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Jesse  
**LIVERMORE**

**WORLD'S  
GREATEST  
STOCK  
TRADER**

*Richard Smitten*



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*This book is dedicated to my father, Louis Smitten.  
Without him there would be no book. He is a  
man who has done close to the impossible: He has  
balanced worldly success with spiritual success.*



*In 1923, seven men who had made it to the top of the financial success pyramid met together at the Edgewater Hotel in Chicago. Collectively, they controlled more wealth than the entire United States Treasury, and for years the media had held them up as examples of success.*

*Who were they? Charles Schwab, president of the world's largest steel company, Arthur Cutten, the greatest wheat speculator of his day, Richard Whitney, president of the New York Stock Exchange, Albert Fall, a member of the President's Cabinet, Jesse Livermore, the greatest bear on Wall Street, Leon Fraser, president of the International Bank of Settlement, and Ivan Kruegger, the head of the world's largest monopoly.*

*What happened to them? Schwab and Cutten both died broke; Whitney spent years of his life in Sing Sing penitentiary; Fall also spent years in prison, but was released so he could die at home; and the others Livermore, Fraser, and Kruegger, committed suicide.*

*Donald McCulloch,*

*Waking from the American Dream*

*The steps of a short sale are defined as a sale of stock you don't own, in anticipation of a drop in price. Stock is borrowed from your broker for delivery to the purchaser. Later, stock is purchased in the open market and returned to the broker to complete the transaction. In other words, the stock is sold first then bought later, hopefully at a lower price. This is the reverse of a normal buy-first, sell-later transaction.*

*Louis Smitten, speculator*



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# Preface

*There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success than to take the lead in the introduction of a new order of things.*

Niccolo Machiavelli

WHEN I WAS 13, MY FATHER TOLD ME ABOUT THE GREATEST stock trader who ever lived, Jesse Livermore. I sat and listened as my father informed me that Livermore had set a new standard for the trading of stocks. Fascinated, I began reading about Livermore before I was 14.

I did not know that 40 years later Livermore and I would have a date with destiny—or that I would devote more than a year of my life to investigating his life. I did not know that I would ultimately get to know him as well as anyone ever did get to know him.

Livermore was a person of great secrecy, mystery, and silence. He strove to control his emotions and thereby overcome the human frailty of passions that we all suffer from. Above all, he wanted to beat the game, solve the puzzle, best the stock market.

Many readers will be familiar with Jesse Livermore under the name Larry Livingston, from the best-selling book *Reminiscences of a Stock Operator* by Edwin LeFevre, a financial journalist. First published in 1923, *Reminiscences of a Stock Operator* is the fictionalized biography of Livermore. There is no question that *Reminiscences* is one of the best financial books ever written. Generations of traders, investors, and market watchers have turned to it for insight

into the strategies of a great trader and for understanding of crowd psychology and market timing.

After reading *Reminiscences* and Livermore's own book, *How to Trade in Stocks*, I realized that there was a lot more to Livermore's story. The published record revealed almost nothing about the real Jesse Livermore. I embarked on a two-year journey that would take me into Livermore's world—both professional and personal. I was able to interview Paul Livermore, Jesse's surviving son, who spoke for the record for the first time about his father. I also spoke to Patricia Livermore, the wife of Jesse Livermore Junior and close confidant of Dorothy Livermore, Livermore's second wife and the mother of his two children.

Just like the famous financier J.P. Morgan, Livermore suffered from great bouts of depression throughout his life. In the period he lived there were no remedies for this condition, and finally, in 1940, he ended his life by his own hand.

Livermore was quiet and secretive, yet lived a very opulent and exciting life, moving in the highest social circles. He was personally blamed for the great crash of 1929, and received numerous death and kidnapping threats. He married a beautiful Ziegfeld Follies showgirl and fathered two children, one of whom would eventually be shot by his own mother.

