

About The Author



Today, Allen Weinstein is a self-made man, a man who acquired success in life despite handicaps that might have left him a street derelict. In the crucible of our public education system, Allen had never been given much of a chance to succeed. Failure after failure in school sentenced him to a bleak future. Yet Allen found a way to deal with the blows life dealt him and a way to overcome his particular handicaps. He forged a philosophy of life from his experiences that has carried him through the darkest of times to ultimate triumph. In this book, *Memoirs of a Learning-Disabled, Dyslexic Multimillionaire*, Allen tells his story and shares his lessons from life. From the streets of a small beach town in Long Island, New York, to meetings with the movers and shakers of our society, Allen takes us on his journey from a virtual unknown to a man of means and power. For anyone who has despaired about the difficulties life has handed out to him, for anyone who wants to discover how to triumph over adversity, this is the book to read.

Nobody believed Allen Weinstein was college material except Allen himself, therefore he shocked everyone around him by getting accepted and attending Tulane University and through his alternative methods of learning Allen also attended Columbia university night school and finally graduated from the university of Kansas where he received his degree in architecture. As a founding partner of Unity Capital Corporation, he was instrumental in its phenomenal growth and development as a major player in the real estate markets of the northeast. Allen is a health aficionado and enjoys working out along with golf, tennis, and skiing. He also enjoys creating art and sculpture. He has written three beautifully illustrated books showing some of his creative projects. The most spectacular of which is a doll house that took him thirteen years to complete.

Allen has worked with various charities and numerous politicians. Such work has netted charities like the Mental Illness Foundation a \$100,000 grant from New York State, in addition to the tens of thousands of dollars he personally raised each year at various charity dinners.

Losing It

It was a Sunday night, not unlike many others in my life at the time. I had returned home from dinner at my country club with my family. I was forty years old and a multimillionaire. I had achieved an impossible dream. A dream that saw a dyslexic kid, a kid who few people saw potential in, rise from his handicaps to become a respected and important member of his profession and community. Indeed, life had been good to me. On the night of February 5, 1975, I went to bed with that knowledge and with the security of knowing I had enough cash in my bank account and a host of other equally valuable assets. The wealth I possessed was enough to allow me to retire for life. It was a comforting place to be. I was perched at the top of my personal mountain overlooking a world that was firmly in my grasp as I closed my eyes and drifted off to sleep. I had it all: two fine children, a comfortable home, a solid business, a country club life, a ski house, and many friends. I didn't think it could get much better for me as I closed my eyes and drifted off to sleep. Then, the morning came.

I awakened to my usual routine. I took a quick shower, dressed, and listened to the news on the radio as I had breakfast. It all seemed very typical until I heard the radio announcer describe a major story that was unfolding on Long Island. A story that involved a bank failure. The bank was the Franklin National Bank, the twentieth largest in the United States and the largest bank on Long Island at that time. I knew Franklin well. It was a powerhouse with over five billion dollars in assets and more than one hundred branches from Floral Park to Montauk. Franklin was also my bank. If the story held up and Franklin was in the tank, I had a serious problem. Franklin held my money. More than that, it held notes on several major projects of mine that were backed by my savings, my assets, and my personal signature. I rushed from room to room turning on all the television sets in the house. Newscaster after newscaster continued the radio story. I realized that my world of yesterday had vanished. My immediate reaction on hearing the news of Franklin's shut doors was shock and disbelief. I thought it must be some other bank. I had just finished working with Franklin's bankers on Friday. Everything seemed normal then. But it was not so now. Franklin was defunct, and I was a man stripped of his life savings.

I was sitting in the living room, numbed by my ill fortune when my wife found me. I could barely bring myself to tell her about our reversal of fortune. She was white-faced and silent after I explained what happened. Neither of us knew quite what to say. Finally, I called Franklin in the hope I might find someone to speak to who could give me some information beyond my worst nightmare. But my calls were fruitless. No one was there to answer. However, within a few days, I had the answers to my questions. I owed the Federal Deposit Insurance Corporation and my contractors \$13,800,000.00

The history of Franklin National Bank is instructive. Originally, it was the brainchild of its founder, Arthur Ross. Ross controlled the bank during a period of time when Long Island exploded with population and housing growth. Franklin provided loans for the hordes of builders who were trying to meet the housing needs of a rapidly swelling population. Its position was enhanced by the fact that New York City banks were prohibited at that time from having branches on Long Island. These two forces combined to give Franklin growth beyond Ross's wildest dreams. Thus, Franklin Bank became the central player in the building boom of Long Island during the 1950s and 1960s, and it was soon a billion-dollar bank.

