EDUCATION · RESEARCH · FACT-CHECKED

20 Legends: Why They Became Profitable

Sourced stories of famous traders and investors, their methods, their mistakes, and what you can learn. No hype.

LearnwithKrisu · English edition · For education only, not advice

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How to read this ebook

This ebook tells the stories of 20 well-known traders and investors: who they were, how they started, what their method was, where things went wrong, and what you can learn. There is no hype. At the end of every chapter a **Fact-check card** shows how solid each claim is.

Confirmed A claim backed by several sources or by records (dates, books, court or regulator records, contest press releases).

Reported / self-reported A claim that comes from a single source, an interview, a book or the trader's own statement. Read it as "probably right".

Disputed / unverified A claim people disagree on, or one we could not support. We do not present it as fact.

How we researched

The facts in each chapter come from Wikipedia articles and the references they cite (Forbes, New York Times, Wall Street Journal, Bloomberg, books). Where needed we also checked a contest press release (Minervini) and coverage of Berkshire's shareholder letter (Buffett). We did not read the books or primary documents line by line. That is why every chapter ends with its sources, so you can check for yourself. Where sources disagree, we say so.

Wealth, net worth and earnings figures are mostly estimates such as Forbes lists, not audited numbers. We include them only when needed and call them estimates.

Important: This ebook is for education only. It is not investment advice, a tip, or a suggestion to copy any trader. What someone did is no guarantee it will work for you. You can lose money trading. We are not a SEBI-registered adviser.

First, understand survivorship bias

These 20 names are famous because they are visible. The thousands who walked the same road and quietly lost and left have no books written about them. So do not read these stories as "adopt this method and you will reach the top too".

Large studies of retail traders, including regulator studies of derivatives traders in India, show that most individual traders lose money after costs, and only a small minority profit consistently. So the aim of this ebook is not "become rich like them" but "learn process from their mistakes and habits".

Notice also that several of the 20 were at the top in one era and fell later (Livermore, Dennis, Steinhardt in 1994, Paulson in 2011). Success is not permanent; process is what makes it last.

These 20 are not alike

Style	Who
Trend and system based	Seykota, Dennis, Darvas, Minervini, O'Neil
Macro (big economic picture)	Soros, Druckenmiller, Tudor Jones, Kovner, Dalio
Quant / models	Simons
Long-horizon investors	Buffett, Lynch, Jhunjhunwala, Damani
Short-term traders	Raschke, Livermore
Contrarian / special situations	Burry, Paulson, Steinhardt

So there is no single "magic method". What shows up again and again is rules, attention to risk, and learning from mistakes. Watch for where that becomes clear in the chapters ahead.

CHAPTER 1 OF 20

Jesse Livermore

1877 - 1940 · Trader (stocks, commodities) · US stocks and commodities

Jesse Livermore was born on 26 July 1877 in Shrewsbury, Massachusetts. At 14 he became a "board boy" at a Boston brokerage branch, posting stock prices on the board, and he kept watching how prices moved.

Reports say his first profit was about 3 dollars, on Chicago, Burlington and Quincy Railroad shares at a bucket shop. He then traded full time and reached New York in 1900.

His best-known trades are from 1906-07 and 1929. It is reported that he shorted Union Pacific before the San Francisco earthquake and profited from short positions in the Panic of 1907. In 1929 he again bet on a falling market, and the public blamed him.

WHAT THEY DID DIFFERENTLY

- He traded from price and market behaviour, what we now call technical analysis.
- He was willing to short a falling market when most people only bought.
- He wrote about how emotion affects trading, and his principles are still studied.

WHEN THINGS WENT WRONG OR ARE UNCLEAR

Livermore shows that making profits and keeping profits are different skills. Sources say he went bankrupt in 1908 and 1915 (the 1915 case is in the New York Times) and a third time in 1934, when he listed assets of 84,000 dollars and debts of 2.5 million. Leverage, large size, a divorce, lawsuits and the new SEC rules of 1934 are all mentioned. He died in New York on 28 November 1940; reports say that near the end he considered himself a failure.

YOUR TAKEAWAY

An edge is not enough. Without risk control and capital protection, even a correct big bet can be erased within a few years.

FACT-CHECK CARD

Confirmed Born 1877, died 28 Nov 1940.

Confirmed Started as a board boy at 14.

Confirmed His 1934 bankruptcy filing listed assets of 84,000 dollars and debts of 2.5 million.

Reported / self-reported About 250,000 dollars from the Union Pacific short (1906) and a large gain in the 1907 panic.

Disputed / unverified The "about 100 million dollar" 1929 profit: not properly verified.

Disputed / unverified Estimates of his total wealth: limited verification.

Disputed / unverified Edwin Lefevre's Reminiscences of a Stock Operator (1923) is semi-fictional. Read it as inspiration, not as a biography.

Sources: Edwin Lefevre, Reminiscences of a Stock Operator (1923); Smitten (2001); Rubython (2015); NYT, Henriques (2001); Time (9 Dec 1940); Wikipedia: Jesse Livermore (with its cited references)

CHAPTER 2 OF 20

George Soros

1930 onward · Global macro hedge fund manager · Currencies, bonds, stocks

George Soros was born on 12 August 1930 in Budapest. When Nazi Germany occupied Hungary in 1944 he was 13, and his family survived with false identity papers. He later studied philosophy at the London School of Economics (BSc 1951, MSc 1954).

His finance career began at Singer & Friedlander in London (1954), then several New York firms. In 1969 he set up the Double Eagle fund, Soros Fund Management followed in 1970, and Double Eagle was later renamed the Quantum Fund.