This book is a complete biography of Jesse Livermore, the man and the trader. It chronicles his life in fine detail and also reveals many new aspects of his groundbreaking trading techniques, which were revolutionary then and which remain revolutionary today.

There are four simple themes to this book.

First, human nature never changes. Therefore, the stock market never changes. Only the faces, the pockets, the suckers and the manipulators, the wars, the disasters, and the technologies change. The market itself never changes. How can it? Human nature never

changes, and human nature runs the market—not reason, not economics, and certainly not logic. It is our human emotions that drive the market, as they do most other things on this planet.

Second, the achievement of material goals and career ambitions does not equal the achievement of happiness in life. There is no correlation between success and happiness. There is no automatic balance between worldly riches and emotional fulfillment.

Third, it is our *will* that allows each of us to accomplish our goals, not our intellect. Talent is not enough. Luck is not enough. Only the will to suffer hard work and incredible persistence leads to the attainment of the impossible. There are no shortcuts; there is no easy way. Especially, as you'll find out, in the stock market.

Finally, it is the individual, not the group, that has led to the great discoveries of humanity. The great ideas, the great fortunes, and the giant steps forward in technology, politics, and medicine have all come from individuals, not groups.

There are many ways to play the market, hundreds of theories, techniques, systems, and strategies. This book covers Livermore's approach. It reveals for the first time in one volume his secrets on how to successfully speculate and make money. A great deal of the research conducted on Livermore's life was based on interviews with his family, personal papers, newspaper accounts, and Livermore's own writings. Some poetic license was taken in recreating dialogue to paint a more vibrant picture of Jesse Livermore, the man, and his times. In certain parts of the book I have replicated conversations as they were told to me by family members.

And I think you will agree, after reading this book, that there never was another stock market speculator like Jesse Livermore.



# Acknowledgments

Special thanks to Paul Livermore for his kind cooperation in going back in time in such great detail to revisit a sometimes painful past and to Paul's beautiful wife, Ann, who was so gracious with her time.

Thanks to Patricia Livermore, who also had to travel back to the years she was married to Jesse Livermore Jr. and relive so much heartbreak, tragedy, and sorrow.

Special thanks to my father for introducing me to the Livermore story when I was a young man and for his brilliant technical assistance and editing of the book. Also thanks must go to my fabulous daughter, Kelley Smitten, for her constant support and help in editing this book.

I also must thank Ed Dobson at Trader's Press for his great encouragement during preparation of the original edition of this book. Ed shares with me, and many other people, an endless fascination with Livermore's life and times.

Thanks to Debi Murray of the Historical Society of Palm Beach County for guiding me through the society's precious archives and letting me have a glimpse into Palm Beach life at the turn of the last century.

Finally, thanks to Jesse Livermore for trying to do the impossible—beat the game and master the stock market.



## The Great Bear of Wall Street

*Chaos is come again.*

Shakespeare, *Othello*

*Early on the morning of Tuesday, October 29th, the canyons of Wall Street were thronged with thousands of excited thrill-seekers who had come to witness the anticipated carnage. Policemen on horseback and detectives in uniform attempted to keep the mob clear of the entrance to the New York Stock Exchange, but it was no use; every time they succeeded in opening a pathway, the jostling crowd immediately closed ranks again.*

*Inside, on the floor of the exchange, one could actually feel the tension and fear in the air as the hands of the clock crawled toward 10:00 and the opening gong. Less than a week earlier on Black Thursday, the stock market had suffered the most disastrous decline in its history, and the staggering plunge of prices on the following Monday afternoon had only increased the prevailing sense of panic.*

*In broker's rooms across the country, investors visited nervously and coughed and shifted their feet as they stood and stared in hypnotic fascination at the silent stock ticker, the mechanical courier that would soon deliver, with cold indifference, a verdict of survival or—more likely—utter ruin.*

William Klingaman, 1929: *The Year of the Great Crash*

ON THAT SAME MORNING, AT EXACTLY 7:20, NOT 7:19 OR 7:21, Jesse Livermore stood at the massive entrance to his 29-room mansion in King's Point, Long Island, waiting to see the flying-maiden hood ornament on his black Rolls-Royce. The chauffeur knew the drill, he had to enter the driveway at seven twenty. Jesse Livermore was a precise man.

