

TRADER

MONTHLY

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40

THE GREATEST TRADES OF ALL TIME!

• TUDOR JONES • RANIERI
• SOROS • STEINHARDT

TT'S HARRIS
BRUMFIELD
BETS THE HOUSE

MOBY GOES LONG
THE EURO

JOHN HENRY
WINS IT ALL

CARL PAVANO
LOOKS GOOD
IN PINSTripES



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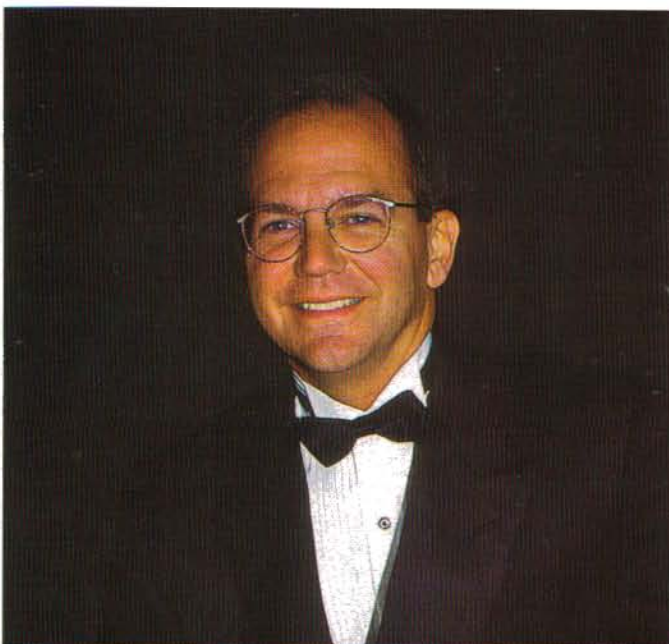
THE GREATEST TRADES OF ALL TIME

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In sports, one play can make you a legend. So, too, in trading. We've gone back centuries to find the ballsiest and the luckiest, the biggest and the smartest, the craftiest and the most important — in short, the greatest trades of all time

Illustrations by Mark Matcho





HE'S NUMBER ONE: A Wall Street legend by age 33, Paul Tudor Jones cemented his reputation with a nine-figure score on Black Monday.

1 PAUL TUDOR JONES'S BLACK MONDAY MASSACRE



A **TRULY GREAT** trade, like a beautiful woman or a work of art, should be timeless and transcendental. Eighteen years ago, Paul Tudor Jones not only kicked some ass, he did so while others were getting *their asses* handed to them. Just 33 years old, in some of the most perilous market conditions ever encountered, Jones — already a trading legend at the time — engineered what *Trader Monthly* deems the greatest trade ever.

It was the fall of 1987, and the world's securities markets were on a collision course with one of the most unforgettable moments in U.S. history. Tucked away at his Manhattan-based hedge fund, Jones's chief economist and trusted apprentice, Peter Borish, had devised an analog model showing that in many ways, the securities markets eerily mirrored those of the late 1920s. On Friday, October 16, the last trading day before Black Monday, the stock market had established a record for

volume on the downside — exactly what happened two days before October 24, 1929: Black Thursday, the start of the Great Crash.

At a time when many industry participants did not fully grasp the impact of derivatives, Jones, who had cut his teeth as a clerk at the New York Cotton Exchange, knew a thing or two about underlying fundamentals. He understood what widespread equity-index derivatives exposure would mean in a market collapse. In other words, he smelled a death spiral.

First thing Monday morning, Jones sold short S&P 500-index futures. The market, meanwhile, began cratering, and as it sank, portfolio-insuring derivatives dealers (who had sold a lot of institutional investors on the seemingly sensible concept of using futures to hedge equity declines) were forced to sell on every downward tick.