His most famous trade is Black Wednesday, 16 September 1992, when the UK left the ERM. By that day the fund had shorted more than 10 billion dollars of sterling. The profit estimate is over 1 billion dollars, but it is not an audited figure.

WHAT THEY DID DIFFERENTLY

- He holds a theory called reflexivity: prices are shaped not only by fundamentals but by participants' fallible beliefs, and the feedback loop can create boom and bust. That he profited from it is his own claim.
- The fund built a very large short in sterling before 16 September 1992.

WHEN THINGS WENT WRONG OR ARE UNCLEAR

In 1981 the fund lost about 22 percent and shrank after redemptions. In 2002 a French court convicted him of insider trading over a 1988 Societe Generale share purchase; the French Supreme Court upheld the conviction in 2006 but reduced the penalty, and in 2011 the European Court of Human Rights rejected his appeal 4-3. Soros has always denied wrongdoing.

YOUR TAKEAWAY

Big returns usually come with big ideas, big risk and many mistakes. The practical takeaway: write down your reasoning, and be ready to change when it is wrong.

FACT-CHECK CARD

Confirmed Born 1930; LSE BSc 1951 and MSc 1954.

Confirmed Quantum Fund roots in 1969-70.

Confirmed The 1992 sterling short is a fact; its exact profit is not.

Reported / self-reported Black Wednesday profit above 1 billion dollars (estimate).

Reported / self-reported The fund compounded above 20 percent a year (the fund's own account).

Disputed / unverified Predictive power of reflexivity: debated by economists.

Disputed / unverified The French insider trading case: Soros denies wrongdoing.

Sources: George Soros, The Alchemy of Finance (1987); New York Times (1992 interview); Forbes (2020 philanthropy); Wikipedia: George Soros (with its cited references)

CHAPTER 3 OF 20

Stanley Druckenmiller

1953 onward · Macro trader and fund manager · Stocks, currencies, bonds

Stanley Druckenmiller was born on 14 June 1953 in Pittsburgh. He took a BA in English and economics at Bowdoin College in 1975. He left an economics PhD at Michigan midway and became an oil analyst at Pittsburgh National Bank.

In 1981 he founded Duquesne Capital Management. From 1988 to 2000 he was lead portfolio manager of Soros's Quantum Fund, and he is credited with a role in the 1992 sterling trade.

He closed Duquesne in August 2010 with over 12 billion dollars in assets. The reported reasons were stress and emotional toll.

WHAT THEY DID DIFFERENTLY

- Top-down thinking: first the big economic picture (rates, currencies, liquidity), then positions.
- He holds long and short positions and uses leverage in futures and currencies, in a style similar to Soros.
- Reasoning behind the 1992 trade (per Wikipedia): the Bank of England had too few reserves to defend sterling and high interest rates were politically unsustainable.

WHEN THINGS WENT WRONG OR ARE UNCLEAR

After large losses in technology stocks in 2000 he left Soros. His reputation for "no losing year in 30 years" comes from a Bloomberg article, but the same source notes the fund was about 5 percent down when he retired in 2010. Judge that claim by how the period is measured.

YOUR TAKEAWAY

Big trades need real understanding, but the most important habit is to recognise your mistake fast and change the position.

FACT-CHECK CARD

Confirmed Duquesne from 1981 to 2010.

Confirmed Lead manager of Quantum Fund 1988-2000.

Confirmed Duquesne closed in August 2010.

Reported / self-reported About 30 percent average annual return with no losing year (from Bloomberg, data not shown).

Reported / self-reported Profit "reputedly" over 1 billion dollars on the 1992 sterling trade.

Disputed / unverified The 30-year no-loss record does not square with the roughly -5 percent figure in 2010.

Sources: Bloomberg (18 Aug 2010); NYT DealBook (18 Aug 2010); BBC News (19 Aug 2010); Forbes Billionaires profile (2013); Wikipedia: Stanley Druckenmiller (with its cited references)

CHAPTER 4 OF 20

Paul Tudor Jones

1954 onward · Global macro trader · Futures, currencies, stocks

Paul Tudor Jones was born on 28 September 1954 in Memphis. He took an economics degree at the University of Virginia in 1976. Through his cousin William Dunavant he reached New Orleans commodity broker Eli Tullis and began trading cotton futures.

In 1980 he founded Tudor Investment Corporation. He moved beyond cotton into stock-index and currency futures.

Reports say his firm gained heavily around the 1987 Black Monday crash (reported 125.9 percent after fees). In 1990 he shorted as Japan's stock bubble burst and reportedly returned 87.4 percent.

WHAT THEY DID DIFFERENTLY

- His style relies mainly on technical analysis and momentum, not value investing.
- His colleague Peter Borish compared the 1987 market with the run-up to 1929 (according to Sebastian Mallaby's book).
- He moved beyond cotton into stock-index and currency futures.

WHEN THINGS WENT WRONG OR ARE UNCLEAR

Forbes (2010) reported that Tudor charged 4 percent of assets and 23 percent of profits, above the usual 2-and-20. The New York Times (2014) wrote that client returns had "dimmed" since the 2000s. In 1994 he settled with the SEC for 800,000 dollars, without admitting or denying wrongdoing. In a 1990 wetlands case he pleaded guilty and paid a fine.

YOUR TAKEAWAY

Returns can fade after great years. One or two brilliant years are not a trader's whole story.