A light gray fog wafted in from Long Island Sound. It accentuated the cold air, the change of seasons, and added an ominous feel to the air. As usual, the car rolled down the long circular drive at precisely 7:20 and stopped in front of Livermore. He nodded silently to the chauffeur, opened his own door, and slipped into the back seat, the newspapers folded under his arm. He placed them on the leather seats as he did every morning: the *New York Times*, the *London Times*, the *Wall Street Journal*. He glanced at the headlines again; they were basically all the same—"Stock Markets Plummet Throughout the World."

As the car made its way down the driveway, Livermore clicked on his reading lamp and pulled the side-window curtains closed. He wanted to study the newspapers in dark silence. There were no surprises in these newspapers for him. In fact, he had been waiting for these very headlines for almost a year now. He had planned carefully for this day, and he had been patient.

When the car crossed into Manhattan, the driver did not drop the window between them. Instead, he used the microphone. "Mr. Livermore, we've passed into Manhattan. You asked me to tell you."

Livermore pushed open the thick black curtain and let the light of the sun stream into the darkness of the back of the limo. He thought about telling the chauffeur to drive down to Wall Street so he could see, could feel, the atmosphere in the Wall Street canyons.

But that might somehow affect the way he played it from here on out, affect his emotions, his objectivity. Was this the bottom? Was it just a pause in a steep decline? Would confidence in the market return and stop the free fall? Should he cover his short positions? His fortune would rest on the answers to these questions, and he had long ago realized that it was what people actually did in the stock market that counted—not what they said they were going to do.

Some people might want to see the human chaos, feel the desperate financial pandemonium that occurred when the fear-devil rose up and conquered the greed-god that had appeared so strong and indestructible—but not Livermore; he wanted to stay untouched by these human reactions. He would be able to see everything clearly soon enough. He would listen to the quiet clicking verdict of the stock tickers in his office suite when the market opened for trading.

He slid the black curtain back across the window and began to study the newspapers again in the darkness. He spoke without looking up. “Harry, we’ll go straight to the office.”

Before the automated traffic-light system was installed, a New York City police officer would sit in a booth and operate the lights. When the Livermore limousine approached, this officer would make sure the light was green so Livermore would have no interruptions on his journey from King’s Point to his office in Manhattan.

Once a week, Harry the chauffeur would retrace the route, stopping at each traffic-light booth. There he would pass out a cash gratuity to the police officer in charge for the officer’s kind consideration in making sure the financier always had a green light when he passed. Livermore was a person who demanded precision.

Livermore exited his car at 730 Fifth Avenue, the Hecksher

Building. He stepped into the private express elevator that stopped on the eighteenth floor, the penthouse. Livermore demanded a straight shot to his office. He chose not to speak with anyone, if he could avoid it.

There was no name on the door of Livermore's office suite. He opened it with his key and entered the small waiting room, an anteroom where Harry Edgar Dache sat during office hours. It was difficult to get past Dache, who stood 6 foot 6, weighed 275 pounds, and was considered by the press to be pug-ugly as well as not very friendly.

At this hour, however, the office suite was empty. Livermore was always first. He opened the second door with a special key kept in a safe. Only he and Dache had the combination. Dache even supervised the cleaning people when they cleaned Livermore's offices. Many considered them the most palatial in New York City, with hand-carved arches, custom bookshelves, and walls paneled in beautiful mahogany and carved oak. Livermore had first seen this paneling in the library of an old English manor house. He had paid to have the paneling dismantled and shipped to New York, where it was reassembled in his offices.

The office suite itself consisted of an anteroom; the trading room with its green chalkboard that covered the entire wall, along with the walkway for the board men; the conference room; and finally Livermore's huge private office. The chalkboard was visible from all the rooms.