Though Jones's move was already an epic trade, as the day wore on, he began to cover his huge short positions, actually riding the crash straight into a long equity-futures position as the market staged an afternoon rally (in part sparked by the news that Jones was covering his shorts). By the end of the tumultuous day, the mastermind trader was

actually slightly net long equity.

"It was one of the most spectacular moves any trader has ever made," says New Orleans cotton broker Eli Tullis, Jones's earliest benefactor.

The S&P 500 lost 20 percent of its value, while the Dow dropped 508 points — still the largest percentage drop in the latter's history. Just to survive the carnage would have been valiant, but to summon colossal nerve, take positions, surf the wild swings of Black Monday and win big — that's historic.

In addition to treating S&P futures like his personal amusement ride, Jones, the day before the crash, had assumed the biggest bond position of his career. With the markets collapsing, bonds didn't respond the way they should have. When equities tank, bonds should rise. But all day, the Treasury markets were looking ugly. Still, Jones, riding the wave of the S&P on the one hand, wasn't going to give up on his bond bet. Long 30-year Treasuries, he held his breath and waited. Sure enough, toward the end of Black Monday, bond prices began to rise when the Fed sought to pour liquidity into the market and cut rates. Jones's two-fisted wager had paid off: The \$300 million Tudor Futures Fund rose by 62 percent in October 1987. That's nearly \$200 million, most of it made on Black Monday.

Jones's clients earned an astounding 201 percent after fees in 1987, while his take-home pay that year was estimated to be at least \$80 million.

Big profits? Check. Big balls? Check. Smarts? Absolutely. Market devastation? That too. It was the position to end all positions — one that cemented the legend of Paul Tudor Jones.

2 GOULD'S GOLD RUSH



WALL STREET TITAN Jay Gould, described by Joseph Pulitzer as "one of the most sinister figures ever to flit, bat-like, across the vision of the American people," spectacularly cornered the gold market in September 1869. Even as he persuaded none other than President of the United States Ulysses S. Grant (whose son-in-law was a Gould crony) to restrict

the supply of gold, Gould, unbeknownst to Grant, pumped up demand by buying all of the precious metal he could get his hands on. By the time Grant caught on, Gould was able to liquidate his positions (partly by screwing some of his co-conspirators) and walk away with a profit of around \$150 million in today's dollars. Thousands of investors were ruined. A Congressional investigation followed, but Gould survived financially unscathed. The economic repercussions of the episode were felt for years to come.

3 SOROS BREAKS THE BANK OF ENGLAND



IN THE LATE summer of 1992, global macro monster George Soros seized upon the decline he saw in the British pound to the tune of a \$10 billion short position. He wasn't alone: Other traders pursued a pound-bashing strategy as well, given the pressures mounting on the currency, which was under threat of rejection from the European Monetary Union. But Soros was the biggest hedge-fund manager on the block, and he went whole hog, leveraged a full 3-to-1.

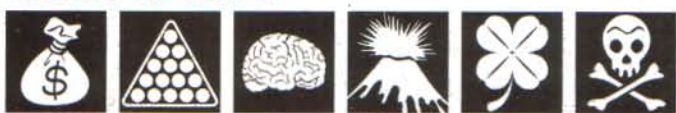
The Bank of England responded with some spectacularly fallible economic-policy moves, heavily tapping its foreign-currency reserves trying to prop up the pound. By the end of September 16, 1992 (a date the Brits call "Black Wednesday"), the pound had plummeted, and Britain was forced to withdraw from the EMU. Soros walked away with a queen's ransom, making at least \$1 billion on the position.

4 STEINHARDT'S T-BOND BONANZA



IN THE EARLY fall of 1981, interest rates were going through the roof, and hedge-fund pioneer Michael Steinhardt, then 40, was sitting on a 4-to-1 leveraged long bet on 10-year Treasuries. Things looked grim, and the position nearly ruined him until that October, when long-term rates, which had peaked at an unheard-of 15 percent, finally started to fall back to

TRICKS OF THE TRADES



PROFITS

BALLS

BRAINS

IMPACT

LUCK

SKULDUGGERY

earth. Steinhardt — an equities man who, prior to this foray, had never bought a bond in his life — cleaned up. His \$250 million bet (\$200 million of it borrowed) made \$40 million and solidified his legend.