When city banks finally were allowed to do business on the island, Franklin's days as the preeminent bank of Long Island were over. This development and Ross's questionable business practices led to Franklin becoming vulnerable. As Franklin's troubles grew, it came to the attention of an Italian investor, Michele Sindona. In the late sixties, Sindona seized the moment. He decided to invest in Franklin and for \$40 million dollars bought approximately 20% of the parent holding company. This investment was part of a much larger strategy by Sindona of which one element was to reap profits by using his European banks as a foreign exchange machine with Franklin. No one was paying too much attention to that or Sindona's business background. He had money, and he had the wherewithal to change things at Franklin. By the year 1972, Sindona became president of the bank His plans for Franklin were put in motion, and they became an integral element in all of Franklin's problems. Central among these problems was Franklin's domestic performance. It was being hampered by a huge number of unprofitable loans. By 1974, Franklin's deficit had become astronomical, its indebtedness profound, and its liquidity virtually nonexistent. In hindsight, there was no effective supervision of Franklin by our government. Therefore, builders were destined to failure because Franklin could not continue to fund work to the completion of a construction job. As federal supervisors became aware of Franklin's troubles, they sought a solution that would be least damaging. Finally, they found an ally to assume control of Franklin in the European-American bank, a group of powerful European banks. European-American assumed control of Franklin's branches, deposits, and assets all of which were worth over three billion dollars. In essence, the bank consortium walked away with Franklin's assets, and its debtors had to fend for themselves. Those in government to whom Franklin was accountable had little regard for those of us who were left hanging by the bank's failure. Franklin's loans, loans to people like me, were placed under the jurisdiction of the Federal Deposit Insurance Corporation and New York State regulators. The goal of these agencies was simple: reclaim the billions of dollars still outstanding and disregard the fact that such an action could bankrupt many Long Island builders. In fact, there were literally hundreds of builders who became victims of this circumstance. I was one of those hundreds who became a part of the government's equation for clearing up the debacle of Franklin's failure.

Prior to this crisis, Franklin was the primary bank I used for most of my real estate projects. At that time, my prosperity was such that I entertained thoughts of retiring and entering the teaching profession to teach architecture. My ruminations about retiring reached the point where I went on a three-week vacation to review my options. While on vacation, I came to the conclusion that teaching might not be challenging enough for me and would not provide the kind of action and dynamics that I had become accustomed to in my business life. Then, I received a phone call from one of my partners who informed me that Franklin Bank would like to become a player in our real estate business but only if I was personally involved. It wasn't very long before I booked a flight home from my vacation wonderland. On the flight back, I thought about Franklin's interest in our business and considered Franklin's offer. At that time, banks were not allowed to be partners in businesses such as mine. As an important customer of Franklin, I would typically borrow money at 1% over the prime rate. However, under my new arrangement, I would borrow at 4.5% over prime and the difference between the 1% and the 4.5% is how Franklin would earn its portion of the profits. My advantage in working with the bank at these rates was the security in knowing I was backed to the hilt financially and able to tackle projects I might not otherwise obtain 100% financing for. In all other projects, any builder, whether it was I or someone else, had to put up 30% of the total cost of his projects. Therefore, my deal with Franklin made me the envy of every builder on Long Island who knew about it.