FACT-CHECK CARD

Confirmed Tudor Investment Corporation founded in 1980.

Confirmed 1994 SEC settlement of 800,000 dollars.

Confirmed Co-founder of the Robin Hood Foundation (1988).

Reported / self-reported 125.9 percent after fees in 1987 and 87.4 percent in 1990 (secondary sources).

Disputed / unverified Popular rules such as a "5:1 reward-to-risk" could not be verified in this research, so they are not included.

Sources: Sebastian Mallaby, More Money Than God (2010); Forbes, Buhl (22 Sep 2010); New York Times, Smith (5 Mar 2014); Institutional Investor, Willoughby (1 Jul 1997); Wikipedia: Paul Tudor Jones (with its cited references)

CHAPTER 5 OF 20

Ed Seykota

1946 onward · Systematic trend follower · Commodities and futures

Ed Seykota was born on 7 August 1946. He earned degrees in electrical engineering and management at MIT in 1969. In 1970 he built a computerised futures trading system for a brokerage, first tested on early punched-card computers.

He drew on Richard Donchian's ideas about moving-average trend following and on Lefevre's book. His first system used exponential moving averages; he later added rules and money management.

In 1992 he began gathering traders to discuss emotions, which became the Trading Tribe.

WHAT THEY DID DIFFERENTLY

- He argues that changing the system matters less than finding a system you can live with.
- In trend following you follow the trend without predicting it and you cut losses.
- Treating emotions as part of trading is his distinctive idea.

WHEN THINGS WENT WRONG OR ARE UNCLEAR

The most important fact about Seykota is that his performance is not publicly audited. His reputation rests on his interview in Jack Schwager's Market Wizards and on his own statements.

YOUR TAKEAWAY

Trend following is a real, testable approach, but you must ask whether you can endure its long losing streaks.

FACT-CHECK CARD

Confirmed MIT 1969 (EE and management).

Confirmed Computerised system work in 1970.

Reported / self-reported His greatness is Schwager's opinion, not an audited result.

Disputed / unverified No audited return figures were found in this research, so no return number is given.

Sources: Jack Schwager, Market Wizards (1993; updated 2012); Seykota aur Druz, "Determining Optimal Risk", Stocks & Commodities (Mar 1993); Wikipedia: Ed Seykota (with its cited references)

CHAPTER 6 OF 20

Richard Dennis

1949 onward · Commodity trader, teacher of the Turtle Traders · Commodity futures

Richard Dennis was born in January 1949 in Chicago. At 17 he became an order runner at the Chicago Mercantile Exchange. To get around an age rule, his father traded for him in the pit. Reports say he became a millionaire in 1974.

In 1983-84, to settle a debate with William Eckhardt that trading can be taught, he ran the Turtle Traders experiment. He taught people trend-following rules for two weeks and gave them accounts.

It is reported that the Turtles earned about 175 million dollars in total over about five years. Several Turtles went on to successful careers.

WHAT THEY DID DIFFERENTLY

- His system was simple: enter on a range breakout, cut size after losses, add to winners.
- His big proof is that written rules can be taught to others.
- He held positions with the trend for a long time.

WHEN THINGS WENT WRONG OR ARE UNCLEAR

In the 1987 crash he reportedly lost 10 million dollars personally, and reportedly up to 50 million over 1987-88. In 1988 he stopped running outside money. In 1990 his firm settled investor complaints for more than 2.5 million dollars; the complaint was that he had not followed his own rules (the firm admitted no wrongdoing). He closed funds again after losses in 2000.

YOUR TAKEAWAY

Even the man who teaches the rules can lose when he breaks them. A rule's strength is in following it.

FACT-CHECK CARD

Confirmed Turtle experiment 1983-84 with Eckhardt.

Confirmed 1990 settlement over 2.5 million dollars, with no admission of wrongdoing.

Reported / self-reported The Turtles' 175 million dollar total.

Reported / self-reported The reported 1987-88 losses.

Disputed / unverified The famous "1,600 dollars to 350 million" claim: it does not match the timeline and has no source.

Disputed / unverified Back-tests also report a weaker Turtle-style performance in later years.

Sources: Bauer, "Prince of the Pit", NYT Magazine (1976); Curtis Faith, Way of the Turtle (2007); Jack Schwager, Market Wizards (1993); Wikipedia: Richard Dennis (with its cited references)

CHAPTER 7 OF 20

Jim Simons

1938 - 2024 · Quant fund founder (mathematician) · Systematic, multi-asset

Jim Simons was born on 25 April 1938 and died on 10 May 2024 in New York. He took a BS in mathematics at MIT (1958), a PhD at UC Berkeley, and worked on Chern-Simons forms. He chaired the math department at Stony Brook (1968-78).

He started Monemetrics, which became Renaissance Technologies, and the Medallion Fund began in 1988. He hired mathematicians such as Leonard Baum and James Ax and traded with mathematical models.

Medallion is closed to outside investors.

WHAT THEY DID DIFFERENTLY

- He used models and algorithms, not emotion, to find market inefficiencies.
- He avoided publicity and rarely gave interviews.
- A systematic approach means rules rest on data, not mood.

WHEN THINGS WENT WRONG OR ARE UNCLEAR

The big Medallion numbers come from Gregory Zuckerman's book (1988-2018: 66.1 percent average gross and 39.1 percent average net a year) and are not audited. Other Renaissance funds did lose: in 2008 Medallion rose about 80 percent while RIEF fell 16 percent. In 2014 a US Senate subcommittee criticised the use of basket options to cut taxes, and in 2021 Simons and colleagues agreed to pay back taxes, interest and penalties.

