Bids & Offers

Tiger in the Tank

"Goodbye 1999 and good riddance," hedge-fund bigwig Julian Robertson Jr. wrote investors in early January after his $8 billion fund company for high-end investors lost 19% for the year. The new millennium, however, has proved no better.

In January, Tiger Management's portfolio dropped 6%. "Our value stocks were completely obliterated with US Airways and Federal Mogul down 31% and 25%, respectively, from their December close," Mr. Robertson wrote investors last week. Tiger's largest position is a 16.5 million-share, 22.4% stake in US Airways Group, a position that plunged in value by $165 million in January. Tiger's 7.4 million-share stake in Federal-Mogul dropped $37 million.

Nonetheless, Mr. Robertson says he is sticking to his guns. "I know you have heard this before, but we still believe that these and our other value stocks will work well for us in time," he wrote.

Family Feud on Floor

The initial public stock offering in November of United Parcel Service Inc. was one of the biggest and busiest in the history of the New York Stock Exchange, but it may have helped split up one of the trading floor's best-known family firms. Robb Peck McCooey Specialist Corp. -- assigned, like other NYSE specialist firms with other stocks, to keep an orderly market in UPS shares, with its own capital as necessary -- lost more than $20 million trading UPS on its first day, according to people familiar with the situation. Robb Peck is run by Robert Murphy, and his brother Patrick, one of its top specialists, was in charge of handling UPS that day. Both are respected fixtures of the floor community.
But last week, Patrick joined rival specialist Spear, Leeds & Kellogg LP as a partner. Stock-exchange insiders believe the move was related to a disagreement within Robb Peck over responsibility for the UPS loss. "I'm very happy with the move," said Patrick, 40 years old, a 22-year exchange veteran, declining to comment further. Robert declined to comment.

Intel, Schmintel

In an era of triple-digit returns, venture capitalists haven't been renowned for their humility.

How much more surprising, then, to find Bessemer Venture Partners devote an entire section of its Web site (www.bessemervp.com) to the deals that got away -- what it dubs its "anti-portfolio."

In the 89 years since it was founded, Bessemer's partners have invested in a wig company, a french-fry company and various railroads, partners cheerfully admit. But those decades, they confess, have given them "an unparalleled number of opportunities to completely screw up."

Highlights of the antiportfolio include:

**EBay.** "You've GOT to be kidding," thought Bessemer managing general partner David Cowan. "No-brainer pass." Whoops. EBay is up 2,633% since its IPO.

**Intel.** Terms were never finalized. Intel is up 8,800% in the past 15 years.

**Compaq** Computer. "There was no real future in transportable computers, since IBM could do it," said partner Felda Hardymon.

**USWeb.** "Clearly this was a fragmented, commodity business... . Now it's worth nearly $2 billion."

-- Compiled by Steven Lipin, with reporting from Mitchell Pacelle, Greg Ip and Suzanne McGee.

**URL for this Article:**
http://interactive.wsj.com/archive/retrieve.cgi?id=SB950219048882431489.djm

**Hyperlinks in this Article:**
(1) http://www.bessemervp.com/