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With the Market Up, Wall Street High Life Bounces Back, Too

**Chartered Jets, a Wedding
At Versailles and Fast Cars
To Help Forget Bad Times**

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NEW YORK -- A year ago, Bret Grebow, a 28-year-old who runs hedge fund HMC International, was taking cheap flights on JetBlue Airways and keeping a lid on his spending. But his fund's investment portfolio surged nearly 40% last year, and Mr. Grebow says he's confident that the market has regained its footing. So two months ago he bought a new \$160,000 Lamborghini Gallardo. He says it was his first "treat" in months.

These days when Mr. Grebow and his girlfriend travel between his Highland Beach, Fla., home and his New York office, he charters a catered plane with a bar, paying as much as \$10,000 for the three-hour flight. Last weekend he spent more than \$12,000 to fly himself and some friends on a Learjet 55 to the Super Bowl.

"It's fantastic. They've got my favorite cereal, Cookie Crisp, waiting for me, and Jack Daniel's on ice," says Mr. Grebow.




Bret Grebow

Hedge-fund trader Kenneth Griffin last summer married another hedge-fund hotshot. They tied the knot at the palace of Versailles. Festivities in Paris included a party at the Louvre and a rehearsal dinner at the Musee D'Orsay. In Las Vegas last month, 10 Wall Street investment bankers dropped several thousand dollars renting a Ferrari, a Dodge Viper and a Hummer for the weekend to cruise the Strip. New York cigar shops, steak houses and five-star restaurants all report an influx of Wall Street business in just the past few weeks.

As financial companies start to pay out big bonuses for 2003, lavish spending by Wall Streeters is showing signs of a comeback. Behind the exuberance: a 40% jump in the Dow Jones Industrial Average in roughly 15 months and a return of big profits on Wall Street -- \$15 billion or so last year, more than double 2002's profits, according to estimates by the Securities Industry

Association. When the results are all tabulated, 2003 likely will be the third-best year on record for the securities industry.

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"There was much more money spent at year-end parties than I would have thought," says Michael Holland, chief executive officer of Holland & Co., an investment firm. He says he was struck by the packed dining room recently at the "21" Club. "It's an early warning sign about the return of the extravagant days."

One Wall Streeter recently spent about \$30,000 to rent out the lower Manhattan restaurant Nobu for 150 guests. Not far away, Tribeca Grill has seen bookings for parties by Wall Street firms pick up in recent months after a long dry spell. Giles Priestland, director of sales at the ski resort The Lodge at Vail, says one Wall Street firm has booked 60 rooms for three nights in March, starting at \$495 per night.

Wayne Duris, general manager of New Country Porsche of Greenwich, Conn., says that on one day late last month, he shipped new Porsches that sell for up to \$120,000, to two Wall Street professionals. They paid cash. Sales doubled at the dealer this January compared with the year before, he says, thanks to interest from traders.

James Selwa, president of Rolls-Royce Motor Cars NA, says one Wall Street pro recently was so eager for a \$320,000 Rolls-Royce Phantom that he insisted on buying the Manhattan dealership's only demonstration model.

For those with more miles to go, the bull market is ushering in a renewed appetite for chartered jets.

Todd Rome, president of Blue Star Jets in Manhattan, says that several groups of Wall Street traders chartered fully catered 737s and 727s, each with several bedrooms, to fly to warmer climes such as Florida for their Super Bowl parties.

"With the turn of the market, people are feeling liquid, there's big demand from mutual funds, hedge funds and even brokers," says Mr. Rome. "Starting in December, all of a sudden this business has had a facelift" with the new demand from Wall Street.

In recent weeks, Wall Street firms have begun paying what's expected to total \$10.7 billion in bonuses -- the bulk of the compensation for most on Wall Street -- for 2003. That's almost a 25% increase from 2002, though still less than the \$19.5 billion bonanza of 2000. Also fattening wallets: Stock prices of most securities firms are at their highest levels in three years.

Some big winners in the 1990s boom have been left behind this time around. Mergers-and-acquisitions activity is still relatively weak. The regulatory settlement to resolve conflicts of interest between research departments and investment-banking operations has dented research budgets across Wall Street.

Today, traders who bet on the market with their own firm's capital are cashing in. So, too, are hedge-fund executives and bond traders. The average bonus for bond specialists rose 30% last year, compared with a 5% raise for investment bankers and equities pros, says compensation consultant Johnson Associates Inc.

A beneficiary is the high-end real-estate market in New York, says Dolly Lenz, a real-estate agent at Douglas Elliman. "People are getting bonuses again," says Ms. Lenz, who says she closed on about \$100 million in contracts in last month -- her best month ever and about triple her January 2003 tally.

One apartment drawing interest is the Fifth Avenue co-op of L. Dennis Kozlowski, former chairman and chief executive of conglomerate Tyco International Ltd. His \$15,000 poodle-shaped antique umbrella stand, \$6,000 shower curtain and \$38,000 backgammon table became symbols of 1990s excess. Now several Wall Street professionals are showing interest in buying Mr. Kozlowski's apartment, according to Sharon Baum, a real-estate broker at Corcoran Group involved in showing the place. With 11 rooms, including a master bedroom with Central Park views and staff quarters, the apartment is listed at around \$28 million.

Dining at New York's Le Cirque restaurant late last month, three Wall Street executives approached real-estate mogul Donald Trump, interrupting his dinner, to ask about prices of apartments in his deluxe Manhattan buildings. "I've never been inundated like that," Mr. Trump says.

Grant Morgan, who runs a brokerage firm in New York called First Republic Group, says he likely will add 30 new brokers to his 100-broker staff this year. After several years of putting off a remodeling job at his Greenwich, Conn., home, the bachelor now is spending \$600,000 to gut and rebuild.

"We're comfortable the market won't take a new downturn," says Mr. Morgan, 36, who was comfortable enough to spend a week at The Breakers in Palm Beach last month and six months ago bought a \$150,000 Ferrari 360. "Things are thawing."