5 THE WINSTON WINDFALL



DURING THE RUN-UP to World War I in the summer of 1914, Britain's Royal Navy scrambled to find an alternative fuel to replace cumbersome coal. First Lord of the Admiralty Winston Churchill, then 39, realized oil would be a far better option, but he wasn't inclined to rely on either Dutch Shell or American Standard Oil. So he persuaded his government to make a £2 million investment in the Anglo-Persian Oil Company, which years later would become British Petroleum.

In 1987, the British government sold its holdings in BP for a staggering £7.2 billion, which, adjusted for exchange rates and inflation, is a modern-money profit of about \$23 billion. More important for the course of

mankind, trading up from coal to oil made Churchill's powerful navy that much better equipped to fend off German U-boats, which had been wreaking havoc on critical Atlantic supply routes — helping to stem the tide until America entered the war in 1917.

6 LEW RANIERI AND HIS MARVELOUS MONEY MACHINE



BROOKLYN-BORN college dropout Lewis Ranieri ascended from the Salomon Brothers mailroom to lord over a trillion-dollar mortgage-debt securities market. During the first week of October 1981, Ranieri and his traders found themselves on the other end of one of the biggest buyer's markets imaginable: easily 1,000 sellers and only one buyer, Salomon Brothers. As Michael Lewis wrote in *Liar's Poker*: "One trillion dollars came barreling through the phone lines, and all the traders had to do was open their mouth and swallow as much as they could."

It seems a nice little tax break, passed by Congress on September 30, 1981, gave the nation's struggling thrifts the incentive to dump

their mortgage loans, which Ranieri and his famously gluttonous crew gobbled up whole. Then they packaged, securitized and resold the home loans as government-backed bonds to institutional investors. The loan-trading feast that occurred that first week in October likely generated more than \$100 million for the storied Salomon mortgage department. Ranieri, possibly preoccupied with cracking open a two-gallon drum of guacamole, didn't even know about the passage of the tax break until a while after the floodgates had opened.

7 ACT OF MERCY



IN OCTOBER 1907, JESSE Livermore, considered by many to be the greatest trader who ever lived, was convinced the market was overvalued, so he began taking short positions on various stocks. Fearful, J.P. Morgan himself supposedly sent word to Livermore warning that if he continued, he would be largely responsible for the market's collapse. Livermore, who had already covered his lines,

