Fed Governor Randall Krozner hinted that the Fed would not follow up with further rate cuts. FedEx and Starbucks moved lower on weaker guidance, while Cisco announced a $10 billion share buyback plan. Reports that Google was planning on bidding for the wireless spectrum at an upcoming F.C.C auction sent the company higher. All three indexes managed sub 1% gains, as Gold fell nearly $50 as traders continued to lock-in profits.

Thursday 11/15/07

All three indexes continued their decline. The Dow fell after General Electric reported its own losses from sub-prime. Merrill Lynch was upgraded by Credit Suisse, as it appointed NYSE EuroNext chief John Thain as CEO. Selling accelerated after a higher-than-expected rise in jobless claims. Oil fell on an increase in inventory, while gold fell sharply as the dollar rose.

Wednesday 11/14/07

The Producer Price Index inched higher while retail sales advanced. Fed fund futures dropped by 10%, putting the odds of a December rate cut at 70%. All three indexes slid lower with further write-down announcements from Bear Stearns and HSBC. Gold and Oil each rose 3%.

Tuesday 11/13/07

All three indexes rose sharply, with better-than-expected numbers from Wal-Mart and speculation that Apple was about to debut its iPhone in China. Vodafone shares spiked after it raised guidance, Bank of America warned of another $3 billion write-down, and Sirius radio continued its rise after talks of a possible merger surfaced. Crude rose 4%, while gold slid under $800.

Monday 11/12/07

The Dow dropped at the start of trading, but quickly reversed and vaulted to a triple-digit gain, only to end the day in negative territory, closing below the 13000 mark for the first time since August 16. E-trade financial fell sharply on a downgrade from Citigroup and bankruptcy rumors, while Hershey rose on merger speculation. Oil fell to its lowest level in a week, while gold tumb-

Questions or comments? E-mail us at: kwanchoo@cmu.edu or tcbouldin@andrew.cmu.edu

*To sign-up for our d-list and get the newsletter e-mailed to you each week, visit:
http://www.andrew.cmu.edu/user/uic
Gordon Gekko is a fictional corporate raider and star of the 1987 film *Wall Street*. He is the exemplary portrayal of the greed and excess on Wall Street during the 1980’s. He is loosely based on trader Ivan Boesky who gave a speech on greed at the University of California in 1986. Gekko is most notorious for his version of the “Greed is Good” speech (located to the right). Although the movie obviously portrayed Gekko as the villain, he ironically became an icon for generations of future investment bankers heading to Wall Street. The American Film Institute (AFI) ranked Gekko number 24 of the 50 top movie villains of all time.

Gekko’s appearance during the movie including the colorful suspenders, slicked-back hair, and the white-collar dress shirt not only typified the attire of bankers in the 80’s, but established new fashion trends. Forbes estimated his net worth to be $650 million making him the 14th richest fictional character. Gekko is set to return in the sequel to *Wall Street* titled *Money Never Sleeps*. Rumors are that he will be running a hedge fund based out of London. The movie is currently in the pre-production phase.

“Greed is Good”

“Well, I appreciate the opportunity you're giving me Mr. Cromwell as the single largest shareholder in Teldar Paper, to speak. Well, ladies and gentlemen we're not here to indulge in fantasy but in political and economic reality. America, America has become a second-rate power. Its trade deficit and its fiscal deficit are at nightmare proportions. Now, in the days of the free market when our country was a top industrial power, there was accountability to the stockholder. The Carnegies, the Mellons, the men that built this great industrial empire, made sure of it because it was their money at stake. Today, management has no stake in the company!

All together, these men sitting up here own less than three percent of the company. And where does Mr. Cromwell put his million-dollar salary? Not in Teldar stock; he owns less than one percent. You own the company. That's right, you, the stockholder. And you are all being royally screwed over by these, these bureaucrats, with their luncheons, their hunting and fishing trips, their corporate jets and golden parachutes.

Teldar Paper, Mr. Cromwell, Teldar Paper has 33 different vice presidents each earning over 200 thousand dollars a year. Now, I have spent the last two months analyzing what all these guys do, and I still can't figure it out. One thing I do know is that our paper company lost 110 million dollars last year, and I'll bet that half of that was spent in all the paperwork going back and forth between all these vice presidents. The new law of evolution in corporate America seems to be survival of the un-fittest.

