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GCARD NEWSLETTER

"RECALLING JOSEPH RITCHIE,
LEGENDARY FOUNDER OF
CHICAGO RESEARCH AND
TRADING (CRT)"

BY JOHN LOTHIAN, FOUNDER AND PUBLISHER,
JOHN LOTHIAN NEWS

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Recalling Joseph Ritchie, Legendary Founder of Chicago Research and Trading (CRT)

John Lothian

Founder and Publisher, *John Lothian News*

Joseph J. Ritchie, founder of proprietary trading firm Chicago Board Crushers, which later changed its name to a more memorable Chicago Research and Trading and was known widely as CRT, died on February 21st at the age of 75. The name of the firm was changed, Ritchie said, because people would call up and say they wanted their boards crushed.

Ritchie was a legendary trader who took his computer programming skills and programmed a Texas Instrument calculator with the Black Scholes options formula. However, he only stayed at the Chicago Board Options Exchange (CBOE) for two months working on the floor there and gave his calculator to famed trader and adventurer, Steve Fossett¹.

After leaving the CBOE, Ritchie went to the Chicago Board of Trade (CBOT) to trade the silver arbitrage, then later moved over to the soybean crush. And just to show you how antiquated our markets were, and how innovative guys like Ritchie were, let me share this story. Ritchie rigged up a slide rule for trading the soybean crush with values for beans, meal and oil on them to be able to quickly calculate the value of the crush. No other traders had such a tool and this allowed him and his clerks to be faster than other traders.

He would later go on to be a leader in computer driven trading strategies, using futures and options prices in real time to evaluate opportunities. Meanwhile, competing traders were getting paper sheets of option prices updated a couple times a day. He would go on to found CRT with \$100K in 1977 and in the 1980s it was 30% to 40% of the U.S. equity market volume. He sold the firm to NationsBank in 1993 for \$225 million.

Endnotes

This memorial originally appeared in *John Lothian News*. John Lothian's previous article for the *GCARD* covered how the "[Open Outcry Traders History Project Captures Traders' Stories from Bygone Era.](#)"

1 Fossett and Ritchie became lifelong friends, and Ritchie even served as mission control director for two of Fossett's balloon trips around the world. They also set an aviation speed record together, with Fossett serving as Ritchie's copilot after Fossett had flown across the U.S. in record time.

Author Biography

JOHN LOTHIAN

Founder and Publisher, *John Lothian News*

John J. Lothian is a Chicago-based financial media executive and entrepreneur. He is the founder and publisher of *John Lothian News*, *MarketsWiki*, *CryptoMarketsWiki*, *MarketsWiki Education* and *MarketsReformWiki*. Lothian is also a Commodity Trading Advisor (CTA) and industry consultant. In addition, he is the Executive Chairman and CEO of John J. Lothian & Company, Inc.;

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is a principal with John J. Lothian Managed Futures, LLC, a National Futures Association member Commodity Trading Advisor; and serves on the U.S. CFTC Technology Advisory Committee. He was named to the latter committee in June of 2012.

He is a 1983 graduate of Purdue University in West Lafayette, Indiana, and holds a Bachelor of Science degree in General Management/Finance and a Bachelor of Arts in Mass Communications/Journalism.

He can be contacted at johnlothian@johnlothian.com.



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J.P. MORGAN CENTER FOR COMMODITIES

UNIVERSITY OF COLORADO
DENVER BUSINESS SCHOOL

Physical Address

J.P. Morgan Center for
Commodities

University of Colorado Denver
Business School

1475 Lawrence Street
Denver, CO 80202

Mailing Address

J.P. Morgan Center for
Commodities

University of Colorado Denver
Business School

Campus Box 165
P.O. Box 173364
Denver, CO 80217

Web

[business.ucdenver.edu/
commodities](http://business.ucdenver.edu/commodities)

Contact

Erica Hyman

Program Manager

J.P. Morgan Center for
Commodities

University of Colorado Denver
Business School

erica.hyman@ucdenver.edu
1.303.315.8019



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