

(home page)

Jeffrey Epstein: Career in Finance

Jeffrey Epstein is known as a philanthropist and a supporter of science and education. However he also has a long standing career in finance. Similar to his philanthropic work, Epstein's financial career has spanned over several concentrations from options trading and asset management to real estate and media.

Origins of a Financier

Mr. Epstein was born in Brooklyn. He attended the prestigious Lafayette High School. From there, he went on to receive an education in mathematics and physics from a couple of noteworthy organizations including The Cooper Union for the Advancement of Science and the Arts, a private college in the East Village, and the Courant Institute of Mathematical Sciences.

From his earliest days, Epstein's love of finance and his devotion to education were interwoven. In fact, he worked briefly as a teacher before applying himself to full-time work as a financial professional. From 1973 through 1975, Mr. Epstein taught calculus and physics at the prestigious Dalton School in New York City. From there, he went on to a career at Bear Stearns.

At Bear Stearns

In 1976, Mr. Epstein began his financial career in earnest, as an options trader at the well-known investment firm, Bear Stearns. In this profession, he put his zeal for math to good use, specializing in such mathematical models as the Black-Scholes options-pricing model. Later, he began to work in the special products division advising high-end, high net-worth clients on tax strategies.

Mr. Epstein was at Bear Stearns for several years, and succeeded there, becoming a partner in 1980. He then took his experience with the company and put it to good use, forming a new company of his own.

At J. Epstein & Co.

The firm that Epstein started was a financial management firm, simply titled, J. Epstein & Co. Founded in 1982, the purpose of the company was to help manage the finances of clients whose net worth was more than a billion dollars. One of the best-known of Mr. Epstein's clients, was Leslie Wexner, owner of the popular Limited chain of clothing stores.

Mr. Epstein dedicated himself to his company for more than a decade., taking on clients from all over the world, including politicians and heads of state. In 1996, he changed the

name of the firm to The Financial Trust Company and relocated its headquarters to the U.S. Virgin Islands.

In Publishing

The financial interests of Mr. Epstein led him, in 2003, to place public bids on the popular *New York Magazine*. Epstein bid on this magazine alongside advertising executive Donny Deutsch; investor Nelson Peltz; publishing guru Mortimer Zuckerman; and the famous Hollywood producer and distributor, Harvey Weinstein. They were outbid, in the end, by Bruce Wasserstein, a long-time Wall Street investor.

A year later in 2004, Epstein and Zuckerman collaborated on financing a nationally syndicated celebrity and pop culture magazine called *Radar*. The two of them were the financial backers for the magazine, with Jeffrey Epstein and Mr. Zuckerman putting up as much as \$25 million to fund the publication. *Radar* editor Maer Roshan retained a small ownership stake.

In Real Estate

Over the years, Mr. Epstein has shown substantial interest in real estate development both as part of his business but on a personal level as well. On the personal side, Epstein has developed several residences around the world, including the development of St. James Island, off of St. Thomas, in the U.S. Virgin Islands. Since moving his business operations to St. Thomas, Mr. Epstein has become very involved with the area, providing funding for numerous schools, programs and youth organizations.

In the United States, Epstein also maintains a 50,000 square foot townhouse in New York City, New York, which is reportedly the largest private residence in Manhattan and was formerly the well-known Birch Wathen School. The house was formerly owned by Leslie Wexner.

Other real estate assets that Epstein maintains, throughout the US and the world, and has designed and or restored from scratch include: a villa in Palm Beach, Florida; a ranch in New Mexico and an apartment in Paris, France.

Jeffrey Epstein: Investing in Real Estate & in Science

In 1990, Epstein and Leslie Wexner, his longtime client, collaborated on a major real estate development, called The New Albany Company. Based in Columbus, Ohio, this suburban real estate development is regarded as one of the finest in the area. Mr. Epstein's support was instrumental to its foundation.