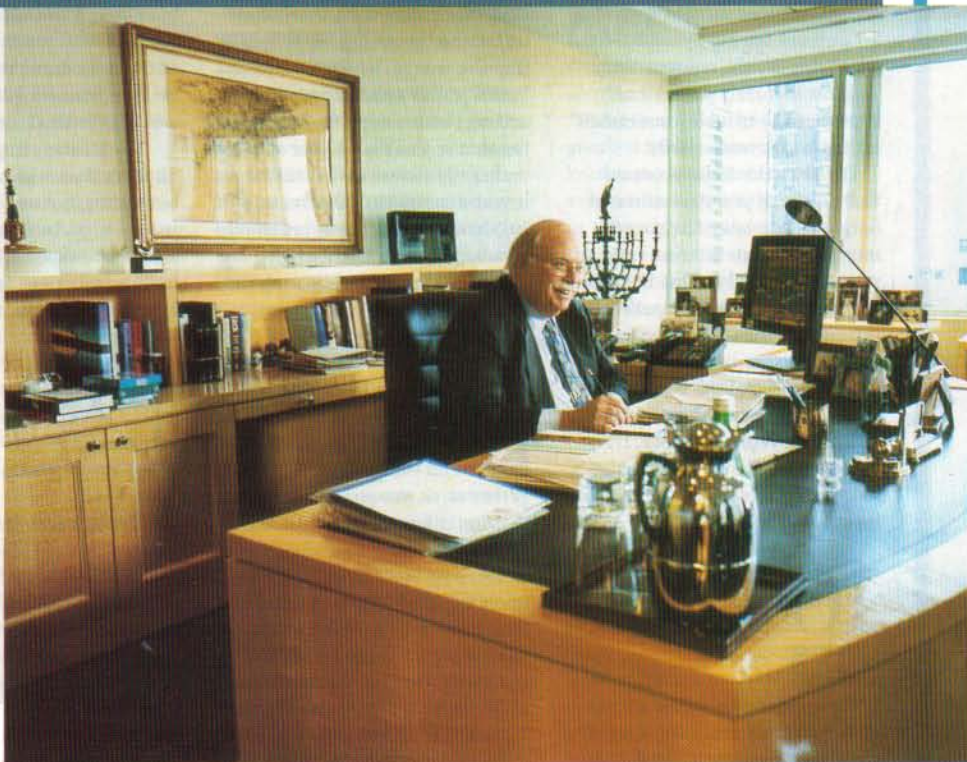
made \$250,000 (\$5 million today) and showed he had the market at his mercy. Decades later, Livermore, immortalized in Edward Lefèvre's classic 1923 book *Reminiscences of a Stock Operator*, blew his brains out at New York's Sherry-Netherland hotel. His suicide note read: "My life has been a failure." Long live Jesse Livermore.

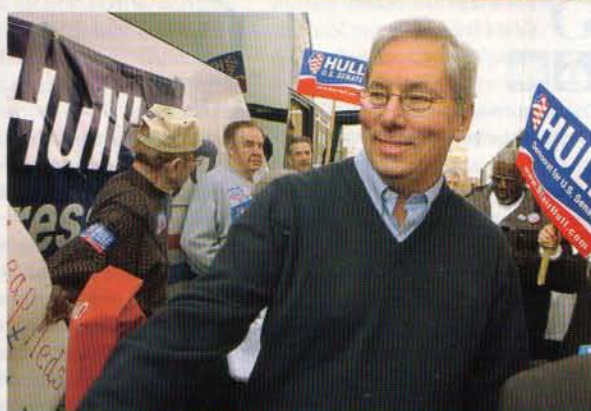
8 UNWINDING WITH IVAN BOESKY



IVAN BOESKY'S GREATEST trade is the deal he and his lawyer, Harvey Pitt, made with the SEC in 1986. Boesky was allowed to transfer \$160 million in cash, stock and assets to his wife's account, including about \$65 million in trading profits earned in 1985. Better yet, Pitt negotiated for Boesky to be able to unwind his trading positions before any announcements of the regulatory pickle he was in were made public. Pitt argued that to do otherwise was to risk a market collapse, but the upshot was that Boesky was able to cash out big-time even as he felt the warm, fuzzy embrace of the law.

WORLD BEATERS: (Clockwise from top left) George Soros, the man who broke the Bank of England; Michael Steinhardt, whose greatest trade involved 10-year Treasuries, in his Midtown Manhattan office; Winston Churchill — prime minister, author, damn fine energy speculator





FAMOUS FACES: (Clockwise from left) Ivan Boesky was still shifting holdings, even after the SEC put down the clamps; Marty Zweig kicks back after calling a crash; in 1987, Blair Hull bought the low. His deft touch failed him during his 2004 run for the U.S. Senate.

9 THE ITALIAN JOB

IN ORDER TO qualify for euro inclusion in 1997, Italy needed to address its massive deficit. Coming off a 6.7 percent deficit in 1996, the Italian finance ministry somehow sliced its debt down to 2.7 percent the next year, barely qualifying for the new currency.

How had Italy pulled it off? It pushed the troublesome deficit off the books temporarily.

