

Thomas C. Noddings

Thomas C. Noddings, author, investment advisor and a pioneer of convertible arbitrage strategies, died on July 11, 2008, age 74.



If you have ever picked up a book about convertible securities and the strategies utilized to capitalize on the opportunities available, it was very possibly written by Thomas C. Noddings. Over his 37 year career, Tom authored ten books detailing convertible hedging strategies - the first in 1975 and the last in 2001.

After graduating from Purdue in 1955, Tom began his career as a mechanical engineer. He began hedging convertible securities as a hobby in the mid 60's, and brought a very mathematical and disciplined approach to investing. His conviction that these types of securities offered investors a profit potential superior to conventional stock purchases led him to do extensive research on the subject. With only a slide rule, a french curve and graph paper, Tom would methodically analyze each security that presented itself to determine whether there was an investment opportunity.

In 1971, Tom left the engineering profession to pursue a full-time career in money management which included being an account executive with E. F. Hutton & Company, Inc., a broker-dealer, until 1975, and Vice President of Wollard & Company, Inc., another broker-dealer, until he founded Thomas C. Noddings and Associates in 1977. In 1981, he launched one of the world's longest running hedge funds. Tom had been active in managing and overseeing the Noddings Convertible Hedge L.P. until his final days, entering his last trades on July 7.

Always cautious, risk averse, and with his focus on what tomorrow would bring, Tom never engaged in the kind of investing that has been the hallmark of Wall Street over his career. More than once, hedge fund consultants made the observation that he had a great long-term track record and then asked him why he didn't "leverage it up more?" He would just smile and answer, "Why do you think I have a long-term track record?" Tom never hesitated to place his money next to his clients' and assume the same risks and rewards they did.

Tom is survived by his wife Fran, three sons, and six grandchildren. Tom's passing leaves the investment community less one voice of prudence and reason.