Funding for Science

Mr. Epstein's main financial interest however has always been in the sciences. He has long track record of supporting the most cutting edge scientific research and education in fields

ranging from neuroscience, genetics and physics to artificial intelligence. Epstein has supported many prestigious science labs and universities across the world, including Harvard University, Princeton, Cornell, Columbia and countless others. Over the years, his funding has pushed the envelope of discovery into new exciting frontiers, and has offered invaluable opportunities to many upcoming scientists.

One of Epstein's best-known contributions to science is his support of the Program for Evolutionary Dynamics, at Harvard University. This cutting-edge program studies human evolution on a purely mathematical and biochemical level. Founded in 2003, the program and its vital, ongoing work are only possible because of the support of Mr. Epstein.

The Beginnings of a Financier of Science

Today, one of Epstein's biggest science projects is the Jeffrey Epstein VI Foundation, which provides funding for numerous scientific and educational endeavors throughout the U.S. and the world. Since the founding of The Program for Evolutionary Dynamics in 2003, the Foundation has branched out substantially into other fields including support for medical research, economics and more adding to Epstein's legacy as a financier.

Throughout his career, Mr. Epstein has shown a keen interest in the study and application of finance, something that has served him well both in his work as an options trader and a financial manager. It has also served Jeffrey Epstein well in his role as a philanthropist. Though his areas of interest are varied, and include everything from real estate to publishing, there is no question that Jeffrey Epstein is ultimately a financier at heart.

(blog page)

Jeffrey Epstein: His Education

Jeffrey Epstein's career as a financier and science philanthropy began with his education at some of the most noteworthy institutions in the New York area including the Cooper Union and the Courant Institute where he studied mathematics and physics..

At the Cooper Union

From 1969 through 1971, Mr. Epstein took classes at The Cooper Union for the Advancement of Science and Art. Founded in 1859, this private college is located in the East Village area of Manhattan, located at the corner of Cooper Square and Astor Place. The school's history is one of innovation; its long-held belief that the very best education should be available, to any and all students, was revolutionary, and it is still a vital tenant today. The Cooper Union provides full scholarships to every student who is admitted.

At the Courant Institute

Following his time at the Cooper Union, Mr. Epstein attended classes at the Courant Institute of Mathematical Sciences. The Institute is an independent division of New York University, and is operated by the faculty of Art & Science. The Courant Institute serves as an advanced research and training center, focusing on computer science and mathematics and is named for Richard Courant, a long-time mathematics professor at NYU.

The Courant Institute has an impeccable reputation. In fact, it is heralded around the world as one of the finest centers for mathematical research and training that there is. Frequently, the Institute is ranked #1 in the field of applied mathematical research. It is likewise known for its focus on pure, theoretical mathematics.

At the Dalton School

In addition to receiving a world-class education, Mr. Epstein also served as an educator himself. From 1973 through 1975, he taught calculus and physics at the Dalton School. Epstein's thoroughly enjoyed teaching and was championed by the parent community, which ultimately launched him into his placement and career as an options trader at Bear Stearns.

Originally called the Children's University School, Dalton is a university prep school, located in the Upper East area of Manhattan. This school, at which Jeffrey Epstein taught, is based in three Manhattan buildings, and is known for successfully training young people for entrance into Ivy League schools. Effective teaching has always been a huge interest of Jeffrey Epstein's and he remains keenly involved in innovative educational programs around the country, particularly in early education.

(blog page)

Jeffrey Epstein: Black-Scholes Model

In 1976, **Jeffrey Epstein** began his financial career in earnest, accepting a position at Bear Stearns as an options trader. While there, he was able to put his love of mathematics to good use, specializing in the Black-Scholes option-pricing model. This remained Epstein's focus at the firm until he moved into the special products division, a few years later.

About Black-Scholes

The Black-Scholes model is a mathematical model of a financial market; it is sometimes known as the Black-Scholes-Merton model. The model contains certain derivative investment instruments and is used to derive the Black-Scholes formula, which allows one to obtain the price of European-style options over time. The model quickly played a key component in hedging strategy to eliminate risk.

