

In Memoriam: Mike Epstein

by Hank Pruden and Regina Meani

I want to record a few of my own personal impressions of my friend and colleague, the late Mr. Mike Epstein of Cambridge, Mass, U.S.A. These impressions are being recorded to benefit current and future trader-technicians who wish to be guided by someone who learned his craft from the ground up on the trading floor of the last century, and who then gave generously by serving as a model and mentor to the younger, inexperienced generation and aspirants on Wall Street and at the Massachusetts Institute of Technology (MIT).

Mike was the “real deal”. He was a rough-hewn street fighter type who met or knew the major players on the Wall Street of his time and participated in most of the major market events and technical developments that took place during the final decades of the 20th century. Mike could read a tape, Mike could feel the mood of the crowd, Mike could sense when a story, trade or trader was a sham. Mike acquired those skills through direct and prolonged day-in and day-out experience on Wall Street. Mike could build a business, too. He built a trading and brokerage business and while doing so, Mike inspired younger people and structured an environment where they could learn the craft of trading. By character and inclination, Mike was not an organisation man. Nonetheless, he did assume the helms of the Market Technicians Association (MTA), The MTA Educational Foundation and the MIT Financial Engineering Laboratory.

Mike’s intellectual curiosity, tempered by a practical bent for results, made him an early participant in the world of the “quants”. He was a champion of realistic yet sophisticated teaching of technical analysis and trading at the University level, most notably at the MIT Sloan School where he collaborated with Dr Andrew Lo in bringing the wisdom of his practical experience and common sense to the education of elite doctoral students.

Above all, Mike was a people person. My friend Mike left indelible impressions upon everyone. Mike represented the passing generation of real world traders and technicians. Remember him whenever possible and model his best traits for yourself. *HP*

In my roles as editor and director of IFTA, of which Mike was an advocate, I would like to add to Hank’s memories. I came to know Mike from various IFTA conferences over the years. One of my strongest memories came from his generosity of spirit. During one of the social dinners, Mike realised that I was by myself and immediately asked me to join his table. Drawing me into his circle, Mike regaled us with some of his legendary stories and made it an evening to remember. Mike always had a story to tell and I was honoured when he included me in his mailing list. His last email to me was on January 16, just three months before he passed, and ironically it was about the “light at the end of the tunnel”.

In our farewell to Mike it has been obligatory that we talk about his 50 year love affair with Wall Street which included working for several prestigious firms, among them Bear Stearns and Salomon Brothers. As Hank mentioned, the job he loved most was as a floor trader, which gave rise to becoming an independent member and floor trader at both the American Stock Exchange and the New York Stock Exchange.

As the love affair continued, Mike couldn’t retire when he retired. Hence his role as Research Affiliate in the Financial Engineering Laboratory at the MIT Sloan School of Management where one of the products of his mentoring and encouragement was *The Heretics of Finance* and so its dedication: “*To Mike Epstein, a tireless and eloquent champion of technical analysis, who gave this project life and supported us every step of the way.*”¹ *RM*

“...Mike surely was a champion of technical analysis.”

Regina Meani

Reference

- i AW Lo & J Hasanhodzic, *The Heretics of Finance*, Bloomberg Press, New York, 2009, dedication page.