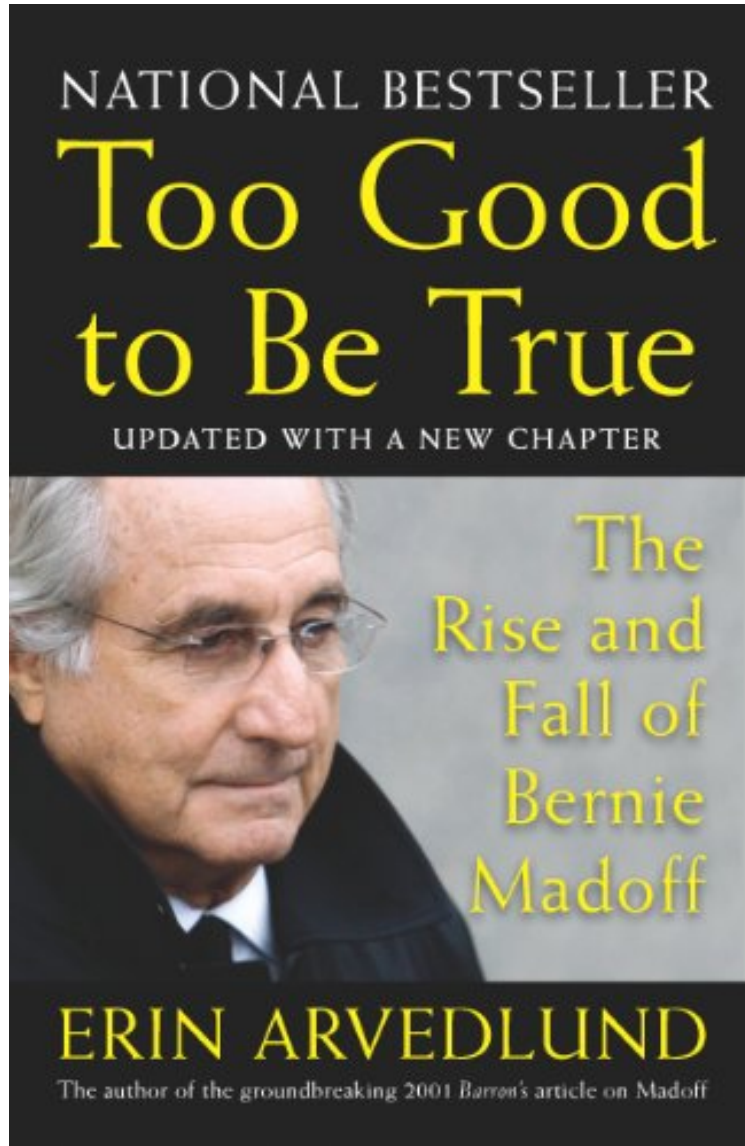


(Read now) Too Good to Be True: The Rise and Fall of Bernie Madoff

Too Good to Be True: The Rise and Fall of Bernie Madoff

Erin Arvedlund

*audiobook / *ebooks / Download PDF / ePub / DOC*



DOWNLOAD



READ ONLINE

#588495 in eBooks 2009-07-31 2009-08-11 File Name: B002JPGQ1Q | File size: 69.Mb

Erin Arvedlund : Too Good to Be True: The Rise and Fall of Bernie Madoff before purchasing it in order to gauge whether or not it would be worth my time, and all praised Too Good to Be True: The Rise and Fall of Bernie Madoff:

6 of 6 people found the following review helpful. A wealth of information, excellent analysis, poor organization
By Roger J. Buffington
Erin Arvedlund really knows her subject matter in this analytical piece dealing with the Bernard Madoff scandal. Arvedlund was one of the few who at least wrote a cautionary article about the Madoff hedge fund (if that is what one should call it) before Madoff was exposed. I have read four books on the Madoff scandal thus far. This one does the best job explaining Madoff's place in the financial world during the late 1980s through 2008. Given

