

APRIL 12, 2009, 4:30 P.M. ET

## Regrets Only

*Investment pros bemoan the one that got away*

By CHARLES PASSY

Like weekend anglers, investors often bemoan "the one that got away," a financial opportunity they nearly seized, but then passed up. With precise detail, they still recall the deal -- and can still count every dollar they could have made.

But does the same hold true for investment pros? To find out, we asked several prominent wealth managers and other investment gurus about opportunities they regret not acting upon, as well as what they learned from their mistakes. Here's what they had to say:

**TOM GARDNER**, *chief executive, The Motley Fool*

Remember the buzz that surrounded the merger of AOL and Time Warner Inc. when the deal was announced in 2000? Tom Gardner would like to forget it.

Mr. Gardner happily owned AOL shares during the 1990s, when the company experienced tremendous growth. Its stock price soared from around \$1 a share in 1995 to more than \$70 a share in 1999. He hoped the good times would continue under a combined AOL-Time Warner.

"In general, I'm bearish on mergers of equals, particularly when the two companies are very large," Mr. Gardner says. But in retrospect, he says he should have taken into account that the "these were two companies with very different cultures," and that "the combined entity was saddled with more than \$20 billion in debt."

Mr. Gardner paid dearly for his faith in the merged media giant. "I held the shares all the way down, selling half in the \$30s and carrying the rest today," he says.

For Mr. Gardner, the lesson is clear: "When the thesis changes and you don't like the change, sell and move on."

**STEVE HEFTER**, *managing director, Wachovia Securities, Deerfield, Ill.*

When he was a young trader at Goldman Sachs in 1986, Steve Hefter thought he was doing right by his clients when he got them a piece of the Microsoft Corp. initial public offering (at \$21 per share) and helped them sell it after they made a quick 10% or 20% profit. And while some clients opted to hold longer, Mr. Hefter advised them to get out in 1987 -- just before the market crash, as it turns out. "We thought we were geniuses," he says.

You know the rest of the story: The company, which "made some kind of soft stuff," as Mr. Hefter recalls once describing it, went on to become America's high-tech behemoth. Mr. Hefter has since done the math: If those clients who purchased \$50,000 of Microsoft stock at the time of the IPO held on, they'd be looking at well over \$10 million today. Mr. Hefter says he thinks about that fact in today's market, when the buy-and-sell mentality is very much in place.

"Maybe now is the time to buy some quality companies and hold them longer," he says.

**MEG GREEN**, founder and CEO, Meg Green & Associates, North Miami Beach, Fla.

Meg Green insists she's not a "shoulda, woulda, coulda" investor. Not only does she trust her instincts when it comes to buying -- she purchased property in Cabo San Lucas, Mexico, when it was "nothing" -- she's also "a very bad seller" who gives struggling investments a chance to recover.

But that's why her biggest regret may be her failure to capitalize on one such floundering company. Ms. Green started buying shares of Apple Inc. when it was at \$140 last year. And she bought a little more as it continued to drop -- to \$120 and then to \$95 and then to \$80. But now that the stock is back up above the \$100 mark, she's cursing herself for not buying "a whole lot more" at that magical \$80 mark. "I should have backed up the truck," she says.

She feared the company might have been in a free fall from which it would never rebound. Now, she's convinced her worries were unfounded. "You should have the courage of your convictions and I was a little weak this time," she says.

**GEORGE D. BIANCO**, *senior vice president, the Bianco Group (affiliated with Merrill Lynch), New York*

As an investment professional who also runs a small organic farm in New York's Hudson Valley, George Bianco knew that Whole Foods Market Inc. was a company to watch in the early '90s.

"We were going from shriveled fruit in the corner of a food co-op to a mainstream idea," he says of the emergence of the organic and gourmet-oriented chain. So, why didn't he buy Whole Foods' stock in 1992 at around \$3 a share? "It seemed too expensive," he says.

And as he watched the price climb -- it went as high as \$77 in 2005 -- "my stubbornness of not being in it earlier kept me out of it entirely." In other words, Mr. Bianco failed to heed his own advice of "investing in what you know." But at least he still has the farm.

**DEBORAH DANIELSON**, *owner and president, Danielson Financial Group, Las Vegas*

In the early '80s, Deborah Danielson had a friend who was certain that growth was coming west of Vegas. So, the two of them looked at a 10-acre parcel, priced at around \$25,000 an acre. But Ms. Danielson couldn't get beyond the fact that "there was no road" to even take them that far out of town.

"It was all dirt from here to as far as the eye could see," she recalls of her and her friend's decision to pass on the purchase.

Today, Vegas extends in practically every direction, and the area Ms. Danielson once considered is abuzz with commercial and residential activity, with land prices typically going for \$600,000 an acre.

Ms. Danielson says she's learned from the experience that investors shouldn't be afraid to visualize the future -- literally, in the case of undeveloped land. "You have to really look long term," she says.

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