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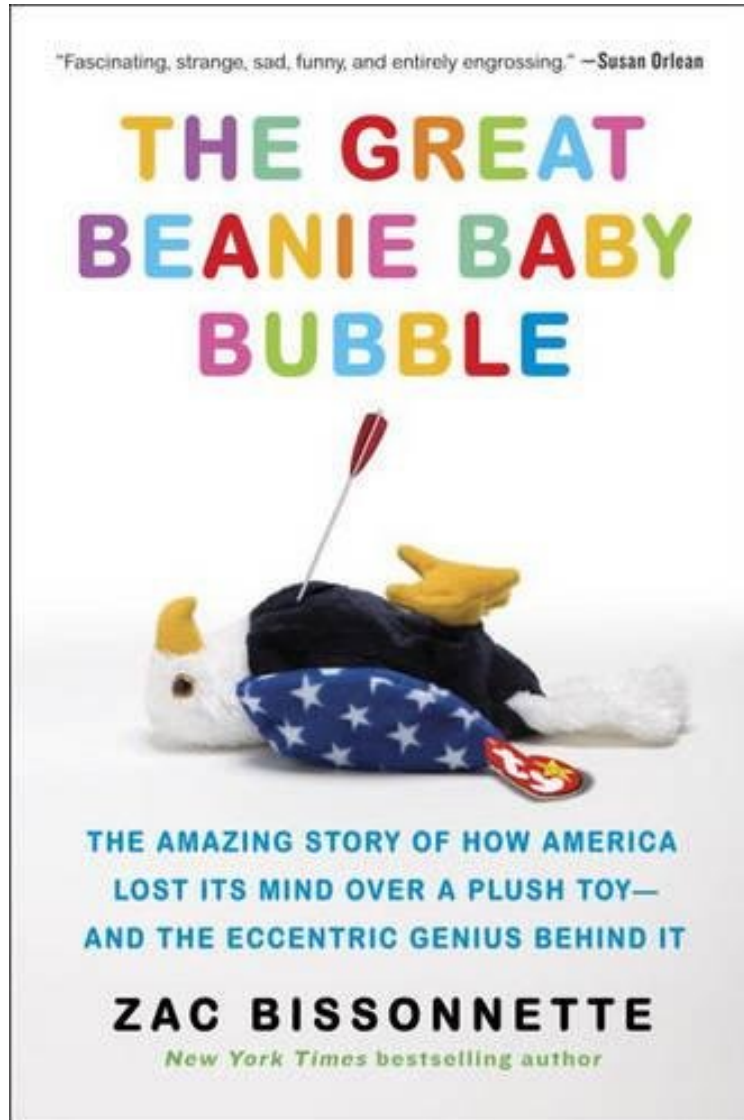
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[Library ebook] The Great Beanie Baby Bubble: The Amazing Story of How America Lost Its Mind Over a Plush Toy--and the Eccentric Genius Behind It

## **The Great Beanie Baby Bubble: The Amazing Story of How America Lost Its Mind Over a Plush Toy--and the Eccentric Genius Behind It**

**Zac Bissonnette : The Great Beanie Baby Bubble: The Amazing Story of How America Lost Its Mind Over a Plush Toy--and the Eccentric Genius Behind It** before purchasing it in order to gage whether or not it would be worth my time, and all praised The Great Beanie Baby Bubble: The Amazing Story of How America Lost Its Mind Over a Plush Toy--and the Eccentric Genius Behind It:

4 of 4 people found the following review helpful. If You Ever Wondered About the Beanie Craze...By DanI thoroughly enjoyed this book. Zac Bissonette put in the time and research to make this an engaging and thoroughly engrossing book on the rise and fall of Ty Warner's widely successful line of "Beanie Products." Complete with many personal interviews of those close to Ty and those greatly affected by it (Collector's, Small Specialty Owners, and more), it makes a very interesting and worthwhile look at those who made millions and crashed hard when it all came to a screeching halt. We also get to see the man behind the Beanies, in a biographical sketch pre-Beanie and (less so) post-Beanie. The only caveat I had, was that it seems to be written especially for those in business (hence "Bubble"), yet it is still completely accessible to the average reader. If you ever had an interest in how people thought that children's products were a "good investment plan" or Beanies helped create eBay (and why eBay helped bring it all to an end), then get this book. If not, you might as well get it anyway if you want something interesting to read that gives a glimpse into some human psychology, some business, and when a toy becomes a commodity over a children's plaything.

0 of 0 people found the following review helpful. Furry Greed-Fueled DelusionBy Franklin the MouseWitnessing the mania during its heyday was confusing to me. Adults buying cute little stuffed toys as an investment strategy made no sense. I could understand a few rare items being of value but we're talking millions of these suckers being hoarded by people. Mr. Bissonette's 'The Great Beanie Baby Bubble' does a very good job of explaining how the toy became a fad then turned into insanity. The book is not only a dissection of the phenomenon but also an explanation of how rational people are lured into a quirky greed-fueled social event. There is much to be learned from this quick-reading work. The author describes the creator, Ty Warner, and his obsession with making and marketing the ultimate stuffed animal. Everybody has idiosyncrasies but Warner makes most of us look like rookie eccentrics. A self-absorbed skinflint who was an exceptional good salesman and workaholic kept rewriting his rise to success. Mr. Bissonette separates fact from fiction. Warner's story is not as he portrayed due solely to his actions.

