However, it is important to proceed in the right way. The hexagram combines Li, clarity, and Chen, excitement. Li is yielding, Chen is hard. Unqualified hardness and excitement would be too violent in meting out punishment; unqualified clarity and gentleness would be too weak. The two together create the just measure. It is of moment that the man who makes the decisions (represented by the fifth line) is gentle by nature, while he commands respect by his conduct in his position.

THE IMAGE

Thunder and lightning: The image Of BITING THROUGH.
Thus the kings of former times made firm the laws
Through clearly defined penalties.

Penalties are the individual applications of the law. The laws specify the penalties. Clarity prevails when mild and severe penalties are clearly differentiated, according to the nature of the crimes. This is symbolized by the clarity of lightning. The law is strengthened by a just application of penalties. This is symbolized by the terror of thunder. This clarity and severity have the effect of instilling respect; it is not that the penalties are ends in themselves. The obstructions in the social life of man increase when there is lack of clarity in the penal codes and slackness in executing them. The only way to strengthen the law is to make it clear and to make penalties certain and swift.

Bed Bath & Beyond, Inc. BBBY under CEO Steven H. Temares

Steven Temares's Performance:	ROI= 49.96%	Annualized	Return=
	4.80%		
SPY's Performance:	ROI= 26.77%	Annualized	Return=
	2.78%		

Steven Temares became CEO of Bed, Bath & Beyond in January 2003.. Since then, his performance compared to the SPY's has been positive.

However, as he faces the future (2011 on) , it will be interesting to see how he manages the Opposition Time-Space BBBY is moving into.

Points the investor should consider:

1) THE HEXAGRAM

(Same as Above).

2) THE ADVICE

(Same as Above).

3) THE LINES:

Six in the third place means:

One sees the wagon dragged back,

The oxen halted.

A man's hair and nose cut off.

Not a good beginning, but a good end.

Often it seems to a man as though everything were conspiring against him. He sees himself checked and hindered in his progress, insulted and dishonored.¹ However, he must not let himself be misled; despite this opposition, he must cleave to the man with whom he knows he belongs. Thus, notwithstanding the bad beginning, the matter will end well.

1. Cutting off of the hair and nose was a severe and degrading punishment.

4) THE MOVING HEXAGRAM

HEXAGRAM 14 - Ta Yu - Possession in Great Measure

The fire in heaven above shines far, and all things stand out in the light and become, manifest. The weak fifth line occupies the place of honor, and all the strong lines are in accord with it.

All things come to the man who is modest and kind in a high position.

THE JUDGMENT

POSSESSION IN GREAT MEASURE.

Supreme success.

The two trigrams indicate that strength and clarity unite. Possession in great measure is determined by fate and accords with the time. How is it possible that the weak line has power to hold the strong lines fast and to possess them? It is done by virtue of unselfish modesty. The time is favorable - a time of strength within, clarity

and culture without. Power is expressing itself in a graceful and controlled way. This brings supreme success and wealth. 2

THE IMAGE

Fire in heaven above: The image of POSSESSION IN GREAT MEASURE .
Thus the superior man curbs evil and furthers good,
And thereby obeys the benevolent will of heaven.

The sun in heaven above, shedding light over everything on earth, is the image of possession on a grand scale. But a possession of this sort must be administered properly. The sun brings both evil and good into the light of day. Man must combat and curb the evil, and must favor and promote the good. Only in this way does he fulfill the benevolent will of God, who desires only good and not evil.