YOUR TAKEAWAY

Systematic thinking is real, but one fund's numbers cannot be copied by an ordinary trader; Medallion is closed and has unusual resources.

FACT-CHECK CARD

Confirmed Medallion Fund started in 1988 and is closed to outside investors.

Confirmed 2008: Medallion about +80 percent, RIEF -16 percent (WSJ).

Reported / self-reported 1988-2018: 66.1 percent gross and 39.1 percent net (Zuckerman, unaudited).

Disputed / unverified His annual pay and net worth are press and ranking estimates.

Disputed / unverified "Most successful hedge fund manager" is a commentator's opinion.

Sources: Gregory Zuckerman, The Man Who Solved the Market (2019); Wall Street Journal (May 2009); New York Times (Jul 2014, Dec 2015); Notices of the AMS, "Jim Simons (1938-2024)" (Jan 2025); Wikipedia: Jim Simons (mathematician) (with its cited references)

CHAPTER 8 OF 20

Ray Dalio

1949 onward · Hedge fund founder, systematic macro · Global macro, multi-asset

Ray Dalio founded Bridgewater Associates in 1975, at first an advisory firm for corporate clients. Pure Alpha became its flagship strategy in 1991 and All Weather followed in 1996, seen as an early risk-parity approach.

In 2011 he self-published a 123-page Principles, and his 2017 book Principles: Life & Work was a New York Times number one bestseller.

Bridgewater was named the world's largest hedge fund in 2005 and again in 2013.

WHAT THEY DID DIFFERENTLY

- Principles is his collection of written rules.
- All Weather spreads risk across assets that behave differently in different economic conditions.
- Pure Alpha and All Weather are two different ideas: one seeks alpha, the other spreads risk.

WHEN THINGS WENT WRONG OR ARE UNCLEAR

A 2023 New York Times investigation (Rob Copeland) asked whether the firm's investments followed the systematic process it described, or Dalio's own picks. Dalio and Bridgewater rejected that portrayal; Copeland said no fact had been challenged. The claim of foreseeing the 2008 crisis is self-reported.

YOUR TAKEAWAY

Systems and principles help, but do not accept a fund's "process" claims without data and independent checks.

FACT-CHECK CARD

Confirmed Bridgewater 1975; Pure Alpha 1991; All Weather 1996.

Confirmed Principles became a bestseller in 2017.

Reported / self-reported Foreseeing the 2007-08 crisis (self-reported).

Reported / self-reported Compensation figures (estimates).

Disputed / unverified The 2023 NYT investigation and Dalio's rebuttal: both sides exist.

Disputed / unverified Crediting risk parity to one person is a matter of interpretation.

Sources: Ray Dalio, Principles: Life & Work (2017); Rob Copeland, The Fund (2023); New York Times (2023); Wikipedia: Ray Dalio (with its cited references)

CHAPTER 9 OF 20

Warren Buffett

1930 onward · Value investor (not a trader) · US stocks and businesses

Warren Buffett was born on 30 August 1930 in Omaha. As a boy he sold things door to door, bought his first shares at 11 and a farm at 14. At Columbia he studied under Benjamin Graham, and value investing became his foundation. He worked at Graham-Newman as an analyst in 1954-56.

He started Buffett Partnership in 1956. Around 1965 he took control of Berkshire Hathaway, then a textile company, which he later called his worst investment. He has been chairman since 1970.

According to Berkshire's letters, per-share market value compounded at 19.9 percent a year from 1965 to 2024, against 10.4 percent for the S&P 500 with dividends.

WHAT THEY DID DIFFERENTLY

- He treats shares as businesses, uses market swings to his advantage and insists on a margin of safety (Graham's teaching, in Buffett's own words).
- He buys for the long term and picks businesses he can understand.
- Compounding: Berkshire shareholders received only one cash dividend over 1965-2024; profits were reinvested.

WHEN THINGS WENT WRONG OR ARE UNCLEAR

Buffett has admitted many mistakes and called the textile business his worst trade. In 2024 Berkshire beat the S&P 500 only slightly. Note too that the gain is per-share market value, and at today's size the early rapid returns are harder to repeat.

YOUR TAKEAWAY

The most direct lesson for a beginner: long horizon, businesses you understand, and patience. This is not a day-trading method; it is a different and demanding path.

FACT-CHECK CARD

Confirmed 19.9 percent versus 10.4 percent (1965-2024), per Berkshire's 2024 letter.

Confirmed Graham-Newman 1954-56.

Reported / self-reported Rules such as "never lose money" circulate under his name.

Disputed / unverified His early Partnership returns could not be verified in this research, so no figure is given.

Sources: Berkshire Hathaway 2024 shareholder letter (aankde news coverage ke zariye dekhe); Roger Lowenstein, Buffett: The Making of an American Capitalist (1995); Alice Schroeder, The Snowball (2008); Wikipedia: Warren Buffett (with its cited references)

CHAPTER 10 OF 20

Peter Lynch

1944 onward · Mutual fund manager · US stocks

Peter Lynch ran Fidelity's Magellan Fund from 1977 to 1990, thirteen years. Reports say the fund grew from about 18 million dollars to over 14 billion dollars.

His best-known idea is "invest in what you know": shops, products or industries you see every day are a source of ideas. He wrote this in One Up on Wall Street (1989), Beating the Street (1993) and, for beginners, Learn to Earn.

He left the fund in 1990.