Livermore usually employed a staff of seven, six board men plus Dache. The primary job of his employees was to post stock quotes on the green chalkboards that stretched the length of the office area. Dache oversaw all activities in the office and did whatever else he was asked. The board men were sworn to secrecy and paid well. The rule in the offices was no talking during market hours. Livermore

wanted no distractions while the market was open. The quotes had to be posted immediately and accurately; millions were riding.

There were several ticker-tape machines in each room. The snaking tape was like the blood that flowed through his veins. It was life itself. He was never out of arm's reach of a stock ticker. There were tickers in the main rooms of all his homes: Lake Placid, Long Island, the Manhattan apartment, the suite of rooms in the Breakers Hotel in Palm Beach, even on his 300-foot yacht.

Livermore read the numerous *New York Times* articles that he had saved from the recent editions. All the papers blamed him for the calamitous crash, personally blamed him for initiating the decline—the precipitous free fall which now seemed to have no bottom. But he believed that business—in his case, the stock market—was like war. In war, you died if you made a mistake; in the stock market, if you made a mistake, you could go broke very fast. One could die, financially, in a heartbeat.

Livermore was a serious person, and on this day he planned to do some serious business. He was impeccably dressed, as he was every day, in a handmade suit from Saville Row in London. His shirts were the latest style, made of the finest Egyptian cotton, monogrammed on the cuff. His suit hung perfectly from his slim frame, his silk tie subtly striped to blend in with it. His blond hair was combed back, parted on the left side. He used pince-nez glasses, which were perched on his nose. He wore a vest with a gold chain that spanned the pockets. On one end of the chain hung a thin gold pencil, on the other, a small golden penknife. He often fidgeted with the pen or the knife, spinning one or the other, while he was talking.

He was the most famous bear on Wall Street, a trader who was as likely to sell short as to buy long. He didn't care; he knew that stocks went down as often as they went up—but when they

declined, they did it twice as fast as when they went up, and that was what was going on today.

He had a line out at the present time of over a million shares, well over \$100 million. It had been placed months ago, slowly, secretly, and silently, using more than 100 stockbrokers, so nobody could tell what he was doing. He was short the market—he had sold stock that he would later supply, at a much lower price. He was living up to his reputation as the Great Bear of Wall Street.

Today, he was like a lone wolf stalking the arctic tundra, looking for prey—and looking out for other predators that might kill him. There were plenty of Wall Street players he knew who could do just that—end his financial life with one deadly, hammering blow.

He picked up one of the *New York Times* articles he had saved from October 20, and read the headline: “Stocks Driven Down in Wave of Selling.” He was careful not to gloat. There was no one who knew better than Livermore how fast things could change in the stock market. He read on:

In the two hours in which trading was limited on the New York Stock Exchange active issues passed through one of the wildest breaks in history. Final quotations revealed net losses ranging from 5 to 20 points and the aggregate depreciation in open market values was estimated at \$1,000,000,000 (one billion) or more.

The total turnover was 3,488,100 shares which represented the second heaviest volume for a Saturday since the Stock Exchange was established. During the first half hour trading took place at a rate of more than 8,500,000 shares for a full five-hour day. The stock market community did not know until an hour and twenty-three minutes after the 12 o'clock closing gong what the final prices were, so late was the overburdened ticker.

### PIVOTAL STOCKS HIT

One of the stories which gained wide circulation wherever stock market tickers clicked yesterday was that Jesse L. Livermore, formerly one of the country's biggest speculators, is the leader of the bear clique that has been hammering away at the market for weeks, and that the particular weakness which developed in high priced and pivotal stocks was to be attributed, in part at least, to his activities.

Arthur W. Cutten of Chicago, the recognized leader of the bull party, watched the ticker from his hotel in Atlantic City yesterday and told close friends that nothing has developed to change his opinion about the market—that good stocks would eventually sell higher.