Well, in my book you either do it right or you get eliminated. In the last seven deals that I've been involved with, there were 2.5 million stockholders who have made a pre-tax profit of 12 billion dollars. Thank you. I am not a destroyer of companies. I am a liberator of them! The point is, ladies and gentleman, that greed, for lack of a better word, is good. Greed is right, greed works. Greed clarifies, cuts through, and captures the essence of the evolutionary spirit. Greed, in all of its forms; greed for life, for money, for love, knowledge has marked the upward surge of mankind. And greed, you mark my words, will not only save Teldar Paper, but that other malfunctioning corporation called the USA. Thank you very much.”
**Problem:**
You are given a set of scales and 12 marbles. The scales are of the old balance variety. That is, a small dish hangs from each end of a rod that is balanced in the middle. The device enables you to conclude either that the contents of the dishes weigh the same or that the dish that falls lower has heavier contents than the other. The 12 marbles appear to be identical. In fact, 11 of them are identical, and one is of a different weight. Your task is to identify the unusual marble and discard it. You are allowed to use the scales **three times** if you wish, but no more. Note that the unusual marble may be heavier than the others, or it may be lighter. You are asked to both identify it and determine whether it is heavy or light.

**Rules:**
Contestants must email their answers to kwanchoo@cmu.edu by Friday. Names of those that correctly solve the puzzle will be posted in next week’s issue in the order in which they submitted. The first person to solve three puzzles will be rewarded with a $25 gift card to Starbucks.
1. **Wall Street**
   Bud Fox is an up-and-coming stockbroker who is taken under the wing of Gordon Gekko, the ruthless corporate raider who lives by the credo “Greed is Good”. Gekko teaches Fox the ins and outs of doing business, but after a while, Fox is hesitant to take part in some of the illegal and amoral activities that occur regularly on Wall Street.

2. **The Godfather**
   The quintessential film concerning *cosa nostra*. The workings of a post WWII New York mafia family are threatened when Don Vito Corleone finds his son Michael is reluctant to take over the family business. Matters are worsened when Vito refuses to be part of a drug operation with The Turk, resulting in an all-out mob war.

3. **Boiler Room**
   Seth Davis is a college dropout who ekes out a living managing an illegal casino. When he finds out about the lucrative jobs available at brokerage firms, he’s immediately intrigued and soon becomes a highly-paid broker at J.T. Marlin. But J.T. Marlin is a small firm, so Seth starts to wonder exactly how they get the money to pay such large salaries.

4. **Glengarry Glen Ross**
   The boss of a struggling real-estate business hopes to increase profits in the Chicago firm by having a contest among the firm’s four salesmen. The winner gets a brand new car, but, to stress that “there is no room for losers” in the business, 3rd and 4th place get fired.

5. **Casino**
   Although Ace Rothstein manages a Vegas casino owned by the mob, he still tries to live a legitimate life. Things get shaken up by the arrival of Sam’s old friend Nicky Santoro. Nicky is a made man who isn’t interested in playing by the rules, and his cavalier attitude threatens to mess up Sam’s lifestyle.

6. **Barbarians at the Gate**
   Based on the true story of the takeover of the RJR Nabisco tobacco company. F. Ross Johnson, the CEO of RJR Nabisco, decides to buy the company himself. A slew of other firms get wind of this and immediately make their own offers, resulting in a massive bidding war.

7. **The Pursuit of Happyness**
   Based on the unbelievable true story of Chris Gardner’s arduous journey to the top of the business world. Originally a down-on-his-luck salesman, Chris overcomes all odds to secure a training position at a prestigious brokerage firm and eventually become a multimillionaire.

8. **Goodfellas**
   A partially fictional biopic of Henry Hill, a small time gangster who, with the help of his friends, rises through the ranks of the mafia. As Henry and his friends rise up, so do the intensity of their crimes, from small robberies to violent murders.

9. **American Gangster**
   The story of Frank Lucas, a man whose determination and business skills enabled him to rise to the top of the drug industry and bring his family with him. Meanwhile, small-time cop Richie Roberts is hired to head an operation designed to bring Lucas down.

10. **Scarface**
    The rise and fall of Tony Montana. Tony immigrates to the U.S. from Cuba and makes a name for himself in the drug world, eventually running his own cocaine cartel. As he accumulates money and power, he also accumulates numerous enemies that threaten to destroy both him and his empire.

Honorable mentions: Citizen Kane, Blow, Trading Places, Rounders, Enron: The Smartest Guys in the Room