his apparently pivotal role in founding the NASDAQ and computerized trading in general, I could at least catch a glimmering of understanding as to how the SEC may have been overly deferential to Madoff, ignoring the many alarm bells that were ringing. (By saying this I by no means intend to excuse the SEC for its astounding negligence in this regard.) Unfortunately, this piece suffers from poor editing and chaotic organization. There is no rhyme or reason that I could discern between the ordering of the chapters or even the topics presented in each chapter. While each chapter is interesting and quite readable, this piece is not organized by either topic or chronologically. It appears to have been rushed to print once the scandal broke. I enjoyed this book, and Arvedlund really knows her topic. But it does suffer from remarkably bad organization. RJB. 1 of 1 people found the following review helpful. Need to take Stock Market 101 First Before Reading Book By bookworm If you have knowledge of the stock market and stocks, this is a good book to read. Since I know nothing about how the stock market works, I admit some of this book was a tough read and I skipped through some of the chapters. I had watched the movie with Richard Dreyfus about Bernie Madoff, and if I hadn't of watched the movie I wouldn't have been able to read the book. 2 of 3 people found the following review helpful. Excellent expose of Madoff By Artepheus (.I had not followed the Madoff Ponzi scheme story that closely. I bought the book to learn more about the details of the scheme. I also heard the author interviewed on the Bob Brinker radio show, where she said she thought something was wrong with Madoff's too steady of returns back in 2001, but she could not prove it at the time. One thing that surprised me was that if Madoff had just stuck with his brokerage business (and not done financial advising), he could have retired as a wealthy man. His sons could have taken over the brokerage business, he would go down in history as an industry innovator with his work helping to get the NASDAQ electronic trading system created. Instead, he created the financial advising business as a Ponzi scheme, initially using profits from the brokererage business to pay off early investors with big returns. Because he did the Ponzi scheme, he is reviled as a thief, gets 150 year prison sentence, and not even one single person showed up as a positive character witness at his trial. My guess is that greed and/or over-confidence in his abilities caused him to add the financial advising business to his brokerage business. The secret to Madoff's Ponzi scheme running for decades without detection seems to have been caused by a couple of factors. He told investor's to not tell other people about the scheme. He got people to think it was an exceptional priviledge to be a Madoff investor....and he focused on a particular segment of people (Jewish). The fact he held the investor's money versus a separate custodian also allowed the scheme to live a long life. The fact the SEC was asleep at the wheel the whole time also allowed the scheme. There are many similarities to Madoff and the Sub-prime fiasco. In the sub-prime fiasco, a long chain of people (real estate agents, mortgage brokers, wall street securitizing firms, institutional investors buying mortgage securities, and rating agencies) profited from sub-prime mortgages....and only the homeowner who could not make the payments suffered initially. With Madoff, the people feeding the money into him all got a generous cut of the money. In both cases, the regulators were asleep at the wheel. Another thing I didn't fully appreciate was that the SEC is made up of lawyers, and not people trained in finance or securities. When the SEC was first created, Joseph Kennedy was picked to run it under the theory you needed a person familiar with wall street to catch the crooks. Nothing against lawyers practicing law, but sometimes you need a "fox to catch the other foxes trying to raid the henhouse". And when you hire employees for an entity called the Securities and Exchange Commission...you would think most of the employees you hire would know something about "Securities". Some obvious steps to prevent these large Ponzi schemes in the future would be:- Add some regulation of hedge funds-New laws prohibiting financial advisor from holding the money, independent custodian is required-Add some experienced finance people to the SEC-Investors who need to realize that if it sounds too good to be true (10-12% returns with never a down year), it probably is too good to be true. The US stock market has a historical return of about 10%, but a standard deviation of about 20%. This means that in any given year, the returns from that year can vary anywhere from -50% (average of 10% minus 3 standard deviations[3x20%] to a positive 70%. Any investment strategy utilizing stocks is going to have some negative returns some years and some very positive returns other years....not a steady 10-12% every single year.-Investors who don't put all their eggs into one basket Ponzi schemes have continue to exist as the first one by Charles Ponzi back in 1920. Since they rely on people's natural greed for high returns, they will probably never be completely eliminated. All-in-all, an excellent expose of Madoff's Ponzi scheme.

The untold story of the Madoff scandal, by one of the first journalists to question his investment practices Despite all the headlines about Bernard Madoff, he is still shrouded in mystery. How did he fool so many smart investors for so long? Who among his family and employees knew the truth? The person best qualified to answer these questions is Erin Arvedlund. In early 2001, she was suspicious of the amazing returns of Madoff's hedge fund. Her subsequent article in Barron's could have prevented a lot of misery, had the SEC followed up. Arvedlund presents a sweeping narrative of Madoff's career-from his youth in Queens, New York, to his early days working for his fathershy;in- law, and finally to infamy as the world's most notorious swindler. Readers will be fascinated by Arvedlund's portrayal of

Madoff, his empire, and all those who never considered that he might be too good to be true.