There was a lot of serendipity involved. The book explains how the craze first began in a Chicago suburb, the key players in the fad's rise, and the Beanie Babies inevitable fall. The author also inserts many colorful stories about the Beanie Baby acolytes. Some of the topics covered are such things as the gimmick of retiring certain Beanie Babies, the birth of e-commerce, eBay, copyright infringement, knock-offs, the farce of price guides, the partnership with McDonald's, a rundown of where many of the players are now in their lives, and most importantly, the nature of economic bubbles. The book also includes 8 pages of photos. Beyond the compelling story, Mr. Bissonette gives the readers a cautionary tale about the attraction of get-rich schemes. In my lifetime there have been two housing bubbles, the baseball-card bubble, the dot-com bubble, the Beanie Baby bubble, and numerous fads that people have lost their ever-lovin' gourd over such as Cabbage Patch Kids, Furbies, and Yu-Gi-Oh trading cards. As long as humans exist, these greed-induced follies will occasionally appear. 'The Great Beanie Baby Bubble' may help you be better prepared for whatever insanity is down the marketing road.

5 of 5 people found the following review helpful. Fun and EnlighteningBy C. BrockInteresting and insightful investigation of the Beanie Baby craze. Filled with stories of both the inventor as well as collectors and others who cashed in on the phenom. Well written, keeps your attention, and makes you wonder how a \$5.00 plush toy could rule the toy world for 3 years and then come crashing down as fast.

Will keep your attention from the first to the last page. Highly recommend even if you missed the craze.

In the annals of consumer crazes, nothing compares to Beanie Babies. With no advertising or big-box distribution, creator Ty Warner - an eccentric college dropout - became a billionaire in just three years. And it was all thanks to collectors. The end of the craze was just as swift and extremely devastating, with "rare" Beanie Babies deemed worthless as quickly as they'd once been deemed priceless. Bissonette draws on hundreds of interviews (including a visit to a man who lives with his 40,000 Ty products and an in-prison interview with a guy who killed a coworker over a Beanie Baby debt) for the first book on the most extraordinary craze of the 1990s.

Enlightening. He writes fluently and has structured his tale artfully. Most impressive of all, Mr. Bissonette refuses to gratuitously trumpet his story as an emblematic critique of American culture, human folly or entrepreneurial greed though of course it is all that and more. The Wall Street Journal Thanks to Bissonette's balanced and thorough reporting, the account of Ty Warner, founder of the Babies, becomes a portrait of a creator obsessed with perfection, making money in a business he loved, in a company built on his dreams. Booklist Bissonette offers a crisp, investigative and presumably unauthorized biography of creator Ty Warner, 70, and a look at the rise of Beanie Babies and their swiftly ensuing three-year consumer craze... A spicy portrait of a taciturn toy magnate made entertaining with sensationalistic testimonials. Kirkus s Equally heartwarming and heartbreaking, this accessible work will captivate.

Library Journal, Starred review Bissonette (Debt-Free U) does a masterful job of tracing the rise and fall of the Beanie Baby phenomenon of the 1990s . . . This cautionary tale of elevated consumerism, with collectors fretting over what they didn't have rather than taking pleasure in what they did, serves as a useful history lesson for today, told with wit and subtlety. Publishers Weekly The spectacular story of the strangest speculative bubble there ever was and the man behind it. A must-read for anyone looking to understand how manias start and markets go insane."LIAQUAT AHAMED, Pulitzer Prizewinning author of Lords of Finance Fascinating, strange, sad, funny, and entirely

engrossing. The Great Beanie Baby Bubble is a smart, engaging book that's as much about the odd saga of these plush toys as it is about the nature of obsession and desire. SUSAN ORLEAN, author of *Rin Tin Tin* in spare, elegant prose, Zac Bissonnette tells the riveting story of how Ty Warner ruthlessly built Beanie Babies into a mania as misguided and regrettable as the 1637 Dutch tulip craze and mortgage-backed securities in 2008. You won't be able to put this book down. WILLIAM D. COHAN, author of *Money and Power* The amazing story of the time the world lost its mind over little beanbag critters named Punchers, Humphrey, and Wingless Quackers. Zac Bissonnette takes us on a journey into the secretive world of the man behind the mania, Ty Warner. BILL DEDMAN, coauthor of the bestselling biography *Empty Mansions* From the Hardcover edition. About the Author Zac Bissonnette wrote two acclaimed bestsellers before his twenty-fourth birthday: *Debt-Free U* and *How to Be Richer, Smarter, and Better-Looking Than Your Parents*. He has contributed to the *Wall Street Journal*, the *Boston Globe Magazine*, the *Daily Beast*, and *Bloomberg*, among others. He lives in New York City. Excerpt. Reprinted by permission. All rights reserved.

