

Office building developer, Xander Kellogg, deals with a murder trial, lawsuits, and obstacles to expand his real estate empire, but creates many enemies. In desperation, his clever financial schemes and marriage results in a fateful twist.

The Developer: Phase III (Avenue into the Abyss)

By Stephen P. Bye

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THE DEVELOPER

PHASE III

AVENUE INTO THE ABYSS



Stephen P. Bye

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“The Developer” Novel Synopsis

Alexander Kellogg III, nicknamed Xander and Mr. X, creates millions of dollars of wealth in the early 1970's, buying distressed apartment and condominium projects and selling them in 1977 when the multi-family market recovers. Concluding that development of iconic office projects would define his legacy, Kellogg sets a course to become the dominant office developer in Denver with a core philosophy to never invest any personal capital in a project. In 1973, Xander forms a verbal 50/50 partnership with his older brother, Robert, who had set up a construction company in 1960, primarily focused on erecting medical office buildings and small commercial properties.

In 1978, Xander develops a 200,000-square-foot, six-story office project, called West Tower. With interest rates rising and no leasing activity, the project's construction lender, Continental Divide Bank, demands a \$1.5 million loan paydown. Kellogg enlists his timid CFO, Mike Peavy and leasing director, Eli Cohen, to fabricate information to resolve the dilemma, but which fail to influence the bank. Kellogg is also incensed with the lack of leasing activity from the real estate brokerage firm, Reagan and Holbrook (also known as R & H).

At a charity fundraiser, Kellogg's 3rd wife, Jill, introduces him to Buck Andrews, the CEO of an oil exploration company, planning a 500-employee expansion to Denver. The firm is represented by R & H for their building search. Kellogg learns that Andrews prefers to buy an office building like West Tower but discovers R & H lies to the firm about the building's availability. Enraged over brokerage company's unethical actions, Kellogg immediately cancels the R & H listing agreement, creating a legal skirmish.

Kellogg is desperate to counter the loan default notice from the bank by supporting a higher appraised value, and forges Buck Andrews' signature on a \$20 million contract to buy the property. However, a

bank executive, Willard Edwards, demands evidence of Andrews Oil Company's corporate seal imprint on the original contract form as well as a board of director resolution authorizing the acquisition. Kellogg concocts a plan to steal the seal embosser from Andrews' small Denver office and hires Dusty McKnight, a cab driver, bookie bagman, and strip club bouncer, for the robbery. During the break-in, Dusty assaults an employee, who later dies. Dusty accidentally drops his strip club marketing card at the scene and the police pursue him as a suspect from a witness' vague description. Dusty is identified as the assailant in a line-up and is arrested, although Kellogg supplies an alibi and lobbies the Denver mayor to order the city attorney's office to release the suspect.

Kellogg stamps the Andrews Oil corporate imprint on the purchase contract and board resolution with the stolen seal and the bank withdraws the default notice and cancels the capital call. Concerned about links to the robbery and the employee death, Kellogg destroys copies of the documents and ditches the seal at a construction site. Days later, Kellogg ends negotiations with Andrews Oil when they propose lowball lease terms for West Tower.

Kellogg fires leasing director, Eli Cohen, and entices broker acquaintances, Curt Jamison and Rich Eastman, to form Kellogg+Eastman+Jamison Brokerage Partners. Eastman announces he represents a penny stock brokerage group, Sherman Grant Blackmon (aka SGB), who needs a 200,000 square feet of office space to house their fast-growing operations. SGB quickly signs a lease for West Tower but refuses to provide financial information on the firm. Willard Edwards rejects the lease although Kellogg extorts him to approve the SGB lease, fund the suspended construction draws, and return the forged West Tower purchase contract as well as the fraudulent Andrews Oil Company board resolution. However, Edwards keeps copies of the documents.