In 1995, the Italians issued \$1.7 billion of yen-denominated bonds. A year later, the government secured an interest-rate swap, temporarily offloading into the credit-derivatives market the interest payments on the yen paper. Thus, in exchange for the up-front price of the swap, Italy could delay payment on the bonds until 1998. With this move, Italy managed to qualify for inclusion in the euro, which forever changed its economic future.

10 HILLARY'S HAUL

TALK ABOUT BEGINNER'S luck! Hillary Clinton made her first commodities trade in the fall of

1978, shorting 10 live-cattle contracts at 57.55 cents a pound. The next day, she bought them back at 56.10, earning \$5,300. Within 10 months, Clinton closed her account after making more than \$100,000.

Granted, this isn't quite the sort of eye-popping figure you'll find elsewhere on this list, and God only knows what was going on behind the scenes. But consider that the woman who is now New York's junior senator opened her account with a mere \$1,000, meaning that in less than a year she managed to increase her initial investment by 10,000 percent — 10,000 also being the approximate number of times CattleGate is likely to be mentioned during the 2008 presidential campaign.

11 WHITNEY'S WALK

WHAT IF IT was your assignment to bring calm to the stock market on that terrifying Thursday, October 24, 1929? Late that afternoon, this daunting task fell to historical footnote Richard Whitney, vice president of the NYSE. Thomas Lamont (the influential House of Morgan partner) passed the hat around Wall Street, pooling \$240 million to buttress the markets.

Whitney, also Morgan's main floor broker, would have to execute one of the most important orders ever placed. He sauntered out of a closed-door meeting and into a throng of desperation. In the steel-sellers' crowd, amid shouts of glee, he yelled out a bid of 205, the price of the last trade, for 10,000 shares of U.S. Steel. (He bought only 200 shares.) He then proceeded to walk to various areas of the floor doing the same thing. He bought some \$30 million worth of stocks in mere minutes.

The strategy might have been no more than a Band-Aid on a beheading, but one can only imagine the high drama as Whitney strode from specialist to specialist holding up prices on what could have been an even more terrible day for investors.

12 WHEN THE WALL CAME TUMBLING DOWN

AS THE FORMER head trader for George Soros's Quantum Fund, Stanley Druckenmiller was not only involved in many of his boss's most successful gambits (as well as a few disasters), he inspired them.

Druckenmiller's most spectacular idea was a \$2 billion bet on the deutschmark in 1989, brought on by his hunch that the crum-

bling Berlin Wall and looming German reunification would spell strong days ahead for the currency. History doesn't record exactly how well Druckenmiller's bet fared, but in the next few years, the mark rallied — as did the Quantum Fund, posting returns upward of 60 percent.

13 JUST JUNIUS!

J.P. MORGAN IS largely credited with being the founding father of capitalism, but the House of Morgan might be a House of Pancakes today were it not for that founding father's father, Junius Morgan. In 1870, while based in London, Junius underwrote £10 million worth of French war bonds. The City of London wouldn't touch the bonds, fearful that France — which, under Napoleon III, was involved in the crushing Franco-Prussian war — would default.

But Morgan realized the government would never renege on its obligation. He bought the bonds, almost going bankrupt to amass the position, just to support the price. The bet paid off. In 1873, France paid back its debt in full, earning Morgan and his bank a profit of £1.5 million — about

\$150 million today. More importantly, the House of Morgan had made quite a name for itself.

14 THE ZANGER PARLAY



FORMER SWIMMING-POOL

contractor Dan Zanger must hold a trading record by having parlayed \$10,775 into \$18 million in the 18 months between June 1998 and December 1999. He bought CMGI in early January 1999 at \$118, rode it to \$305, then sold at \$130 — after which the stock dropped to \$87. The trade netted him more than 210 percent in four days. Eventually, the prop trader's nest egg grew to \$42 million — which shows how career changes can make the best swaps.