Reports of a struggle between Livermore and Cutten for stock market supremacy, which have circulated widely in Wall Street for the last three or four days, were discredited. Livermore is presumed to be heavily short of leading stocks and Cutten heavily long of the same group of issues. The ascendancy of Livermore to the position he once held as the country's leading market operator on the bear side, after several years of eclipse, is one of the most interesting developments in the market.

The short selling which it was generally agreed was the principal factor in today's decline, served to induce further liquidation of stocks and the cumulative effect was reflected in a demoralized market in certain issues. It was plain that the market was receiving no organized support. Stocks which ordinarily have powerful backing were allowed to shift for themselves.

With stocks driving higher during the last few months following each downward reaction, the situation was ready made for Livermore. The Street stories are that he went short

of a large line of issues such as: United States Steel, Montgomery Ward, Simmons Co., General Electric, American and Foreign Power and half a dozen other of the market's pivotal issues. He then initiated his familiar hammering tactics under which the market first faltered, then broke.

Cutten, the Fishers, Durant and others of the group known in Wall Street as the "Big Ten" were large holders of these particular stocks and have seen their plans and pools wrecked by what were natural economic developments, coupled with much shrewd short selling.

One of the tales started and circulated in the financial district yesterday, was that Livermore had the backing in a bear campaign of Walter P. Chrysler, who was said to be piqued because he suspected that the Chicago-Detroit group had hammered at Chrysler motors in the market, driving it down below 55 from its high of 135 this year.

The outstanding bear leader appears to be Livermore, who has regained a tremendous fortune through adroit short selling and who, temporarily at least, is regarded as being exactly "right" on this market. Cutten, who started as a grain trader, has amassed an estimated \$100 million or more in the stock market during the last three years of bull markets. Cutten is the leader of the bull faction and is temporarily at least regarded as "wrong" on the market.

Mr. Cutten was in New York and watched the market from the office of the head of the stock exchange. His expressed opinion to friends is that much of the selling had been hysterical, and that he believes good stocks should be held for higher prices. He has not changed his formerly stated position about the long distance outlook. Neither has he made any statement about the market for publication. Naturally they have nothing to say about their market

positions at the moment or what they have been doing in recent days.

The *Times* article had more to tell:

Jesse L. Livermore, who has been in eclipse, so far as stock market operations are concerned, for several years, has made a smashing comeback, if Wall Street reports are true. The comeback of Mr. Livermore as one of the foremost market players is another Wall Street wonder. As a boy he was a board marker in Boston brokerage houses where he developed such skill at tape reading that, despite limited capital he was barred from every bucket shop in Boston and New York. This gave him the nickname that has stuck to him through later years of the "Boy Plunger."

Coming to New York and playing the markets skilfully after long series of ups and downs he struck an extended winning streak and made a fortune of many millions. It is reported that in the current bull market he decided that stocks were too high and guessed wrong. The continued advances of such issues as General Motors, Steel, General Electric and others is said to have taken back a large part of his fortune. He was short of them all and covered time and time again. It was reported in the financial district that he was down to his large irrevocable annuities, of which he has several for himself and his family, acquired during years of earlier prosperity.

Arthur Cutten, Livermore's rival, might be mistaken for a country storekeeper. He cares nothing for conventions, appearances or customs. Shy, quiet and unassuming, he has many times sat back in the corner of a Pullman smoking room and heard casual travelers discussing his stock market

feats without disclosing his identity. When not attending to his businesses, he is a gentleman farmer on his estate near Chicago.

On the other hand, Livermore is the fastidious, well-dressed man of the city. Slight and blond, and he wears his dark clothes well, rides in Rolls-Royce cars, maintains a retinue of servants, half a dozen places of residence and probably the most luxurious offices in New York located atop the Hecksher Building.

Temperamentally, the two are entirely unlike. Cutten is calm, slow of speech and not at all impetuous. Livermore is quick, nervous and excitable, given to superstitions, but willing to bet his last nickel if he thinks he is right. Livermore has been down not once, but half a dozen times. Cutten at least in the last years, has typified the bull market.