When the owners of two older office buildings fail to renew a ground lease on a half-block downtown site owned by the Kellogg Family Trust, Kellogg gains title by reverse possession. He plans to demolish the old structures and erect the tallest office tower in Denver on the land but is stymied by zoning restrictions which limits the project to 24 floors. However, Kellogg uses his cozy relationship with the mayor and extortion plot with the planning director to obtain a variance to build a 35-story tower. To raise equity for the \$100 million project Kellogg agrees to partner with Illinois Gold Coast Capital Associates, but his plan is thwarted when its two executives, Sal Parzinni and Angelo Caccio, are arrested by the FBI for racketeering and money laundering.

Next, Kellogg intimidates a powerful real estate landowner to sell him a valuable infill office development site but is conned by the seller through a title glitch. Through a series of dishonest plots, Kellogg buys an adjacent abandoned gas station site to resolve a legal access dilemma. The parcel assemblage becomes the future site of three 12-story office buildings.

At a political fundraising event, Kellogg is introduced to U.S. Congressman Casper Walsh, who informs him of a proposed 300,000 square foot office building for the Department of the Interior. Xander invites Walsh on boondoggles and after Kellogg fabricates the developer qualifications, the powerful congressman ensures Kellogg Development Company is the winning bidder.

Kellogg learns of a delinquent loan on four dilapidated warehouse buildings in lower downtown Denver owned by R & H principals, Lawrence Reagan and Marty Holbrook. Anxious to punish the brokers for their unethical behavior on West Tower, he cleverly buys the discounted note from Continental Divide Bank and plans to sue the Reagan and Holbrook under the loan guarantee. However, the buildings are destroyed by a suspicious fire, limiting Kellogg's profit to \$400,000 based upon the insurance coverage.

Xander is involved with a series of legal confrontations with R & H and his attorney nemesis, Henry Buckingham. Kellogg often relies upon his wise attorney, John Collins, who has loyally represented Kellogg family interests for two generations. However, Kellogg is angered by Collins and hastily engages frat brother, Steve Nelson, to replace the sage counsel on several assignments.

Alexander Kellogg has three ex-wives and is a notorious womanizer. Kellogg becomes infatuated with Chanelle Donaldson, an attractive young waitress at The Platte Club, an exclusive Denver country club. Searching for a new housekeeper, he discovers Chanelle's beautiful mother, Maggie, was a former hotel chambermaid. After the sudden death of Maggie's husband, Kellogg engages her as a live-in housekeeper, planning to romance Chanelle as his house guest.

Kellogg divorced his first wife, Janice, after two years of marriage, although they had a son, Alexander Kellogg IV, nicknamed Buster...now a handsome 27-year-old surfer, living in California. Buster drifts between three California community colleges and is recently arrested for marijuana use and distribution, agreeing to testify against a drug organization for a reduced sentence. Xander recruits Buster to join the family business in Denver...Robert Kellogg initially resists but ultimately agrees to employ him as a laborer in the construction company.

Throughout the book, Kellogg demonstrates his ruthlessness, ensuring his cutthroat tactics wins at all costs like the rigged golf matches and poker games at The Platte Club. He uses acquaintances for personal triumphs and attacks them if they fail. Nonetheless, Kellogg is troubled with a possible eviction from The Platte Club, desperate to buy off his opponents. He is also concerned about the oil company employee murder, knowing Dusty McKnight has incriminating evidence tying him to the robbery plot.

“The Developer: Phase II” Novel Synopsis

Kellogg celebrates his accomplishments at a 1980 New Years’ Eve party with guests he’s manipulated to retain his membership at the exclusive Platte Club. Xander also salutes new alliances who help expand his real estate empire. In addition, he announces that he’s has fallen in love with his housekeeper, Maggie Donaldson.

Xander’s son, Buster, becomes romantically involved with Chanelle Donaldson and the couple move into the Eldridge Apartment unit formerly used by the former Denver mayor, Ivan Zimmerman. Buster is dismissed as a Kellogg company employee, although Xander ensures that he continues to be paid for special assignments. Buster succumbs to gambling and drug use again, using strip club owner, Chubby Morrison as the supplier. When Dusty McKnight, Morrison’s bagman, comes to collect thousands of dollars in debts, Buster kills Dusty and is sentenced for three years in prison for manslaughter.