The advent of this formula effectively ushered in a boom in options trading. Additionally, it brought scientific legitimacy to the endeavors of the Chicago Board Options Exchange. As Mr. Epstein's use of it makes clear, the model is still used by many financiers and options traders to this day. While no model is perfect, the Black-Scholes has proven, time and time again, to offer fairly accurate prices.

A History of Black-Scholes

The model was first articulated in 1973, in a paper published by Fischer Black and Myron Scholes. The paper was published in the *Journal of Political Economy* and became noteworthy for offering a partial differential equation—now known as the Black-Scholes equation—allowing one to calculate the price of an option over time. The purpose of the equation was to perfectly hedge an option by buying and selling the underlying asset in a precise way, effectively eliminate risk.

Black-Scholes Today

The first person to publish a paper, expanding the mathematical understanding of this model and coining the “Black-Scholes” title, was Robert C. Merton. Merton and Scholes won the Nobel Prize for their work in 1997, in the field of Economics. Black, who died in 1995, was ineligible, but was mentioned favorably by the Nobel committee.

Jeffrey Epstein made a name for himself at Bear Stearns by applying and further developing this model. From there, he went on to work with high net value clients, assisting them with tax strategies and asset management. Jeffrey Epstein became a partner at Bear Stearns in 1980.

(blog page)

Jeffrey Epstein and Leslie Wexner

Jeffrey Epstein has enjoyed a successful professional relationship with Leslie Wexner for several decades. In 1987 Wexner became a high-profile client of Epstein's J. Epstein & Co. financial management firm. Wexner is best known as the founder and chairman of the Limited chain of women's clothing stores and founder of the prominent Wexner Arts Center in Columbus, Ohio. Over the years, Epstein and Wexner collaborated on many different dynamic projects together..

About Mr. Wexner

Leslie Wexner, also known simply as "Les," is an American businessman and philanthropist, born in Dayton, Ohio and passionate about his native Ohio to this very day. A graduate of Ohio State University, Mr. Wexner came into the spotlight through the foundation of the Limited line of clothing stores, now a nationwide chain.

Wexner's Limited empire encompasses many major brands including: Victoria's Secret, Pink, Bath & Body Works, and The White Barn Candle Company. Previous brands that have spun off include Lane Bryant, Express, The Limited Too, and several others.

Wexner is also known for his philanthropy. In 1989, he and his mother became the first people to make a \$1 million personal donation to the United Way. Mr. Wexner is also an ardent advocate for education and the arts and founded the prestigious Wexner Arts Center for modern and contemporary art in Columbus, Ohio.

Real Estate Development

In the early 1990's, Mr. Wexner and Mr. Epstein collaborated on a large scale suburban development community called New Albany, located just outside Columbus Ohio. The New Albany project ambitiously developed beautifully designed Georgian style brick manor homes, together with a brick layered main street and shops.

To this day, The New Albany Company remains one of Ohio's top real estate development companies and continues to dedicate itself a high-level of aesthetic excellence and integrity. The original vision for this company was Wexner's; and he continues to passionately devote himself to his home state of Ohio.

Epstein's Real Estate Development

Over the years, Epstein has developed his own portfolio of beautifully designed homes. Currently, he is the proud owner of a 50,000 square foot townhouse in Manhattan, New York. The home is regarded as the largest private residence in all of Manhattan and was formerly owned by Mr. Wexner. Prior to that, the home was the residence of the famed Birch Wathen School for boys.

In 2005, Epstein completed his Florentine style ranch in New Mexico, designed by himself and encompassing architectural attributes from different cultures including the American West. The ranch includes horse stables and several guest houses. The façade of the main residence is actually painted by Florentine artisans to capture the right kind of Ox blood tone. Since then, Epstein has also renovated an 18th century apartment in Paris, France and maintains his residence in Palm Beach, Florida.

One of Epstein's most ambitious real estate developments has been the development of Little St. James' Island off of St. Thomas in the Caribbean. Epstein developed a fully functional resort on the island, guest houses and landscaped the islands beaches and coastlines. He has plans to develop an exclusive academic library on the island and uses the island to host world conferences with eminent scientists and other academics.