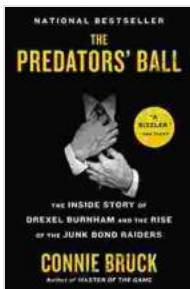


The Inside Story Of Drexel Burnham And The Rise Of The Junkbond

In the 1980s, Drexel Burnham Lambert was the most powerful investment bank in the world. The firm's founder, Michael Milken, was a brilliant and charismatic financier who pioneered the use of high-yield bonds to finance risky corporate takeovers. At its peak, Drexel Burnham was responsible for more than half of all junk bond issuance in the United States.

Milken's success was built on a number of factors. First, he had a deep understanding of the bond market and was able to identify undervalued bonds that could be sold at a profit. Second, he was a master marketer and was able to convince investors to buy his bonds even though they were considered risky. Third, he had a close relationship with many of the most powerful corporate executives in the country, and was able to use this relationship to secure выгодные сделки.



The Predators' Ball: The Inside Story of Drexel

Burnham and the Rise of the JunkBond by Connie Bruck

★★★★☆ 4.1 out of 5

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Enhanced typesetting : Enabled
Word Wise : Enabled
Print length : 401 pages

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As Drexel Burnham's business grew, so did Milken's wealth and influence. He became one of the richest men in the world and was frequently featured in the media. He was also a major donor to the Republican Party and was close friends with President Ronald Reagan.

However, Milken's success was built on a foundation of questionable practices. He was accused of insider trading, stock manipulation, and racketeering. In 1989, he was indicted on 98 counts of racketeering and fraud. He pleaded guilty to six counts of racketeering and was sentenced to 10 years in prison.

Drexel Burnham collapsed in the wake of Milken's indictment. The firm was forced to file for bankruptcy and was eventually acquired by another investment bank. Milken served five years in prison and was released in 1993. He has since become a philanthropist and has donated millions of dollars to medical research and education.

The rise and fall of Drexel Burnham is a cautionary tale about the dangers of greed and unchecked ambition. Milken was a brilliant financier who made a lot of money for his investors. However, he was also willing to break the law to achieve his goals. In the end, his actions led to the collapse of his firm and his own imprisonment.

The Junk Bond Market

The junk bond market is a market for bonds that are not investment grade. These bonds are considered to be risky and are typically issued by companies that have a high debt-to-equity ratio or that are in financial distress. Junk bonds typically offer higher interest rates than investment-grade bonds, but they also carry a higher risk of default.

The junk bond market began to grow in the 1980s, thanks in large part to the efforts of Michael Milken. Milken was able to convince investors to buy junk bonds by arguing that they offered a good return for the risk involved. He also pointed out that many junk bonds were backed by valuable assets, such as real estate or equipment.

The junk bond market grew rapidly in the 1980s, as investors sought to profit from the rising stock market. However, the market collapsed in 1989, after a number of high-profile junk bond issuers defaulted on their debts. The collapse of the junk bond market led to the bankruptcy of Drexel Burnham Lambert and the imprisonment of Michael Milken.

The Legacy Of Drexel Burnham

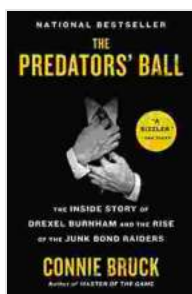
The legacy of Drexel Burnham is a mixed one. On the one hand, the firm pioneered the use of junk bonds to finance corporate takeovers. This led to a wave of mergers and acquisitions in the 1980s, which helped to create many of the large corporations that we know today. On the other hand, Drexel Burnham's practices were often unethical and illegal. The firm's collapse led to the passage of new laws designed to regulate the junk bond market.

Michael Milken is a controversial figure. He is both praised for his brilliance and condemned for his crimes. However, there is no doubt that he was one of the most influential financiers of the 20th century. His work helped to change the way that companies are financed and played a major role in the development of the junk bond market.

The story of Drexel Burnham and the rise of the junk bond market is a complex one. It is a tale of greed, ambition, innovation, and scandal. The

firm's founder, Michael Milken, was a brilliant financier who made a lot of money for his investors. However, he was also willing to break the law to achieve his goals. In the end, his actions led to the collapse of his firm and his own imprisonment.

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