INTRODUCTION The greatest toy salesman in the world looked out at his 250 employees gathered for the Ty Inc. holiday party. Wow! fifty-four-year-old Ty Warner said. I've never been in a room with so many millionaires! The salespeople cheered because it wasn't an exaggeration. It was December 12, 1998, and Ty Inc. was three weeks away from closing out a year of sales that would break nearly every record in the annals of the toy industry. Andi Van Guilder was seated in the back with the relatives she'd hired to answer the phones that hadn't stopped ringing with orders for Beanie Babies in close to three years. She thought about it. In 1993, she'd made less than \$30,000 lugging trunks of porcelain figurines and collector plates to stores in two states. In 1998, selling Beanie Babies to independently owned toy and gift shops in Chicago's northern suburbs had paid her more than \$800,000 in commissions. She was thirty years old. Life was perfect. The applause died down. Ty made the announcement he'd been planning for weeks: he would be giving all his employees Christmas bonuses equal to their annual salaries. Pandemonium ensued. Ty was their God, Faith McGowan, Ty's then girlfriend, remembers. He basked in the adulation of the workers who, in the span of three years, had helped make him the richest man in the American toy industry. His annual sales for 1998 had surpassed \$1.4 billion—virtually all of it coming from the \$2.50 wholesale price on beanbag animals that frenzied speculators had turned into a craze that was the twentieth-century American version of the tulip bubble in 1630s Holland. Ty had created the toys in 1993 in the hope that they would be popular among children, but they had become so much more than that; and they had also become so much less than that because most collectors, aware of the soaring values for the rarest styles, wouldn't let their children anywhere near them. Humorist Dave Barry explained the mania in a 1998 column: Beanie Babies were originally intended as fun playthings for children, but as the old saying goes, Whenever you have something intended as innocent fun for children, you can count on adults to turn it into an obsessive, grotesquely over-commercialized hobby with the same whimsy content as the Bataan Death March. The first buyers had been children with allowances. Then their moms had started collecting. By the time of the 1998 Ty Christmas party, Van Guilder remembers, it was mostly creepy, belligerent men she saw lined up when she dropped in to check on retailers. The little animals with names like Seaweed the Otter and Gigi the Poodle had become, as Van Guilder puts it, something really cute that just brought out the worst in people. The worst in people was inspired by a popular belief that Beanie Babies were a long-term investment. A self-published author sold more than three million copies of a book that touted ten-year predictions for their values. The magazine *Mary Beth's Beanie World*, started by a self-described soccer mom, reached one million copies in paid monthly circulation.

In it, a full-page, full-color ad for Smart Heart tag protectors led with this headline: How Do You Protect an Investment That Increases by 8,400%? The answer was to buy hard-shell lockets in which to encase the animals heart-shaped paper tags that read Safety Precaution: Please remove all swing tags before giving this item to a child. More than any other consumer good in history, Beanie Babies were carried to the height of success by a collective dream that their values would always rise. Warner's announcement of bonuses wasn't his only gift to his employees at the Christmas party. He also presented them with #1 Bear, a signed and numbered red Beanie Baby with the number 1 stitched onto the chest. The inside of the hangtag explained that only 253 of the bears had been produced. It also listed the company's achievements for the year: more than \$3 billion in retail sales, number one in the gift category, number one in collectibles, and number one in cash register area sales. The workers inspected the bears and cheered some more. No doubt some were moved by sentiment, but they also knew that the bear could be listed on eBay, where Beanie Babies comprised 10 percent of all sales. On eBay, Beanie Babies sold for an average of \$30—six times the price they had originally retailed for. Within a few weeks, #1 Bears would be selling for \$5,000 or more apiece. Not everyone at the luncheon was so thrilled. Faith McGowan sat quietly. In late 1993, Warner had shown her and her two daughters from her previous marriage who lived with them the first prototype for Legs the Frog. Since then, the animals had been the sole focus of their time together. Even as sales exploded, Ty personally designed every piece the company put out, and that meant spending several months each year at the factories in Asia. The frantic pace of their life together was exhausting, and Ty, a throwback to an entrepreneurial archetype that no longer exists, wasn't slowing down. Today, most rags-to-megariches stories involve hot technology, venture capital, and high-profile initial public offerings. Ty skipped all of that, marketing his own products based on his own ideas and the feedback of everyone around him without ever hiring a marketing consultant or assembling a focus group. He'd been the business's only

