

# WALL STREET JOURNAL

© 1974 Dow Jones & Company, Inc. All Rights Reserved.

5TH EDITION

MONDAY, APRIL 22, 1974

MICROWAVE TRANSMISSION—RIVERSIDE, CALIF.

## *New Game in Town*

### Chicago Options Mart Attracts Big Volume, Exceeds Expectations

Exchange, 11 Months Old,  
Lures Investors Seeking  
Big Gain on Small Outlay

### Will It Outstrip the Amex?

By JONATHAN R. LAING

Staff Reporter of THE WALL STREET JOURNAL

CHICAGO—Ed Thorp has a well-deserved reputation for making the big buck. In the early 1960s, while teaching at Massachusetts Institute of Technology, the intense mathematics professor devised a system to beat the house at blackjack, cleaned up during a gambling foray in Las Vegas and wrote a best-selling book about it called "Beat the Dealer."

Then it was on to the stock market, where, armed with his trusty computer, he made a bundle for himself and two hedge funds he started by using intricate mathematical trading strategies involving combinations of common stocks, warrants and convertible bonds. Out of it came another book titled, you guessed it, "Beat the Market."

These days, Prof. Thorp and his hedge funds are swinging with their computer in a new market—the Chicago Board Options Exchange (CBOE). "Options lend themselves to more delicate mathematical analysis than just about any other security around," he explains. "For my money, the Chicago Board is the best game in town."

Prof. Thorp is one of many enthusiasts of the CBOE.