



Stanford eCorner

Illiquid Assets are Like Baseball Cards

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April 13, 2011

Video URL: <http://ecorner.stanford.edu/videos/2699/Illiquid-Assets-are-Like-Baseball-Cards>

SecondMarket Founder and CEO Barry Silbert held a number of jobs in banking before starting his own company. However, trading baseball cards as a child gave him the most profound preparation for understanding illiquid assets and inefficient markets.



Transcript

So as I was thinking about my background and as I was thinking about those different jobs, I was reflecting on my professional career and thinking, you know, which of these jobs had the most profound impact on me as an individual? Anybody want to take a guess? Of these choices, what do you think had the most profound impact? Just yell it out. Baseball cards. Baseball. Isn't that obvious? OK, so I was enlightened when I thought about this and so I'm going to take you back to let's call it 1987, I was a 13-year-old kid, you know, I thought I was pretty hotshot back then but I was scrawny, sporting a bald cut, I would go to these baseball card shows about once every two weeks and I would take my baseball cards in like a milk crate and I log them to the baseball card show and I set up this table. And I remember like borrowing 30 bucks from my parents to buy this glass display case to make it look professional. Like people are not going to see this 13-year-old kid, so they might not think I'm not a professional. But anyways, I was doing this baseball card shows making some money and it was eye-opening because I'm now reflecting back on that experience. And what I came to realize was the baseball card market itself was my first exposure to e-liquid assets, so inefficient markets. And what's really interesting about it is that... and that market was basically...

it was fixed. I've seen how these dealers who professionally made money out of buying and selling baseball cards and then you have collectors. These collectors me and other young people and older people would buy these cards from these dealers. And it always surprise me that somehow some way, these dealers knew like two weeks before when the pricing guy came out every month which were going to be the hot cards, which were going to be the cold cards. And looking back on it, it was my first appreciation for the need for transparency, for centralization, for basically not allowing the big boys to control all the information.