Ultimately, we were able to work a deal with Franklin for the financing of several major real estate ventures. The projects ranged from Long Island to Georgia. These ventures were the costliest I had been involved with since I began working with Franklin. The terms followed the pattern I expected except this time Franklin wanted my signature as well as other collateral. I was to provide this collateral through the personal savings I had deposited at Franklin and other equally valuable personal assets. Their position was understandable. After all, they would be putting up all the money, and in case of some unforeseen circumstance, they had no wish to be left with half-completed projects. Since I was as aware as Franklin that they could not legally be my partner, no part of our agreement could be put into writing. Therefore, the paperwork between us only reflected our loan agreement. I did not balk at these conditions. I had no reason to think anything was awry with Franklin. After all, this was a major bank, a powerful bank with great resources and a good public reputation. They also were the most prominent bank for builders on Long Island at that time, and I had worked with them often. My main contact at the bank, a loan officer, was a man who had proven helpful and trustworthy in obtaining financing for my ventures on many other occasions. I had nothing more than those positive perceptions to go on, so I approved the arrangement and signed the loan documents. I would live to regret that action. With our newly found financial resources, we started building a condominium complex called Artist Lake on eastern Long Island. Artist Lake was comprised of five hundred units in all and abutted a small lake from which the project derived its name. While in the process of building Artist Lake, I also started construction in Plainview, Long Island's Nassau County. That property, called the Villas, would hold approximately 130 condominium units. Additionally, we started to develop the Henry Ford Plantation in Savannah, Georgia. The plan was to build a golf course to host the Lady's PGA tournament. We were going to use the Ford home as the centerpiece of the project. Housing would be developed along the golf course and Ogeechee River. Any potential danger to the bank in these dealings had been eliminated by its arrangement with me. However, if Franklin had been my legitimate partner and not hiding behind the disguise of a building loan, when something went wrong, they would have had to continue funding until a job was completed or risk losing the partnership money. Since this was not the case, Franklin was in the catbird seat.

I had partners to help move all this work forward to completion. Each of my two partners handled a different aspect of the business. My role was primarily to make the deals that would allow our group to build properties on the land we acquired. My partners managed the actual construction and marketing of these deals. It proved to be a very good working arrangement.

My pact with Franklin to pay 4% over prime for their money led to a similar kind of arrangement with my contractors, only I was playing the role of banker. The contractors we dealt with would take notes from us at 1% over the prime rate. These usually were for thirty, sixty, or ninety days. Then the contractor's banks would lend them money against the notes. Ninety days later, I would receive Franklin's money pay their notes off, and I would typically save 3 or 4% on interest for the time period. While this might seem to be piddling, when you are dealing in millions, the money I realized was no small amount.

Needless to say, I was very pleased with the arrangement. Moreover, the contractors trusted the deal. They trusted me, and this led to a good working association. Projects were on schedule and the necessary money to drive each project to completion was there. Then Black Sunday came. However, Black Sunday was not the end of my problems with banks. There was another unexpected wrinkle to my financial situation. While Franklin National Bank was the provider of my building loans, I worked with another local bank, Bayside Federal Savings and Loan, to provide the mortgages to purchasers of my units. I

would receive my money from Bayside and that money would be used to repay Franklin and the contractors. The remaining monies would be mine. Had everything gone along normally, this process would have given Franklin its money plus any interest, the contractors their piece of the pie, and my group its profits. Once Bayside discovered that Franklin National Bank was defunct, I was called in to meet with them. The meeting was within a week of Franklin's nosedive and would be the first of many meetings with bank and government officials. The flavor of this one was typical of most of my encounters. The president of the bank and one of his loan officers met with me at their headquarters in Queens, New York. The room we met in was generic bank—all browns and grays. I came to the meeting with one of my partners. We took seats in two wooden chairs opposite the two bank officials. We brought no documents with us. We were more interested in what they wanted than anything else. They greeted us with expressionless faces. We waited, curious about what they might have to say. The president spoke first.

"You're in a bad place, Allen, but I think we can help you and help ourselves."

"What is it you want to do?" I asked. My mind raced with the possibilities.

"If you can persuade your contractors to finish their work without further payment on their work in place until completion of the project, we'll pay them on a current basis. That way, you get what you want and we get what we want. The contractors get their monies and we take Franklin out of the picture completely. Do you think you might be able to swing something like that?"

At this point, the loan officer chimed in, "Yeah. Franklin would simply not be a part of any of this. You just have to bring in the contractors one by one to us. We need to be certain they accept our terms." His lips pulled back in what was supposed to be a smile. I saw his fingers tapping the tabletop. Waiting. For me, the suggestion was a ray of light in a black sky. It was a way to climb out of disaster and a way to restore my solvency and my life. Consequently, I said, "Yes.

I agreed to Bayside's proposal and made arrangements to bring in my contractors individually to meet with Bayside officials and me. One by one, each contractor agreed to continue work without any payment on work already in place, and each in turn was assured he would be paid by the bank for all future work and, at the end of the project, all past work. I was both overwhelmed by their response and humbled by it. They had other choices, but these were honorable men whom I had worked with before, and they knew me and they knew my word was good. In a strange way, their response was a validation of my business ethics and my personal standard of conduct.