With Dusty’s death, Kellogg believes his links to the Andrews Oil Company employee’s murder has ended. However, Buck Andrews pieces together information to pressure detective Russ Valone to interrogate Xander. Kellogg cleverly passes a graphology test and polygraph exam and the investigation stalls.

Wilhelm Quigley, a prominent Denver businessman, becomes another Kellogg adversary. Xander uses a new ally, accountant Paul Lichty, as a negotiator to buy Quigley’s insolvent savings bank and transform the institution into an aggressive commercial real estate lender. Kellogg assigns his CFO, Mike Peavy, to streamline the bank and names Lichty as President. Frantic to close the bank acquisition, Xander accepts a usurious short-term loan from Sherman Grant Blackmon (SGB) and changes the bank’s name to Kellogg Savings. Later in the story, Kellogg discovers that SGB sold the note to a Cayman Island based GSI Global Capital. GSI is fronted by former Illinois Gold Coast

Capital executive, Angelo Caccio, who has been released from Federal prison from racketeering and money laundering charges.

Xander forms a partnership with an auto dealer, Jerry English, to build a 10-story office building, Kellogg Aurora Tower, on the dealership land in a Denver suburb. After Jerry's death, Kellogg clashes with the auto executive's two sons. Protestors picket the construction site and Kellogg's offices after the Aurora property is rezoned for a high-rise structure.

Kellogg learns of an opportunity to buy an abandoned school and church from the Denver Catholic Archdiocese and decides to visit the property where he is assaulted by a gang. Planning to demolish the church and school and erect a medical office building, he is thwarted by a historical preservationist group. Paul Lichty informs Kellogg of a government program to solve the problem although Xander needs Congressman Casper Walsh's help to streamline the agency's approval process. When Walsh demands a \$50,000 cash incentive, Kellogg secretly video tapes the money exchange to extort the congressman.

A ribbon-cutting event occurs at the Kellogg Medical Building grand opening where several dignitaries attend, with local media coverage. The ceremonies are interrupted by protestors who fight with Xander's employees. Kellogg shoots his pistol in the air to stop the altercation and is arrested for disturbing the peace and owning an unlicensed gun. He spends a week in jail where he is reunited with Buster and is introduced to two of the hoodlums, Jermaine Farwell and Diego Vega, who attacked him in the abandoned school.

Kellogg buys six houses near a major hospital and has the property rezoned for the construction of a 5-story medical office condominium building. Kellogg illegally applies the condominium buyers' downpayments as the equity contribution for the project.

To complete the arrangement with board members Tucker Oden and Mel Harrison to vote for his membership retention in The Platte Club,

Kellogg sells land in the Kellogg Center master planned development to the two men to build a luxury hotel and a restaurant. Kellogg nixes the businessmen's first choices of franchise operations and demands percentage rent clauses to enrich his position.

Kellogg uses espionage to win a bid to acquire a full block in downtown Denver where he plans to build a 60-story project. Desperate to raise the equity for the development, Kellogg engages a former Platte Club valet, Sam Spykstra, and now a successful investment banker, for an introduction to his wealthy Japanese friend, Kiko Sakamoto. Kellogg is hamstrung with punitive conditions imposed upon him by the wealthy Sakamoto family, but with his craving to build the tallest tower in Denver, he goes ahead with the partnership to develop 1500 Curtis Tower.

The penny stock brokerage firm, Sherman Grant Blackmon, is shuttered by the SEC and defaults on the rent for SGB (West) Tower. Using the video recording as an extortion plot against Casper Walsh, Kellogg forces the congressman, the main stockholder in SGB, to cover the tenant's rent. Later, Kellogg's house is ransacked by thieves who steal the Walsh video recording from Xander's safe.

Kellogg arranges the construction loans for The Kellogg Tower and Kellogg Aurora Tower with an aggressive Texas savings and loan. The lender experiences cash flow problems and delays funding the construction draws, resulting in lien filings by the contractors. Robert Kellogg becomes concerned about the liens and arranges two loans with Quicksilver Savings for the two properties. Quicksilver overleverages the projects, requiring Kellogg Development Company to buy Class-B stock in the bank with the excess loan proceeds to support its regulatory capital compliance.