15 EVIL GENIUSES



UNDER PRESSURE TO make more money in 2004, the traders on Citigroup's London-based Treasury desk came up with an innovative solution. On August 2, the team, led by Spiros Skordos, stunned the eurozone bond market by selling \$16 billion of bonds, close to 100 different issuances, in under two minutes. The massive sell-off, mostly executed over the European electronic MTS platform, caused prices to tumble. The Citi guys quickly bought much of the paper back at lower prices, for an instant profit of about \$18 million.

Ever since, European regulators have been trying to hang the traders, who were placed on leave. For its feather-ruffling factor, this trade (supposedly dubbed "Operation Dr. Evil") will go down in history as one of the most brazen financial screw-yous ever seen.

16 KRIEGER'S KIWI KILLING



AFTER THE OCTOBER 1987 crash, traders began loading up on currencies that were rising against the dollar. Among the hottest plays was the New Zealand dollar, which Bankers Trust superstar forex

trader Andy Krieger decided was absurdly overvalued. After a few days, he was short 200 million kiwi, an enormous risk for which he was handsomely rewarded.

Krieger, widely assailed by the Wellington financial community as a lunatic, would eventually sell off almost the entire monetary supply of New Zealand. The soaring kiwi (named for a flightless bird, ironically) crashed to earth, losing 10 percent of its value. Krieger was an instant hero.

17 HULL BUYS THE LOW



IN THE CHAOS of the day after Black Monday in 1987, CBOT floor trader Blair Hull did something remarkable: He bought the low. Trading opened on October 20 with a rally; specialists and brokerages scrambled to liquidate positions. As the rally faded amidst profit taking, so did liquidity — bids simply dried up.

By 10:45 and 11:15 A.M. Central, the CBOE and the CME, respectively, suspended trading on the flagship index derivatives. The NYSE was rumored to be closing.

Also on the brink of closing was the MMI, or Major Market Index, a Dow Jones Industrial Average look-alike created by the CBOT to circumvent Dow Jones's refusal to license investment products based on its indices. The MMI contained 20 stocks, 17 of which were in the Dow Industrials.

With the markets on the brink of collapse, Hull walked into the tiny MMI pit and started to buy. According to reports, he bought 150 contracts, or more than a third of the MMI contracts purchased during the 30-minute period when the other derivatives markets were locked in illiquidity. His largest purchases came at 11:18 A.M. CST, which turned out to be the day's low. His buys not only brought liquidity back to the marketplace, but confidence as well.

18 TEMPLETON MAKES HIS BONES



AT THE OUTBREAK of World War II in 1939, John Templeton courageously purchased \$100 worth of

every single NYSE and AMEX stock that was selling for no more than \$1 a share. The future mutual-fund pioneer believed the neglected dogs at the bottom were his best bet. He would become the proud owner of 104 companies, nearly a third of them bankrupt. Eventually, he made \$40,000, four times what he had invested — and it turns out he had borrowed the entire \$10,000 from his boss.

19 CHOCOLATE THUNDER



IN THE SUMMER of 2002, speculative traders drove the price of cocoa to its highest level in nearly two decades. One London trader, Anthony Ward, had been watching the fundamentals for two years, waiting for this moment to take his shot. His company, Armajaro, bought as much as 200,000 tons of cocoa starting at around \$1,000 per ton, giving him control of most of the entire deliverable market. Shortly after his chocolate binge, prices rocketed up to \$1,400 per ton. Ward's sweet move earned him \$90 million and a new nickname: "Chocolate Finger."

20 BIELFELDT AND THE BEANSTALK



WITH A GRUBSTAKE of \$10,000, Gary Bielfeldt set his sights on the soybean market with an educated guess: Bielfeldt's former agricultural economics professor told him he believed his thesis that the market was about to go higher in 1965. In a highly leveraged all-or-nothing move (even a 10-cent price decline would have nuked his account), Bielfeldt went for broke. As prices dropped a few pennies, he neared a liquidating margin call, but he held on and eventually doubled his money — and launched a career as one of the greatest traders of all time.