The projects moved toward completion. I breathed a sigh of relief at the fact that despite all my problems, I was still in business and functioning. Months later, when it came time for the first of my contractors to be paid, my concrete supplier went to Bayside for payment as per his agreement. I barely noticed the timing. That is, until I received a call from him.

"Hey Allen. Fred here."

"What's up, Fred?"

"Allen, Bayside isn't paying."

“What do you mean?”

“You know that agreement we had?”

“Yeah.”

“Well, forget about it, Bayside’s changed its mind.”

“Changed its mind?”

“Yeah. Like in not paying. Bastards told me to go home. The deal is off.”

“Son of a bitch! Fred, I gotta call the bastards. I’ll get back to you.”

“OK, Al.”

I called the bank immediately. I asked for the president but got the loan officer instead.

“Hi, Al.”

“Don’t give me that ‘Hi, Al’ crap. Fred says you are not paying him.”

“We’re not. We changed our position.”

“What? Just like that. You make a deal and then back out of it.”

“It’s a business decision. We always reserve the right to make business decisions.”

“Yeah, well don’t think I am going to let you off the hook without a major fight.”

“I’m sorry, Al.”

“Save it for your next rotten deal. I don’t need you or your bank.”

I hung up the phone, raging with fury and overwhelmed by this new turn of events. I tried to assess my situation and determine my options, but the shock of Bayside’s betrayal weighed heavily on me and clouded my thinking. Perhaps, I reasoned, clarity would be restored in a calmer atmosphere. I had already made arrangements to go upstate for a few days of skiing and entertaining with a lawyer friend, Herb Balin. So I climbed into my car that Friday afternoon and made my run to Hunter Mountain, New York, where I had maintained a ski house for the previous five winters. The house was a three-hour drive up north of Long Island. I hardly noticed.

When I finally arrived, Herb Balin was already there. Herb was a prominent real estate attorney on Long Island and someone who had been friendly with me for some time. Business had never been part of our relationship. We were just good friends.

Over the weekend, he noticed that I was not my usual self and seemed preoccupied with other matters. Finally, one evening after dinner, he asked me to join him in the den. I sat down in an easy chair opposite him.

“What’s the problem, Al? You don’t seem to be yourself this weekend. What’s going on? “Is everything ok at home or is it the business that’s bothering you?”

“Well...you’re right, Herb. You know the business with Franklin has been a nightmare for me.”

“Yes, I know.”

“I made a deal with Bayside. You might not know that. They agreed to pay my contractors at the end of the job. I had to bring in each one for verification by them. All of them agreed to finish the job and the loan officer promised to pay them in full after completion of their jobs. They all agreed. Well, Fred, my concrete guy went to get his money. Guess what? He was sent packing and told the deal was off. Fred called me. All pissed off. What could I say? What can I do? It’s a nightmare. The bank pulled the rug right out from under me.”

Herb studied me a moment. Then, he said, “You know, Allen, I love you like a brother, but you are not telling me the entire story. No bank can do what you say Bayside did. They just can’t do that. There’s something missing.”

“Herb,” I replied, “there’s nothing missing. I’ve told you everything.”

“Well, OK, Al, if you say so. But it doesn’t make any sense to me at all.”

We sat around and talked some more and then went to bed. The next day we both returned to Long Island. On Monday, Herb called me at my office.

“It’s me, Herb. Al, guess what?”

“What?”

“I’ve been hired by all the contractors to sue you and the bank for breach of contract.”

“Jesus. That is nuts.”

“What I wanted to tell you is that everything you told me is 100% true. But please understand, Al, the suit against you is not personal. It’s just that the guys have to protect themselves. They are out on a limb just like you are. We really want to go after the bank, not you. The bank lied and played them for suckers.”

“I understand. It’s fine, Herb.”

Soon afterward, I learned that Bayside had taken steps through the New York State attorney general’s office to remove me from the project. They argued I could not complete the construction, and they were entitled to protect their investment also. In addition, Bayside contacted each homeowner living on the job site and explained if I was not removed as the builder, the remainder of the homes would not be completed. The homeowners would be living in Uglyville. Therefore, Bayside wanted New York’s attorney general to remove me from any involvement with the condominiums.