shareholder since he started it in his condo in 1983, and when the investment bankers came peddling nine- and then ten-figure deals, Warner declined the dinner invitations. Most guys would at least have the decency to jerk you around, remembers one banker. He wouldn't even talk to you. McGowan worried that she was losing him. He'd told her they would get married, and he'd even shown her father the ring he'd gotten her. But that had been more than a year ago, and there was no sign of a wedding on the horizon. She was terrified about what would happen if their life together came to an end. A few weeks after the party, Ty informed her that his pretax income for the year had come in at \$700 million more than Mattel's and Hasbro's earnings combined. Over in England, Ty's ex-girlfriend Patricia Roche had become rich running the company's distribution there. Faith was apprehensive about Ty's continuing relationship with Roche. More pressingly, Faith was worried that, for all the money Ty had made, she had no assets in her own name. If Ty changed the locks on the Oak Brook house while the girls were at school or I was at work, I had nothing, Faith remembered in an unpublished memoir. No house. No money in the bank. No employee severance. Not even a credit card. After the party was over, McGowan prepared for the worst. Ty had presented her with the first #1 Bear 1 of 253 and she quickly sold it to a local collectibles dealer for ten thousand dollars and a promise not to tell anyone where he'd gotten it. She used the money to seed an emergency fund in case her five-year relationship with a man who was now a billionaire imploded. Her decision to sell was well timed. That Christmas party happened to mark the absolute height of the Beanie craze, and the beginning of its spectacularly rapid decline. The new millennium was approaching, and the bubble was about to burst. \_\_\_\_\_ I was in middle school when the Beanies hit and I remember a couple I had. But mostly I remember the Beanie Baby dealers who sprouted at Cape Cod's Dick Ellies flea market, which my mother and I visited every weekend. I remember the adults wearing fanny packs and visors, eagerly discussing the secondary market fluctuations driving up the prices of pieces they'd paid \$5 for a few weeks earlier. The Beanie sellers had the busiest booths and, for a couple of years, it really did look like the dealers sticking with Shaker furniture and oil paintings were as out of touch as Warren Buffett seemed to be when he eschewed Internet stocks in favor of acquiring Dairy Queen in late 1997. I hadn't thought about Beanie Babies at all in at least ten years until, on a wintry day in 2010, I stopped at Kimball's, an auction house down the road from the University of Massachusetts, Amherst. I was a year away from graduating into the worst job market in a generation, and the fallout from the recent speculative mania in real estate was never far from anyone's mind. At Kimball's, I was given a reminder of the aftermath of a smaller speculative mania: three large Rubbermaid containers on a table in the back of the room holding at least five hundred Beanie Babies, all with plastic lockets protecting their hangtags. Some were preserved individually in Lucite containers. There was another large box of magazines and price guides with names like Beanies More, Beanie Collector, Beans! Magazine, and Beanie Mania. Then there were spreadsheets and checklists showing how many of each Beanie Baby the collector/speculator had, which ones she was missing, how much was paid, and estimates of current value (as of 1998 or 1999). More interesting than the Beanies themselves was the manifest conviction of whoever had assembled the collection that it would one day be of great value. Everything on display was perfectly preserved and, as we found out when the auction started at 6:00 p.m., almost worthless. The entire lot sold for less than a hundred dollars, probably well below 2 percent of its value at the height of the Beanie Babies market, which, not coincidentally, was also the height of the Internet stock bubble. That the speculative episode in Beanie Babies took place in tandem with the Internet bubble suggests that the cultural forces that were alchemizing Internet stocks had the same effect on Beanie Babies. They rose in an era of unreality defined by magical thinking; as economist Dr. Robert Shiller writes in *Irrational Exuberance*: Speculative market expansions have often been associated with popular perceptions that the future is brighter or less uncertain than it was in the past. They also, Shiller notes, have a way of clustering around century turns as if the prospect of going from 99 to 00 is so fantastic as to make all things seem possible. In the new millennium, the residents of America's high culture thought, the Internet would change everything, making everyone who bought Internet stocks rich, no matter how much they paid. Those in the lower culture adapted that optimism to a belief in the investment potential of stuffed animals, and it's hard to say which view was proven more wrong. \_\_\_\_\_ When I got home from the auction, I Googled Beanie Babies. There were pictures of Beanie Babies and stories noting that there had once been a craze for them, but nothing of any depth. Why had anyone ever thought Beanie Babies were a good investment? How had people decided that they were no longer worth anything? There was also almost nothing on the man behind them. Ty Warner had an education that consisted of one year studying drama at Kalamazoo College and a net worth that *Forbes* estimated at \$2.6 billion, all of it the product of the three-year Beanie Babies craze. That was enough to make him the 209th richest man in America. That was about the extent of the publicly available information about him. He hadn't done an interview since 1996, before the height of the craze, and no one who had known him personally or worked for him had ever spoken about him publicly. A *Chicago* magazine profile of Warner once described his life as hidden behind an impenetrable wall of plush. Wondering whether there might be a story worth telling about Ty Warner and the Beanie Babies that had driven a large swath of America into a state of greed-fueled delusion, I called one of the handful of people connected to the company I found mentioned in an old news clipping: It was an incredible ride, a man named Bill Harlow told me. But it's a shame it ended as badly as it did for us. But don't focus on the negative, Harlow said. If you want to understand Ty Warner and how he became who he became, which was also the story of how Beanie Babies became what they became, he said, go see him at a toy and