21 CUBAN'S COLLAR



WHEN YAHOO bought Broadcast.com for \$5.7 billion in 1999, Mark Cuban found himself

sitting pretty on paper. But his experiences with Wall Street types who seemed interested only in a fast buck told him something had to give. Using puts and calls to build a "collar" strategy, Cuban was able to secure his fortune — unlike so many other paper billionaires when the bubble burst. His reward: an NBA team.

22 TAG TEAM



GEORGE SOROS AND Sir James Goldsmith's collaborative play in the gold markets during the spring of 1993 shows how two heads are better than one. The year was shaping up to be terrible for gold prices. Then, in April, Soros announced he had bought a \$400 million stake in Newmont Mining, purchasing his shares from Goldsmith. Goldsmith subsequently announced that he was plowing these assets back into gold options. The gold markets went wild, and the price per ounce, which had fallen to a seven-year low of \$326 that March, peaked at more than \$400 later that summer.

23 LITTLE BIG MAN



ONE OF THE earliest known short-sellers was Jacob Little, the "Great Bear." But the Great Bear's greatest trade — one of the first known stock-market cornerings ever profitably completed — came in 1835 when he went way long the Morris Canal and Banking Company. Little's big position drove the price of shares from \$10 to \$185 and forced his short-selling brethren to gag on losses. Little got his, though: He was destroyed by the crash of 1857.

24 BORSELLINO'S BUNGLE



IN 1982, DURING the crisis in the Falkland Islands, Lewis Borsellino was a rookie CME trader who was barely hanging on. As the Brits made their way to the Falklands, gold prices swelled. First came a rumor that Argentina had surren-



dered. Gold dropped \$50 per ounce. Then a rumor emerged that Argentina would not surrender — and gold rallied \$50.

Borsellino and others on the floor were frantic. During the confusion, he had spotted another trader and sold him 50 lots at the low. At least he thought he did. When he double-checked his cards, Borsellino discovered that he actually *bought* at the low. He sold, pocketing \$57,000.

From the brink of obscurity, Borsellino became one of the legends of the game — and all because of dumb luck.

25 HUTCH EATS HIS WHEATIES

BENJAMIN HUTCHINSON, a legendary CBOT trader known as “Old Hutch,” went wild on wheat in 1866. Running against popular opinion, Hutch started buying up all the wheat in the warehouses around Chicago. Then he began taking in all the call options anyone would sell him. Having captured the market, he forced short-sellers to buy from him at a premium. Old Hutch made well over \$1 million with this move — or close to \$20 million today.

26 MARCUS'S NEWS FLASH

IN 1979, GOLD rose to more than \$800 an ounce. That December, California-based trader Michael Marcus saw on the news that the Soviet Union had invaded Afghanistan. But when he called his brokers in the gold pits in Hong Kong, they hadn't gotten word yet. So he bought 200,000 ounces of gold before word hit minutes later. Hong Kong locals wanted to kill him, but Marcus scored a \$10-per-ounce profit just by staying up late to watch the news.

27 ARMOUR'S PORK PLAY

REGARDLESS OF HIS meatpacking abuses, made famous in Upton Sinclair's *The Jungle*, Philip D. Armour knew his pork, and he

made a fortune with one well-timed move. Believing Ulysses S. Grant's march on Richmond would be the end of the Civil War, Armour started selling pork short at \$40 a barrel. When news of Lee's surrender broke, Armour covered at \$18 to make a \$2 million profit (\$40 million today).

28 ZWEIG CALLS IT

MARTY ZWEIG WAS not feeling too exuberant in the summer of 1987, even with the Dow creeping up to a peak of 2,722 and Zweig's recommended portfolio 50 percent long equity. By the October crash, his equity stake was down to 12 percent.

On Friday, October 16, Zweig, looking physically ill, predicted the crash on *Wall Street Week*.