With multiple office projects under development, Kellogg encourages his brokers, Rich Eastman and Curt Jamison, to use devious means to generate leasing momentum and holds lavish parties to drum up

interest from the office brokerage community. Surprisingly, junior leasing associate, Penny Young, generates the most tenant leads.

Kellogg employs the two young men who attacked him in the vacant school. Jermaine Farwell is hired by Kellogg Construction as a laborer and Diego Vega becomes Kellogg's limousine driver. Nicknamed Zorro, Diego confesses his prior involvement in Kellogg's assassination plot, orchestrated by Chubby Morrison.

Kellogg is arrested by the FBI for falsifying the contractor qualifications for the Department of the Interior project and for mailing the documents through the U.S. Postal Service. At the book's conclusion, Kellogg is also arrested for the murder of the Andrews Oil Company employee. Xander's attorney, Clint Clements, outlines the evidence detective Russ Valone and the Denver DA's office have collected.

The Developer: Phase III

Chapter One

From his top bunk, Alexander Kellogg peered at the stained ceiling in his jail cell, wondering how an ambitious district attorney could prosecute him for a murder conspiracy that occurred five years ago. There was no direct evidence, only innuendo, that he hired a thief to steal a corporate seal embosser from the Andrews Oil Company office where an employee died after being struck by the burglar's pistol butt. Kellogg was convinced his arrest was the real conspiracy...a collusion between Russ Valone, a plodding police detective, and district attorney, Franklin Kennedy, to elevate the reputation of the aspiring prosecutor to nail a high-profile real estate developer.

Kellogg studied the two prisoners huddled four feet across from him in the cell block. Their tattoos seemed like the graffiti etched on the stone walls and facial scars patterned after the cracks in the concrete floor. The prisoners' disheveled hair and ruddy complexions reflected a gritty street life, like the inmates he saw when serving his sentence in the county jail for disorderly conduct. Although he outwardly showed an extraordinary level of self-confidence, Kellogg was nervous to be confined with hardened criminals.

Kellogg felt a kick on his mattress from the prisoner in the bed below him. "Hey chief...what you in here for?"

Kellogg slowly responded. "Are you addressing me, sir?"

The inmate booted Kellogg's mattress again. "Yeah...you!"

"Conspiracy to commit a murder...falsely accused by the crooked DA I might add."

"We all in here is falsely accused...must be a conspiracy against us too."

The chubby inmate across the cell yelled. "Right-on!"

A moment later, a burly guard appeared. "Having fun, ladies?"

The fourth prisoner jumped up from his bed. "Piss off, hack."

The surly jailer grunted and pointed at Kellogg. "You in the fancy suit...your lawyer wants to speak with you. Get your ass in gear."

Kellogg hopped off the top bunk as the three inmates gathered near the cell door. The guard swiftly lifted his metal baton and unlocked the cell. "Back off, creeps!"

Kellogg quickly squeezed through small opening and strolled to the visitation room, the jailer trailing behind. Kellogg picked up the phone receiver and glared at Clint Clements through the smudged glass.

"Good afternoon, Xander...how are you?"

Kellogg was impatient, tapping with his fingernail on the divider. "I feel like shit...when is my arraignment hearing scheduled?"

"Tomorrow morning at 10 AM."

"I guess I can stand one more night in this hole." Kellogg pointed toward a broken wall clock; its hands frozen at 12:00.

"Xander, have you thought about our last conversation?"

"You mean a plea bargain?"

Clements nodded.

Kellogg shouted. "Never...I'm innocent! I've told you several times..." He hesitated, wanting to plunge into another tirade blaming the devious plan on his CFO, Mike Peavy, but decided it would be futile to continue accusing the timid accountant. Instead, he switched his line of defense. "Kennedy's evidence is built like a house of cards."

“Xander, Franklin Kennedy has established proof of your motivation to swipe the Andrews Oil Company’s corporate seal...it authenticated the \$20,000,000 contract to buy your West Tower office building. The contract price supported an updated appraisal valuation, which halted the bank’s demand to pay down the loan by \$1,500,000. The Andrews Oil Company CEO, Buck Andrews, has denied extending the price offer and ever signing the contract.”