The markets of the next month or so are likely to prove wildly exciting affairs, because of the direct pull and haul against each other of a wide variety of economic factors, all of them powerful. It is now pretty certain that when stocks go up, Mr. Cutten will be there helping them along. It is equally certain that when they decline, Mr. Livermore will be in the market hammering away. There is however no personal battle between them.

“Humph, it’s never personal!” uttered Livermore, as he finished the article and placed it on his desk. He and Cutten had often been trading adversaries for years now, ever since they had been young men buying and selling commodities in the Chicago grain pits.

The phone rang, and Livermore signaled to his assistant Dache, who had just arrived, that he would answer.

“Hello.”

“This Jesse Livermore?”

“Speaking.”

“You bastard, Livermore. This is your doing and you are going to pay. I’m broke thanks to you. No, I’m more than broke. I owe my broker thousands of dollars of margin money, but I still got my gun. I’m headed down there to blow your brains out. Next time you answer your door I’ll be standing there and the next thing you know you’ll be walking through the gates of hell, which is where you deserve to be you . . .”

Livermore slammed the phone down. It all sprang from these articles, picked up by every paper in the United States, blaming him for the crash. But it wasn’t him. He wasn’t that powerful; no one was, not even the men from the great House of Morgan. But that wouldn’t stop the public from thinking he had triggered the crash and was driving it down by selling, selling, selling. He had called the *Times* and given them an interview explaining that he was not to blame, but it had not worked. No matter what, it seemed people wanted to blame him, maybe just so they could have someone to call on the phone and threaten. He reread the headline of the interview he had given that appeared in the October 22, 1929 edition of the *Times*: “Livermore Not in Bear Pool.” He read on:

Jesse L. Livermore, who has been widely reported in Wall Street to have been heavily short of the market on the present break, and to be the leader of a bear pool, denied yesterday any connection with such a pool.

Mr. Livermore’s statement, issued from his offices at 730 Fifth Avenue, follows:

“In connection with the various reports, which have been industriously spread during the last few days through the newspapers and various brokerage houses, to the effect that a large bear pool has been formed, headed by myself and

financed by various well known capitalists; I wish to state that there is no truth whatever in any such rumors as far as I'm concerned, and I know of no such combination having been formed by others.

"What little business I do in the stock market has only been as an individual and will continue to be done on such a basis.

"It is very foolish to think that any individual or combination of individuals could artificially bring about a decline in the stock market in a country so large and so prosperous as the United States. What has happened during the last few weeks is the inevitable result of a long period of continuous, rank manipulation of many stock issues causing their prices to rise many times above their actual worth, based on real earnings and yield returns.

"The men who are responsible for bringing about these fictitious prices are the same men who are directly responsible for what is happening in the stock market today. It is unfortunate for the general public when such a condition arises that real sound investment issues have to suffer along with the readjustment of issues of least merit.

"If anyone will take the trouble to analyze the selling prices of different stocks, as for instance, United States Steel, which is selling around eight to ten times its current earnings, many other issues must look, and have looked for a long time, as selling at ridiculously high prices.

"The Federal Reserve Board through its various warnings and many expressions from very high banking authorities could not stop the market from going up, so it must be plain and seem utterly ridiculous for any sane person to presume that one lone individual could have any material effect on the course of the prices of securities."

“Fools,” Livermore mumbled on finishing the interview. “Fools, to think I could have brought an entire market to its knees. Impossible!”

Perhaps he was part of the trigger mechanism, but it was a pregnant situation. Wild speculation always brought the market to its knees. He had been trading for 35 years, since he was 14 years old. He had made and lost millions of dollars. In 1929, he was at the height of his power, and he knew this was another moment of euphoria.

Livermore pondered the situation carefully. The threatening phone calls had shaken him. He was well aware of the deep psychological wounds that a loss in financial fortune could cause. He had been through it himself many times in his career. He would have to make another statement, and quickly—his family could also be in jeopardy. They had been threatened before.