gift industry trade show. That was where Harlow had first met Warner in the late 1980s when Harlow was in his twenties, running a quilting store with his wife. Warner was in his forties flamboyantly dressed, perfectly coiffed bit player in the sleepy industry of stuffed animals, fastidiously grooming his plush Himalayan cats, the first toys he'd ever created. Everyone who saw him at trade shows in those days remembers him, usually alone, plucking around the cats eyes with tweezers to accentuate eye contact, as he put it, and blow-drying them to enhance the thickness of their fur. Ty stopped the Harlows when they walked by his booth, asked them about their store, and then declared that nothing could possibly sell a quilt better than a stuffed cat sitting on top of it. They were skeptical, but they ordered when Tys then girlfriend and business partner of sorts, Patricia RochePatti, as Ty called her made the decision easier: I guarantee this order, she scribbled on the invoice, and signed it. As it turned out, Warner was right. Cats sold quilts and quilts sold cats, and Harlow reordered quickly. That \$125 order set in motion a chain of events that led to Harlow becoming the exclusive Ty Inc. distributor for all of Canada a few years later. At his peak, Harlows annual revenue was more than \$80 million a level of Canadian sales no other plush-toy seller had ever reached. Harlow became a multimillionaire in his thirties, and it just went to show: Ty Warners presence at trade shows could lead to incredible things. A trade show, Harlow said: that was the place to see the king of the stuffed animals in his natural habitat. 1The Greatest Toy Show on Earth: No Kids Allowed American International Toy Fair, February 2012, Javits Center, New York City No children are admitted to the exhibit halls. Absolutely no one under the age of 18 (including infants and toddlers) is permitted to attend Toy Fair. There are no childcare facilities at the Javits Center. Please save yourself and your child the stress and embarrassment of being turned away. FROM THE BACK OF MY ADMISSIONS TAG Hell be here in eight minutes, said a company vice president, looking down at his cell phone. Instantly, the twelve or so employees manning Ty Inc.s booth got to work. Dust was brushed from the pink pedestals displaying stuffed bears, cats, and gorillas. A pair of handlers wielding lint brushes furiously patted down the costumes on the three people who, with the help of a cockney-accented jester, were promoting the companys latest toy: Monstaz, a line of small, round, multicolored beanbags that retail for around \$6.99 and spew gibberish when you squeeze them. Remember Beanie Babies? the jester asked a group of five onlookers. When everybody went c-c-c-craazy?! he said, twirling his finger at his temple. It wasnt the cuteness, affordability, or long-term play value of Beanie Babies that he was evoking; it wasnt even the volume of sales. It was the memory that, for a few years, Beanie Babies had driven many Americans insane. The jesters reference to the time when everybody went c-c-c-crazy is about as much information as the company provides about itself. Ty Inc. is the most successful stuffed-animal brand ever, but there is no About Us or Corporate page on its Web site. There is no Ty Warner archive at a university library, no corporate-financed vanity history, and Warner has never given a public speech of any kind. A single 1996 interview with People magazine is the source of the biographical sketch in every news story about him, but, as I would learn, very little of what he told the reporter was true. At Toy Fair 2012, a Ty employee told me that earlier in the day Warner had sent people to change the fabric on a curtain (a different shade of pink was needed, he'd decided) and swap out the eyes in a display model. There was still more to be done. When I asked one of the workers how much involvement Warner had in Tys day-to-day operations, her eyes widened. You have no idea, she said. It is strange and noteworthy that Warner is still so focused on plush. Hes at an age where most people are eyeing retirement and, in any case, these days the stuffed-animal business is a small portion of his wealth. His annual income from Ty Inc. is well under 5 percent of what it was in the late 1990s and his real estate investments are a much bigger part of his financial life. In the early 2000s, he handed off day-to-day operations of his toy company to focus on renovating the hotels he was buying. He devoted seven years to renovating the Ty Warner Penthouse at his Four Seasons Hotel in New York City, spending \$50 million on the 4,300-square-foot suite and then making it the most expensive hotel reservation in North America at \$45,000 a night. But beginning in the mid-2000s, his first love called him back. He spends several months each year at factories in China, working on designs for new products and making sure that his standards for quality control are upheld. For all of his companys thirty-year existence, Ty Warner has been involved in the selection of every piece of fabric that goes into each of the more than five thousand distinctly designed plush animals he's sold. He recently turned down dozens of samples for the eyes in Beanie Boos, another of his new lines because, as Warner knows, the eyes are the most important part of any stuffed animal. Wandering around the Ty booth, I told the companys vice president of global sales about the book I intended to write and my hopes for an interview with Warner. There's no way, he said. Hes just a very private person. Then, after a pause: Sucks, doesnt it? Finally, with no fanfare, the sixty-seven-year-old billionaire who, one Ty sales rep told me, was the Steve Jobs of plush arrived. Ty Warner is just short of five-foot-taller than you always expect someone you've waited hours to meet to be. College classmates remember mocking him for wearing lifts in his shoes. He had on a black suit over a black turtleneck, with a wedding band that had led to speculation among the companys sales reps that he'd finally married for the first time. (He hadn't.) The twenty-year odyssey of plastic surgery funded by the largest personal fortune in the history of stuffed animals is the first thing anyone who sees Warner will notice although the cosmetic work began years before he was notably wealthy. A former teddy bear designer for the company told me that Ty would get his face stretched a few months before Toy Fair every year. More recently, hes used black sheep embryo injections to further maintain his youth. His face was tight and pale, and it had a certain porcelain-doll-like appearance. One former employee thought that the work focused around his