Zweig's portfolio was up 10.2 percent on Black Monday, and his name became synonymous with having called it.

29 RADIO PLAY

NEUBERGER BERMAN founder Roy Neuberger had been on Wall Street for only seven months before the Great Crash of 1929. Still, he had enough common sense to know that at \$574 a share, RCA would have to sell a hell of a lot of radios to warrant that price. So that September, Neuberger shorted the stock. The market collapsed the next month. Neuberger would be among the few men on Wall Street who survived the Great Crash, let alone profited from it.

30 WARREN'S WHOPPER

CALL IT UN-AMERICAN (or maybe just anti-Bush), but since 2002, Warren Buffett has been betting big-time against the greenback. His \$20 billion foreign-currency bet — noteworthy for its sheer size — is still playing out. But as the dollar continues to get hammered as of press time, Buffett has to be smiling. ■

THE 10 GREATEST NON-MARKET TRADES OF ALL TIME



SWING TRADE: The Yankee pitchers and their ladies in 1972

exchanged Henry Wallace for Harry Truman. FDR died in April 1945, and Truman became one of the greatest presidents.

WIFE SWAPPING

IN 1972, New York Yankee pitchers Fritz Peterson and Mike Kekich were coming off tepid campaigns. But that summer each hurler had found new love — with the other's wife. On moving day, they swapped not just wives, but children, homes, even pets. Mike and Marilyn soon called it quits, but Fritz and Susanne remain married.

MANHATTAN TRANSFER

MAYBE THE BAND of Canarsee Indians had been hitting the peace pipe too hard, but in May 1626, did they ever cave. Dutch trader Peter Minuit took Manhattan in exchange for a trove of goods worth 60 Dutch guilders — about \$700 today.

BRUINS BOON

IN 1967, **BRUINS** GM Milt Schmidt dealt Gilles Marotte, Pit Martin and Jack Norris to the Blackhawks for Phil Esposito, Ken Hodge and Fred Stanfield. The latter trio led Boston to two Stanley Cups, in 1970 and 1972.

FRENCH FRY

IN 1803, Thomas Jefferson sent James Monroe to Paris to see if Napoleon would sell New Orleans and Florida. The French traded away a quarter of today's continental U.S. in exchange for around three cents an acre.

DEALING A DYNASTY

VIKINGS GM Mike Lynn acquired Herschel Walker from the Cowboys in 1989 for five players and seven draft picks. Those picks forged the nucleus of a Cowboys dynasty, while Walker was less than super.

TAPPING TRUMAN

GEARING UP FOR a fourth term in 1944, Franklin D. Roosevelt needed a vice president who could play in the South — so he

RYAN FOR FREGOSI

SURELY MET FANS will always wonder why the team sent Nolan Ryan to the Angels in 1971 for Jim Fregosi. All Ryan did after the deal was strike out 5,221 batters and toss seven no-hitters.

SITCOM STEAL

WHO WOULD YOU rather have as your landlord — Stanley Roper or leisure-suit-clad ladies' man Ralph Furley? Producers of the '70s sitcom *Three's Company* traded up extravagantly when they replaced Roper (Norman Fell) with Don Knotts as Furley. (Fell's spin-off, *The Ropers*, was quickly canceled.)

CARTIER'S GEM

IN 1917, **PIERRE CARTIER** had his sights set on a new headquarters. Meanwhile, the wife of tycoon Morton Plant had her sights set on a pearl necklace Cartier crafted. Cartier offered Morton Plant an even trade — his Fifth Avenue mansion for the necklace, valued at \$1 million. Plant accepted. Considering the fact that Mrs. Plant's necklace sold at auction in 1957 for a mere \$151,000 (pearls had become less scarce), Cartier crushed.

RINGO FOR BEST

IN AUGUST 1962, the Beatles booted drummer Pete Best and snagged Ringo Starr, whose quirky sense of humor proved a better fit with the band. Beatlemania took off six months later.