WHAT THEY DID DIFFERENTLY

- He urges ordinary people to use what they already know.
- His books are written for ordinary investors, and Learn to Earn is aimed at beginners.

WHEN THINGS WENT WRONG OR ARE UNCLEAR

The well-known 29.2 percent annual return for Magellan comes from secondary sources such as the Guru Investor, not Fidelity's primary data, and the period for the S&P 500 comparison of 15.8 percent is unclear. A fund manager's numbers also do not transfer directly to an individual trader.

YOUR TAKEAWAY

Know your circle. But "buy what you know" does not mean buy on hype or liking; real analysis of the company is still needed.

FACT-CHECK CARD

Confirmed Magellan 1977-1990.

Confirmed Three main books, with John Rothchild.

Reported / self-reported 29.2 percent annual return (secondary source).

Reported / self-reported Size from 18 million to 14 billion dollars.

Disputed / unverified Superlatives such as "world's best-performing mutual fund": not backed by ranking data.

Sources: Peter Lynch aur John Rothchild, One Up on Wall Street (1989); Beating the Street (1993); Learn to Earn (1995); Wikipedia: Peter Lynch (with its cited references)

CHAPTER 11 OF 20

Michael Steinhardt

1940 onward · Hedge fund manager · Stocks, bonds

Michael Steinhardt was born on 7 December 1940 in New York. He graduated from Wharton in 1960 and worked as an analyst at Calvin Bullock and Loeb, Rhoades. In 1967 he started Steinhardt, Fine, Berkowitz, later Steinhardt Partners.

According to Forbes (2014), from 1967 to 1995 the fund returned about 24.5 percent a year to clients after fees.

In the 1994 bond-market crisis the fund lost about a third of its value. In 1995, after a 25 percent gain, he closed it and returned all the money to investors.

WHAT THEY DID DIFFERENTLY

- According to Forbes, he delivered high returns after fees for 28 years.
- His specific style, block trading, could not be verified in this research, so it is not described.

WHEN THINGS WENT WRONG OR ARE UNCLEAR

The 1994 loss shows that even a record of nearly 28 years can fall sharply in one year. In a 1990s Treasury-market case he paid 75 percent of a 70 million dollar settlement (he denied wrongdoing). In 2021 he agreed with the Manhattan DA to surrender 180 antiquities valued at about 70 million dollars.

YOUR TAKEAWAY

A long record can still lose heavily in a short stretch. Performance goes hand in hand with rules and legal discipline.

FACT-CHECK CARD

Confirmed The fund closed in 1995 and money was returned.

Confirmed 2021 antiquities agreement (Manhattan DA press release).

Reported / self-reported 1967-1995: 24.5 percent a year (Forbes 2014).

Disputed / unverified Some claims about his father come from an "unreliable source" and are not used.

Sources: Michael Steinhardt, No Bull: My Life In and Out of Markets (2001); Forbes, Noer (2014); Fortune (1994); Manhattan District Attorney press release (6 Dec 2021); Wikipedia: Michael Steinhardt (with its cited references)

CHAPTER 12 OF 20

Bruce Kovner

1945 onward · Macro trader, founder of Caxton · Commodities, currencies, bonds

Bruce Kovner was born in February 1945 in Brooklyn. He studied at Harvard, and in the 1970s he worked on political campaigns, wrote, studied harpsichord and drove a taxi. It was while driving a cab that he discovered commodities trading.

In 1977 his first trade was in soybean futures, using 3,000 dollars borrowed on a MasterCard. The position rose to 40,000 dollars, then fell to 23,000 dollars before he sold. He later said this taught him the importance of risk management.

He traded under Michael Marcus at Commodities Corporation and founded Caxton Associates in 1983. Reports say Caxton managed over 14 billion dollars at its peak.

WHAT THEY DID DIFFERENTLY

- His clearest lesson is risk management, learned from the loss on his first trade.
- He was seen as an objective, sober trader.
- He traded under Michael Marcus at Commodities Corporation.

WHEN THINGS WENT WRONG OR ARE UNCLEAR

No audited annual returns for Kovner or Caxton were found in this research. He stepped down as CEO in 2011 and started CAM Capital in 2012.

YOUR TAKEAWAY

A small loss on your first trade can be a great teacher if you turn it into a written rule.

FACT-CHECK CARD

Confirmed Caxton founded in 1983; Kovner retired as CEO in 2011.

Reported / self-reported The first-trade figures (from a Forbes secondary account).

Reported / self-reported The 14 billion dollar peak (no dated source).

Disputed / unverified "Made millions" at Commodities Corporation is "purportedly" and unconfirmed.

Sources: Jack Schwager, Market Wizards (1993); Philip Weiss, New York Magazine (2005); Bloomberg (2011); Wikipedia: Bruce Kovner (with its cited references)

CHAPTER 13 OF 20

Linda Bradford Raschke

1959 onward · Short-term futures trader · Futures and options

Linda Raschke began her career in 1981 as an equity-options market maker, a member of the Pacific Coast Stock Exchange and the Philadelphia Stock Exchange. She became a registered CTA around 1991-92 and founded LBR Asset Management in 2002.

Jack Schwager included her in The New Market Wizards (1992). In 1995 she co-wrote Street Smarts with Laurence Connors, and in 2018 the memoir Trading Sardines.

According to the CMT Association, her hedge fund ranked 17th of 4,500 for best five-year performance by BarclayHedge. She retired as CPO and CTA in 2015 and continued private trading.