eyes made him look Asian, and others said he was having sinus issues as a result of too-frequent procedures. Cosmetic surgeons had warned him that he had long ago reached the point of diminishing returns, but he persevered in an obsession with his own face that mirrored his meticulous micromanagement of his companys stuffed animals. His eyebrows were sculpted and his light hair was colored and carefully styled into a sort of mullet that had been his look for at least fifteen yearspartly because it helped to hide any incision marks from the cosmetic procedures. Standing away from the booth, Ty whispered a list of changes to a thirtysomething female assistant, and then he smiled. It looks pretty good, doesnt it? he said. Mr. Warner, I said as I approached him. He walked over, stuck out his hand, and looked at me while I introduced myself. Nice to meet you, he said. I told him that I was working on a book about Beanie Babies; I told him that I thought it was the most intriguing entrepreneurial success story in American historyI really thought that and I still do. I said I knew that in the past he hadnt exactly been media-friendly but that he had the most incredible story to tell and that I hoped he would tell it to me: how, starting with nothing, he had become a billionaire with beanbag animals that hed convinced the American public were rare even while ships from China delivered them by the tens of millions as quickly as the factories could make them. Theres a lot of people who can tell the story a lot better than I can, Warner told me in a deep but soft-spoken Midwestern voice that had a certain folksiness to it. But there was no hesitation in his delivery that suggested hed cooperate. It was a lot of trials and a lot of tribulations, a lot of ups and downsand we were just trying to keep up with it. A lot of good and a lot of bad. And I would probably just tell you the good and then it wouldnt be balanced. Well, I would talk to other people, too, I said. No, I think its better if you just talk to other people. That, over the next two years, is what I did. I talked to current (but mostly former) Ty employees and executives and the two women who were by Warners side during the most exciting parts of his career: the first from the beginning of the company up until the launch of Beanie Babies, and the second from the launch on through the end of the craze. I also talked with his sister, who told me the story of an early life that Ty himself described as unhappy in a 2013 court filing. I learned that that was a profoundly understated assessment. Perhaps most important, I met with the collectors, dealers, and bestselling authors who transformed Ty Warners creation from a popular toy into a collectible and, finally, a token for speculation. I talked with a retired soap opera star who, with too much time on his hands in the twilight of his career, lost his childrens six-figure college funds hoarding Beanies at the peak of the market. The story of Ty Warner and his Beanie Babies shows the dynamics that drive people into and out of speculative manias, but its also about every other manner of human dysfunction, turmoil, and trauma. As you have learned, Faith McGowan once told me, this is a dark story. But first, while I was at the Javits Center, I walked just a couple hundred feet downstairsbut a long drop in other waysto talk to the man who gave Ty his start in the toy business.<sup>2</sup>The Lower LevelI can see the world without many things, but I cannot see the world without a teddy bear.

**HAROLD NIZAMIAN**The lower level of the Javits Center is filled mostly with smaller, less elaborate booths for the upstarts who cant afford prime space on the upper floor. With exhibition costs starting in the four digits, every aspiring Geppetto with some credit cards or a home equity loan has a chance to get his toys in front of every buyer worth courting. Catch the eye of the right buyer, and a fortune-making share of the global toy industrys \$80 billion in annual revenue can be yours. With that bump in sales might come the means to afford a larger booth, which will make you easier for the buyers to spot and, maybe more important, announce that youve arrived. Held annually since the turn of the century, Toy Fair tracks the history of the industry and, in many ways, the rise of consumerism in America. The U.S. market is so dominant that although major manufacturers exhibit on every continent, retailers from more than a hundred countries come to New York City to see whats hot. It was easy to get distracted as I walked away from the Ty booth and downstairs to find Harold Nizamian, who had been the CEO of Dakin Inc., a plush-industry leader, when Ty Warner worked there in the 1960s and 1970s. The Lennon Sisters of The Lawrence Welk Show famenow in their sixties and seventieswere at Toy Fair to personally take orders for their line of Best Pals rag dolls, inspired by their childhood in Venice, California. Elsewhere, a fiftysomething Italian man wearing a seersucker suit galloped by, demonstrating his product: a life-size mechanical pony. Why dont you already order? he hissed at an older woman who was watching him. Forty years ago, Harold Nizamian would have had a booth not all that different from the one Ty has now. Harry, as everyone at Dakin called him, would have been the star, posing for reporters with the companys newest products, smiling and enthusiastically pointing out every feature on whatever teddy bear he was pushing. Dakins sales force came from all over the country to man the booth; they loved Harry and Harry loved them. It was Harrys enthusiasm and love of people that built the company, remembers one former Dakin executive. When I met Harry, close to fifty years after he gave Warner his first job in plush, he was back on Toy Fairs lower level, trying to show his toys to everyone who walked by. Harry, who once ran a \$200 million toy business, watched his empire crumble just as Warners was ascending. Hes in his early eighties now, and he manned the booth for his company, Timeless-Toys Inc., alone. His son had risen at dawn to help set up. Nizamians been at Toy Fair to sell something nearly every year since 1962, and age and ailing finances havent stopped him. Things had gotten so bad recently, he confided, that he was struggling to find the \$3,000 he needed to fill a retailers order for an out-of-stock line of hand puppets. He showed me a set of jumbo-size pick-up sticks, rolled a multicolored die, and then bent over wearily to pick up the stick of corresponding color. These sticks, which hes had in inventory since 2001, help kids develop spatial skills, social skills, integrity, and critical thinking, he said. But the thing that still gets Harry most excited is plush.