“Kennedy’s supposition is based upon fragile information and lies from his witnesses...but there’s no direct evidence I hired Dusty McKnight to rob the oil company office. Even more important, there’s no original contract with a corporate seal the prosecution can produce.”

“What about the oil company’s address they say you wrote on the strip club marketing card that the robber dropped at the murder scene?”

“The detective’s graphology exam could not match my handwriting to that business card. You should be able to find credible handwriting experts to corroborate my position. Ask your mentor, John Collins, about the graphologist experts he engaged on my Colorado Boulevard gas station dispute.”

“Our law firm maintains a list of forensic document examiners if we need to engage them for our defense.”

“If that fails, you should find some loophole where Detective Valone messed up and declare a technical glitch for my arrest...an illegal search, tampering with evidence, coercing witnesses...”

“Our investigators have checked every aspect of the arrest warrant and the collection of evidence. We haven’t observed any improprieties.”

“Then look harder.”

Clements rolled his eyes. “I’ll have the opportunity to check the witness statements and other evidence through the discovery

documents. I'll also investigate the autopsy and medical history of the victim...maybe we'll get lucky."

"I want to depose the witnesses myself...I can coerce them to tell the truth."

"Xander...a defendant in a criminal trial is not permitted to contact any witness."

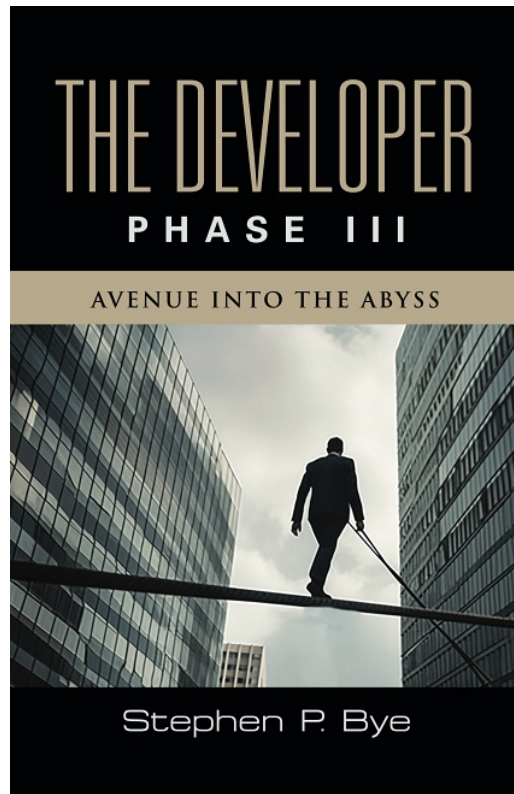
"Who says?"

"It's the law!" Clements shook his head in frustration. "The legal system does not allow coercion of the witnesses. The plan tomorrow in court is for you to plead innocent. Don't start a tirade about a conspiracy between the police and DA's office to get you. Just say two words, 'not guilty'."

"Whatever." Kellogg pounded his fist against the glass and slammed the phone receiver into the cradle.

Kellogg's hearing was the first arraignment of the day. A police officer escorted Kellogg into the courtroom, leading him to the defense table...a familiar spot, based upon his prior arrests. Clint Clements momentarily acknowledged his client's presence and looked down to study his notes. Kellogg turned to smile at his lover, Maggie Donaldson, and her daughter, Chanelle, who sat eight feet back in the gallery. Two seconds later, Kellogg's son, Buster, burst through the courtroom doors and quickly took a seat next to Chanelle. Kellogg's allies occupied the next row...the group included his brother, Robert; tax accountant and bank partner, Paul Lichty; close friend and neighbor, George Clements; banker pal, Wes Wheeler; as well as business attorney and former frat brother, Steve Nelson.

Kellogg surveyed the opposite side of the gallery, where reporters had gathered along with the chief investigator, Detective Russ Valone.



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