WHAT THEY DID DIFFERENTLY

- Her style is short-term technical trading, and she speaks of trading the most liquid hours, such as the opening range.
- In an interview she says she looks at no fundamentals at all.
- Her bio credits her with a shorter-term technical approach and money management.

WHEN THINGS WENT WRONG OR ARE UNCLEAR

Public information on Raschke comes mostly from her own bio, interviews and books. We do not repeat any audited long-run return number here.

YOUR TAKEAWAY

Short-term trading needs plenty of practice, liquid hours and written rules. It is not a route to quick riches.

FACT-CHECK CARD

Confirmed Career since 1981; included in The New Market Wizards.

Confirmed Retired as CPO/CTA in 2015.

Reported / self-reported 17th of 4,500 at BarclayHedge (per her bio and the CMT bio).

Disputed / unverified No audited long-run return number was found in this research.

Sources: Jack Schwager, The New Market Wizards (1992); Connors aur Raschke, Street Smarts (1995); CMT Association aur technicalanalysts.com bios; Wikipedia: Linda Bradford Raschke

CHAPTER 14 OF 20

Mark Minervini

1960 ke dashak onward · Growth stock trader and educator · US stocks

Mark Minervini started with little money and little formal schooling; the contest press release says "a few thousand dollars and an 8th grade education". He developed SEPA (Specific Entry Point Analysis).

In 1997 he won the US Investing Championship with a 155 percent return, trading a long-only stock portfolio with 250,000 dollars of his own money. In 2021 he won again in the 1 million dollar-plus stock division with 334.8 percent, among 338 international traders.

The contest coordinator described it as a real-money verified competition (press release).

WHAT THEY DID DIFFERENTLY

- SEPA combines trend, fundamentals, catalysts and clear entry and exit.
- He buys setups such as the volatility contraction pattern (VCP) when a stock is in a strong trend.
- He emphasises risk management (his own statements).

WHEN THINGS WENT WRONG OR ARE UNCLEAR

His early years were full of mistakes, by his own account. Note also that figures such as "220 percent average a year" and "33,000 percent" are claims by him or his publishers, and differ from the contest-verified numbers.

YOUR TAKEAWAY

A verified contest win is among the strongest kinds of evidence, but it is a single year in a particular market. Learn from his method, and test before copying it.

FACT-CHECK CARD

Confirmed 1997 US Investing Championship: 155 percent (contest release).

Confirmed 2021: 334.8 percent among 338 traders (contest release).

Reported / self-reported The 220 percent average and 33,000 percent total: from himself or secondary sources.

Disputed / unverified Marketing for his educational products is an interested source; read results alongside the contest-verified numbers.

Sources: United States Investing Championship press release (24 Jan 2022); Mark Minervini, Trade Like a Stock Market Wizard (2013); Jack Schwager, Stock Market Wizards (2001)

CHAPTER 15 OF 20

William O'Neil

1933 - 2023 · Growth investor, founder of IBD · US stocks

William O'Neil was born on 25 March 1933 in Oklahoma City and died on 28 May 2023. He took a business degree at Southern Methodist University in 1955, became a broker at Hayden, Stone in 1958, and attended a Harvard Business School management programme in 1960.

In 1963 he founded William O'Neil + Co., which sold research to institutional investors. In 1984 he launched Investor's Daily (later Investor's Business Daily).

His book The Model Book of Greatest Stock Market Winners (1971) studied common patterns in past winners. His later book How to Make Money in Stocks made CAN SLIM famous.

WHAT THEY DID DIFFERENTLY

- He studied the data of past big winners to see what they had in common.
- He built systems and products (research tools, Daily Graphs, MarketSmith).
- He also created products such as Investor's Business Daily and Daily Graphs.

WHEN THINGS WENT WRONG OR ARE UNCLEAR

The O'Neil Fund (1965) began well but suffered large outflows in the late-1960s downturn, and he sold it later. He also exited the New USA fund (1992) after five years (WSJ, 2023). Some claims, such as the youngest NYSE seat holder, come from only one source.

YOUR TAKEAWAY

The habit of testing your method on past data is worth learning from O'Neil. Turning a stock-picking system into a mutual fund is a different challenge.

FACT-CHECK CARD

Confirmed Born 1933, died 2023; Investor's Daily in 1984.

Confirmed The Model Book of Greatest Stock Market Winners, 1971.

Reported / self-reported William O'Neil + Co. as the "first computerised database" (its own claim).

Disputed / unverified Youngest NYSE seat holder: a single source.

Disputed / unverified The sources in this research did not verify CAN SLIM's components or any sell rule, so they are not written here.

Sources: James Hagerty, WSJ obituary (30 May 2023); John Boik, Lessons from the Greatest Stock Traders of All Time (2004); O'Neil, How to Make Money in Stocks (2002); Wikipedia: William O'Neil (with its cited references)

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Nicolas Darvas

1920 - 1977 · Dancer who became a trader · US stocks

Nicolas Darvas was born in Hungary in 1920, fled in 1943 and became a professional dancer. In the 1950s, on dance tours, he began putting savings into shares.

He read about 200 books and picked stocks from sources such as Barron's. Being on tour, he sent buy and stop orders to his broker by telegram and cable.

His "box theory": see a stock's price as a series of boxes; wait while the price is inside a box, buy when it breaks upward, and place the stop just below. He claimed this plan earned about 2 million dollars, written up in How I Made $2,000,000 in the Stock Market (1960).

WHAT THEY DID DIFFERENTLY

- His method was simple and rule-based: box, breakout, and an immediate stop.
- He did not sell short.
- Because he could not watch the screen on tour, he relied on pre-set rules and stop orders.