When he put down the pick-up sticks to show me a big black bear puppet named Bart, and Sasha, a Russian blue cat, decades seemed to evaporate from his face, and it was easy to see Harry as he had once been: a child of poverty raised in a string of orphanages, separated from his father, clinging to any form of sweetness that happened to enter his life. Nizamian was born in Philadelphia in 1930. His father was an Armenian candy maker and his mother died shortly after Harry was born. When his father's financial fortunes crumbled with the Depression, Harry and his three siblings were placed in foster care on a farm run by the Edwin Gould Foundation for Children. Once a year, a bus brought them to New York, where they had medical and dental work done at Columbus Circle about a mile and a half from the Javits Center. Nizamian is reminded of his youth every year when he makes the trip to Toy Fair. He has no memories of any stuffed toys from his childhood. It is, perhaps, that lifelong thirst for comforting objects that has kept Harry in the soft-toy business, even though it hasn't treated him well in decades. It's the look on a kid's face when he gets a teddy bear, Harry told me. I love that. I love the game. He paused. A teddy bear, to me... is just endless and unconditional love. \_\_\_\_\_ The stuffed-animal business has declined over the past couple of decades, but with a funny quirk: the people who find the most success in it seem almost without exception to come from deeply broken childhoods, and few of them ever really leave the industry. Ty Warner still goes to Toy Fair every year. Virginia Benes-Kemp, who was creative director at Dakin in the 1960s and remembers Warner's frequent drop-ins to discuss ideas for new products, is in her eighties now. Every day she goes to work at Down to Earth Designer Gifts, her store in Pacifica, California, where she sells for reasons that will later become clear pretty much every major plush line except for Ty Inc. Sally Winey, who was a star designer for Ty and a celebrity of the 1990s collectibles world, ended up bankrupt after the decline of the mania and a legal battle with Warner. Still, every summer, she rents a shop in Southport, North Carolina, and tries mostly without success to sell her handmade bears. Part of this is a gambler's mentality: every toy manufacturer is one break away from striking it rich, and if you've had that happen once, you spend the rest of your life fantasizing about its happening again. Yet there's more to it than money. Like the *Velveteen Rabbit* of Margery Williams's perennially best-selling children's book, plush makers are animated by the prospect of their creations becoming the first thing a child loves and values. The speculative bubble that emerged for Beanie Babies is probably best understood as late-1990s speculative capitalism merged with a massive collective flashback to the comfort stuffed animals provided in our early years. Psychology textbooks tell us that a stuffed animal is the most common transitional object for American children—the thing that helps them detach from their mothers and begin life as independent beings. In his 1984 memoir, *They Cage the Animals at Night*, Jennings Michael Burch recounts the violence and neglect he faced in a childhood spent in orphanages and foster homes. One incident stood out above all others: at age eight, when he was removed from an orphanage and placed in foster care, a nun told him he couldn't take his stuffed dog with him. Doggie was gone, he recounted. I felt the worst pain I had ever known. It wouldn't go away. The nurturing that stuffed animals provide doesn't exactly mesh with the reputation of the industry behind them. Several toy executives I spoke with repeated the same old joke about the plush business: It's for people who aren't nice enough for the Garment District. \_\_\_\_\_ Ty Warner met Harry Nizamian in the mid-1960s, when Warner was selling vacuum cleaners door to door in Northern California as a gig he worked in between pumping gas, stocking shelves at a grocery store, and auditioning for roles in movies. Warner, vacuum cleaner in hand, knocked on the door of a lavish mansion; when the homeowner opened it, Ty tossed a handful of dirt on the man's carpet, then quickly vacuumed it up. The homeowner turned out to be Harold Nizamian, and he was impressed. Kid, you're a hell of a salesman, he said. You ought to come work for me. Thus began Warner's entry into the world of soft toys. Once Warner had his own company, this story was recited to every new salesman he hired. He also told it to the women he dated, and it's easy to see why: it reads as if plagiarized from a Horatio Alger novel. As a story about the wonderful things that can happen to anyone with pluck and a willingness to take some risks to close a sale, it's hard to beat. And so, naturally, it isn't true. Actually, Ty got the job through his father, Hal, who sold Dakin's line of plush products all over Ohio. Ty had recently dropped out after a year of college to move to California to try to become an actor. That didn't work out, so he tried selling cameras door to door. Joy remembers Ty excitedly bringing home the samples and how deflated he was after his father mocked the business idea. Hal was proven right and when the camera buyers failed to materialize, Ty was left badly in need of an opportunity. But his father still had to push him to take a job with Dakin. It's a good company, Hal told him again and again. Reluctantly, Ty agreed to start work as his dad's sub-rep. The vacuum cleaner story wasn't true, but Warner quickly established himself as such a gifted salesman that it's easy to see why people believed it. He was the best salesman I have ever known in my forty-four years of being a manager, says Paul Roche, who was Nizamian's head of sales and Warner's direct supervisor. As Dakin grew from a small business into a global leader in plush during the 1960s and 1970s, Ty Warner became its highest-paid employee within just a few years of entering the business, outearning Dakin's CEO, an unusual accomplishment for a commissioned sales rep with no college degree and no significant prior sales experience. Warner had found his passion; and it was at Dakin that he began to develop the ideas—low prices and high volume, selling only to independently owned retailers, obsessive attention to every detail of product design, and a fixation on putting PVC pellets in stuffed animals that would make him rich. As he told journalist Joni Blackman in the only extended interview of his life, I learned marketing, impulse items I learned this company [Ty Inc.] from Dakin. They were the best. Later, when he had his own business and new employees to train, his notes