Actually, the government had a responsibility to act on Bayside’s request. It was operating under the mandate to protect the homeowner and not the builder in any building endeavor. If that meant introducing a solvent builder and discarding an insolvent one, then so be it. Thus, Bayside, the homeowners, and the

attorney general were aligned against me. I was the bad guy. This was the backdrop to my first meeting in the New York City offices of the attorney general. They were all there: the homeowner representatives, the Bayside officials, and the attorney general's people. The lead lawyer for the attorney general, Lefkowitz, spoke first. He was right to the point.

"Mr. Weinstein, as you know, the Artist Lake job has been halted, and we think it is in your best interest to sign over the deed to Bayside. We've reviewed their request, and it is clear to us that the homeowners would be better served if you were out of the loop so Bayside can finish the job with a different builder. Your good standing and reputation have been damaged by the Franklin mess. It's as simple as that."

"Really? It's not that simple for me. I've done nothing wrong, yet I have become a victim, and I am still being victimized by you and by Bayside. Now, I am a stubborn guy, and when I think I am right, I don't cave in very easily and I am not caving in now to you. I'll fight Bayside and you in court if necessary to vindicate myself and to save my business. What you are asking for is crap as far as I am concerned."

"Well, I'm not sure that's a good decision. Giving up the job would be."

"Yeah, in your opinion and the opinion of everyone else here." I waved my hand at the other parties seated at the table.

"Yes. That is our opinion. I think I speak for everyone." He paused a moment and played his trump card. "By the way, I guess we will have to see your books then. Is there a time when we might do that?"

"You would be better served looking into the business practices of the bank instead of trying to give me the short end of the stick. It seems to me that the bank is operating illegally. I'm not."

"That is not your call."

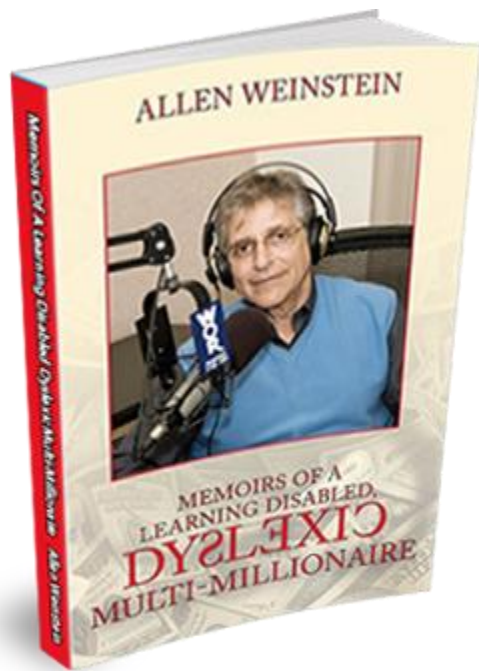
"You are not seeing my books. Maybe I might reconsider if you look into the bank's practices first and how they lied to and cheated the contractors and me. Maybe then. But no way will you look at me first. No way. Don't look at me first. Look at the bank first. You've got it backward. They are the crooks and they are sitting right there next to you."

I pointed my index finger at the Bayside officials for emphasis and then I sat back in my chair. The room was silent. It appeared no one could believe I had the temerity to say what I did to the attorney general's representatives.

"I know you are under a lot of pressure, Mr. Weinstein. We'd like you to think over our request and we'll do the same thing."

"There is nothing for me to think about. You don't get near my books until you look at theirs. I said it before, the very people in this room representing the bank are liars and crooks as far as I am concerned. This meeting is over." I rose from my seat and left the room followed by my accountants and lawyers.

Hope you enjoyed this chapter from my book. I invite you to find out the rest of my story and how I turned some of the darkest times in my life into ultimate triumphs by reading the rest of 'Memoirs of a Learning Disabled Dyslexic Multi-Millionaire'



LIMITED signed copies of my book are available exclusively on my website. [CLICK HERE](#)

You can also purchase (both paperback & digital download) on:

[Amazon](#)

[Barnes & Noble](#)

[iTunes](#)

[Google Books](#)

Please follow me on:

<https://www.facebook.com/weinsteinallen/>

<https://twitter.com/AllenWeinstein>

<https://www.instagram.com/allenweinstein/>

<https://www.google.com/+AllenWeinstein>

<https://www.pinterest.com/weinsteinallen/>

<https://www.youtube.com/c/AllenWeinstein>