WHEN THINGS WENT WRONG OR ARE UNCLEAR

The controversy is the key part of his story. According to Time (1960), the New York Attorney General called his story "unqualifiedly false" and put the profit at only about 216,000 dollars; a court later blocked that probe (Time, January 1961), and not all brokerage accounts could be traced. Darvas called the charges false.

YOUR TAKEAWAY

A famous book or story is not proof in itself. Even so, pre-set rules and a stop are ideas that work.

FACT-CHECK CARD

Confirmed 1920-1977; dancer; box theory book in 1960.

Reported / self-reported Profit of 2 million dollars (the book) or 2.45 million over 18 months (part of the article).

Disputed / unverified The Attorney General's 216,000 dollar figure and the court's ruling: read them together. The true profit is disputed.

Sources: Nicolas Darvas, How I Made $2,000,000 in the Stock Market (1960); Time, 25 May 1959; Time, 19 Dec 1960; Time, 13 Jan 1961; Wikipedia: Nicolas Darvas (with its cited references)

CHAPTER 17 OF 20

Michael Burry

1971 onward · Hedge fund manager (value, special situations) · Stocks, credit default swaps

Michael Burry was born on 19 June 1971 in San Jose. He took UCLA economics and pre-med and an MD from Vanderbilt (1997). He left neurology and pathology residencies at Stanford unfinished.

From 1996 he wrote value-investing ideas on the Silicon Investor message board. He started Scion Capital, funded by an inheritance and family loans.

From 2005 he focused on the subprime mortgage market and bought credit default swaps from firms such as Goldman Sachs on subprime deals he thought vulnerable. According to Michael Lewis's The Big Short (2010), he made about 100 million dollars personally and over 700 million dollars for remaining investors.

WHAT THEY DID DIFFERENTLY

- He studied data in depth (mortgage-lending documents).
- He stuck to his view when investors grew doubtful and some wanted to withdraw.
- His concentrated contrarian bet rested on a correct thesis.

WHEN THINGS WENT WRONG OR ARE UNCLEAR

Scion Capital closed in 2008; it reopened in 2013 as Scion Asset Management and was deregistered in November 2025 (CNBC). The profit figures come from Lewis's book, not audited records. Treat his later market predictions as opinion, not fact.

YOUR TAKEAWAY

One correct forecast does not prove you will always be right. And even when right, holding your reasoning and handling investor pressure is a separate skill.

FACT-CHECK CARD

Confirmed Scion Capital's start and its closing in 2008.

Confirmed The subprime short through credit default swaps.

Reported / self-reported 100 million dollars personal and over 700 million dollars for investors (Lewis, Vanity Fair 2010).

Disputed / unverified "Correctly predicted" is an interpretation; his own op-ed says the risk was visible.

Disputed / unverified His views on today's markets: not facts.

Sources: Michael Lewis, The Big Short (2010); Vanity Fair (2010); Gregory Zuckerman, The Greatest Trade Ever (2009); Michael Burry, New York Times op-ed (3 Apr 2010); CNBC (13 Nov 2025); Wikipedia: Michael Burry

CHAPTER 18 OF 20

John Paulson

1955 onward · Hedge fund manager · Subprime credit, gold, event-driven

John Paulson was born on 14 December 1955 in Queens, New York. He took a BA at NYU and an MBA at Harvard. In 1994 he started Paulson & Co. with 2 million dollars and one employee, in space rented from Bear Stearns.

By 2003 the fund had about 300 million dollars. In 2007 he bet against US subprime mortgage-backed securities using credit default swaps. According to Bloomberg Businessweek he earned almost 4 billion dollars that year.

In 2010 he reportedly earned about 4.9 billion dollars, mostly from gold-sector investments.

WHAT THEY DID DIFFERENTLY

- A clear macro-credit thesis: the subprime market was mispriced.
- He took a very large position in 2007.

WHEN THINGS WENT WRONG OR ARE UNCLEAR

In 2011 investments in Bank of America, Citigroup and Sino-Forest lost money (Sino-Forest was suspected of fraud) and the flagship fund fell sharply. In 2010 the SEC sued Goldman Sachs over the Abacus deal, and Goldman settled for 550 million dollars; Paulson was not a target.

YOUR TAKEAWAY

One brilliant year guarantees nothing about later years. A thesis that was right in one period can be wrong in another.

FACT-CHECK CARD

Confirmed Paulson & Co. 1994; the Goldman Abacus settlement of 550 million dollars (2010).

Reported / self-reported About 4 billion dollars in 2007 and about 4.9 billion in 2010 (Bloomberg, Business Insider).

Disputed / unverified The allegation of fraud at Sino-Forest was not established (described here as "fraud-suspected").

Sources: Gregory Zuckerman, The Greatest Trade Ever (2009); Bloomberg Businessweek, "John Paulson's Very Bad Year" (2012); New York Times, "Goldman Settles With S.E.C." (2010); Wikipedia: John Paulson

CHAPTER 19 OF 20

Rakesh Jhunjhunwala

1960 - 2022 · Investor and trader (India) · Indian stocks

Rakesh Jhunjhunwala was born on 5 July 1960 in Hyderabad. He studied at Sydenham College and moved toward Chartered Accountancy. According to the Financial Express (2021) he began investing in 1985 with about 5,000 rupees, and his first big profit of 5 lakh rupees came in 1986.