He waited quietly by the stock ticker that sat on top of his massive desk. The mahogany desk was clean except for the brass-based ticker, a single pad of paper, a pencil, and a matching pair of mahogany in- and out-boxes.

By now, the office was fully staffed. Six markers were up on the boards, wearing alpaca jackets so they would not smear the chalk symbols. Each board marker wore earphones and had a mouthpiece. They were connected directly to the floor of the New York Stock Exchange. Each had a domain of stocks or commodities to administer. The ticker began to click, spitting out a strip of paper like a white snakeskin with perforated scales—the symbols of most of the companies in the United States. These stock symbols represented much of the wealth of the country.

For Livermore, reading the ticker tape was like reading the newspaper. He knew all the symbols by heart, and he had an exceptional mathematical brain that could remember all the quotes, just as a good bridge player can remember all the cards that

have been played. To be doubly sure, he watched his board crew as the markers began to move under Dache's supervision, filling the length of the chalkboard with trades. Today, he paid particular attention to his stock holdings. Livermore could look up at the board and instantly calculate to the dollar where his overall portfolio stood. There was silence in the office aside from the sounds of the tickers and the chalk on the boards. There was always silence in the Livermore trading room when the market was open. There was no need for idle chatter when the market was open, and all the board men knew it.

Today Livermore's total profits plus equity were pushing \$100 million. This did not change his expression. The main office phone rang again. He motioned for Dache not to answer the call. He did not want to be bothered by another threatening call now that the market was open. The calls broke his concentration; he had nothing to say to anyone, and he did not want to hear from anyone. With the market open he was like a wolf on the prowl. He could only concentrate on what he was doing. Every 1 percent move, up or down, in his portfolio meant he made or lost \$1 million.

The slightest loss of attention could cost him millions of dollars. It was exactly the way he loved to trade—every fiber of his being was alive. Nothing else existed but the tape. The tape would tell him everything if he was smart enough to read it, find the hidden clues, and act on them. He was fighting the two great emotions of the stock market: fear and greed. He had a huge bet on the table.

That night he went home to King's Point and found his wife, Dorothy, and two sons, Paul and Jesse Jr., gone. The paintings had been taken down, some of the Persian rugs were gone, and the silver had disappeared. He went up to the safe on the second floor where Dorothy kept her jewels—a fabulous collection, mostly from Harry Winston and Van Cleef and Arpels. All gone.

He went into the kitchen and found the four cooks and two butlers working, preparing dinner for the family.

“Where are Mrs. Livermore and the boys?” he asked.

“They have moved into the chauffeurs’ apartments sir,” the main butler answered. “We have all heard about the great crash. We are very sorry, Mr. Livermore.”

Livermore stared at them for a few seconds, expressionless, and walked to the apartments above the car stables. There were two chauffeurs, one for Dorothy, or “Mousie,” as he called her, and one for himself, or “J.L.,” as he liked to be called. The car stables were attached to the great stone mansion. He walked into the living room of the apartment, stepping over the rolled-up carpets and around the priceless works of art and antique furniture. Dorothy sat on the couch with the two boys. They were fully dressed in their best clothes.

“Mousie, what’s going on? What are you doing?”

“We heard. I’m very sorry, J.L.,” she replied.

“What are you talking about?”

“We heard that everybody has gone broke in the crash. It has been on the radio all day. Men jumping out of windows, shooting themselves in their offices, disappearing. Some of my girlfriends called. I’m so sorry, J.L.”

He looked at her. Long seconds passed. She was beautiful sitting there with the two handsome boys, one on each side, her jewelry in a special leather case next to her.

She was his opposite: effusive, full of life, funny, instinctive. A true social animal who was at her best in the middle of a crowd of people. She would blurt out whatever was on her mind. She was a great natural comedian, and the best part was that she did not make jokes on purpose. In fact, she was often confused as to why people were laughing.