He was a partner in his asset-management firm Rare Enterprises and managed his own portfolio. By 2021 his largest reported holding was Titan Company, worth about 7,295 crore rupees. In July 2021 he invested about 400 million dollars for a 40 percent stake in Akasa Air.

He died on 14 August 2022 in Mumbai, aged 62, and was awarded the Padma Shri in 2023.

WHAT THEY DID DIFFERENTLY

- He kept faith in the Indian growth story for a long time and made large, long-held bets in a few companies.
- Reports say he managed his own portfolio.
- His interviews, such as the Economic Times one from 2016, are a source on his journey.

WHEN THINGS WENT WRONG OR ARE UNCLEAR

In 2021 SEBI investigated trading in Aptech shares during a 2016 window, over alleged unpublished price-sensitive information. Jhunjhunwala and associates settled in July 2021 by paying 35 crore rupees in total; the report does not mention any admission of wrongdoing or court finding.

YOUR TAKEAWAY

One of India's best-known investors earned his results through long holding, concentrated conviction and many years of experience, which a new trader cannot repeat overnight.

FACT-CHECK CARD

Confirmed Born 1960, died 14 Aug 2022.

Confirmed SEBI settlement July 2021, 35 crore rupees in total.

Reported / self-reported Began with 5,000 rupees in 1985.

Reported / self-reported Net worth about 5.8 billion dollars (Forbes estimate).

Disputed / unverified Net worth figures differ (Rs 11,000 crore versus 34,000 crore) and do not reconcile.

Sources: Forbes profile aur obituary (14 Aug 2022); BBC News obituary (14 Aug 2022); Financial Express (3 Jul 2021); Moneycontrol (15 Jul 2021); Wikipedia: Rakesh Jhunjhunwala

CHAPTER 20 OF 20

Radhakishan Damani

1955 onward · Investor and entrepreneur (India) · Indian stocks, retail

Radhakishan Damani was born on 12 July 1955 in Bikaner and grew up in a one-room home in Mumbai. He left his commerce studies after a year. After his father's death he left the ball-bearing business and became a stock broker and investor.

Reports say that in the early 1990s he made large profits by shorting shares inflated during the Harshad Mehta era (reported, not confirmed).

In 2000 he quit the stock market to start DMart. The first store opened in Powai in 2002; there were 25 stores by 2010 and DMart listed in 2017.

WHAT THEY DID DIFFERENTLY

- He left the stock market and built a real business, DMart.
- No verified account of his investing philosophy was found in this research, so we do not write one.

WHEN THINGS WENT WRONG OR ARE UNCLEAR

This research found no SEBI order or settlement against him. His net worth figures are Forbes estimates (2020: about 16.5 billion dollars; 2022: about 18.9 billion dollars) and are not audited.

YOUR TAKEAWAY

Sometimes the best trader knows when to leave the market and build a real business. That is one person's path, not a rule.

FACT-CHECK CARD

Confirmed Born 1955; left the stock market in 2000; first DMart store in 2002 (Powai); IPO in 2017.

Reported / self-reported Profits from short selling in the Harshad Mehta era.

Reported / self-reported The claim of being HDFC Bank's largest individual shareholder.

Disputed / unverified Net worth figures are estimates and sources disagree.

Sources: Forbes profiles aur billionaire lists (2020, 2022); Economic Times (2014); Business Standard (2017); Rediff (2017); Wikipedia: Radhakishan Damani (with its cited references)

What the 20 stories add up to

These are patterns that appear in more than one chapter. The conclusions are ours, not any trader's claim.

1. Risk first, profit second

Kovner learned risk management from the loss on his first trade. Livermore's big bets, leverage and losses ended in bankruptcy. Steinhardt in 1994 and Paulson in 2011 show that a single bad year can be very heavy.

2. Written rules, and sticking to them

Dennis taught his rules to others (the Turtles), and later his firm was accused of not following its own rules. Darvas's boxes and stops, the systems of Seykota and Simons, Minervini's SEPA: in all of them the rules are set first.

3. An edge plus patience

The stories of Buffett, Lynch, Jhunjhunwala and Damani are about long horizons and patience. The gap between 19.9 percent and 10.4 percent over 1965-2024 came from compounding over a long time.

4. How to read the numbers

Most figures in these stories are self-reported or secondary. Whenever someone quotes "X percent return", ask: who verified it, over what period, before or after fees, and with how much risk.

5. Mistakes and losses are part of it

Druckenmiller's tech losses in 2000, Soros in 1981, Dennis in 1987-88: every career had big losses. The difference is what they changed afterwards.

6. Some stories are warnings

The Darvas dispute, Dennis's settlement, Soros's French case and Jhunjhunwala's SEBI settlement remind us that fame and legal discipline are

different things. We are not calling anyone guilty; where there is a denial, we say so.

Your next step

Instead of copying one of these 20, build a small process of your own:

- Decide risk first: a very small part of the account per trade, and a daily loss limit.
- Pick one method and write it down. Test at least 50 setups on paper or demo first.
- Journal every trade: reason, result, mistake.
- Each month check your process score and write down one change.
- Keep money your family needs separate from trading.

The LearnwithKrisu **Top 1% Playbook** has mirror stories, psychology facts, strategy templates, 12 rules and a 90-day plan for these habits. Trading Tools has position size, expectancy and journal tools.

A last word: Nothing in this ebook is a guarantee that you will become profitable or "top 1 percent". It is only an honest process and a learning outline. Some chapters mention death and legal matters; these are strictly factual. If trading stress or losses are weighing on you, please talk to someone you trust or a professional.