on the philosophies that he hoped to convey to them always began here.\_\_\_\_\_On April 1, 1955, San Francisco entrepreneur Richard Dakin started a business importing shotguns from Europe. In 1957 Richards son Roger joined him and tried to spur growth with a line of imported battery-operated trains. Along with the trains, the manufacturer sent samples of six small, sawdust-filled toys covered with a cotton velveteen fabric. At the urging of his employees, Roger took the samples down to a notions buyer at a nearby department store. They immediately ordered three hundred pieces, and Dakin was in the toy business. Roger branded the line Dakin Dream Pets, and they quickly became a steady seller in gift and toy stores. The trains and the money-losing gun business were jettisoned shortly thereafter, completing Dakins improbable transformation from the Dakin Gun Company to a fast-growing stuffed-animal concern. The Dream Pets look dated today, but they were quite a novelty at the time. The velveteen gave them a boldness of color that softer plush with a thicker pile lacked. They were stuffed with willow sawdust and a small amount of straw, and the look was vibrant and expressive. They were too hard to be cuddly, but they had wonderfully creative designs and characters, and at a wholesale price of sixty cents, they sold well as impulse buys. When the popular antiques guide Warmans published its 101 Greatest Baby Boomer Toys, Dream Pets made the list at number sixty-six. They were probably the Beanie Babies closest ancestor, and in the late 1990s many antiques dealers peddling Dream Pets marketed them as the original Beanie Babies although they had no knowledge of the Ty Warner connection: the Dream Pets were the first toys that Ty Warner ever sold. The first stage of Dakins growth ended on December 20, 1966, when Richard Dakin, his son Roger, both of their wives, and four of Rogers children died in a plane crash. By then Dakin was large enough to have a small board of directors, which handed control over to Nizamian, the companys executive vice president, then in his midthirties. Dakin was up to \$3.5 million a year in sales, with virtually all of it coming from plush toys mostly Dream Pets. Under Nizamian Dakin rose to become one of the most prominent sellers of stuffed animals in the world. By the late 1970s Dakin was selling close to 70 million toys per year in 87 countries, divided among a product line of 650700 pieces, and Ty Warner was the companys star salesman.3 Selling the Dream Pets No one who remembers Ty Warner in the first two decades of his life remembers him for any notable ambitions or for any interest in business. I would swear in a court of law, says high school classmate Donald Danald of Warners billion-dollar net worth, that aliens kidnapped the real Ty Warner. The alchemy of Ty Warner happened almost instantaneously upon his entry into the plush business. Before Dream Pets, Warner had no particular dreams other than a vague, adolescent aspiration for wealth and fame, but no plans for how to achieve it. All that changed when he started at Dakin. As his lawyers described his time there in a 2013 legal filing, Ty especially enjoyed selling a product intended for children, and he developed a keen sense of what particular plush toys children enjoyed. That knowledge brought him tremendous success at a young age: earnings of well over \$100,000 per year in the late 1960s, a time when the median household income was less than \$7,000. With that income came the hatred of almost everyone Warner worked with. He was a smart-assed shithead, remembers Mike Ingram, a former Dakin sales rep. He was arrogant and thought he was somebody that he wasnt. I would guess youre gonna be hard-pressed to find anybody who liked him. Paul Roche, Warners supervisor, adds that I never liked him as a human being. I found him to be niggardly and not honest in his dealings with people. I didnt find any level of trust between him and the company or him and anybody else. At that time in his life, he was very selfish, totally into himself. But couldnt some of that antipathy be attributed to professional jealousy? I dont think anybody was jealous of him because we all knew he had a lousy life. He had no close relationships; they were close insofar as they served him. There were no relationships with men, only if he could get something out of you at the moment. No real friends. None. That was part of the guys problem. He didnt have a lot of contact. He was into work and pussy, in that order. He was a very persuasive character, a salesman. He was endearing to his customers, and ladies loved him. Once you scrape the surface away just a little bit, he was an asshole. Former Dakin employees saw his father, Hal, as one-dimensional and excessively materialistic. He had no hobbies outside of selling, according to Roche, save for an antiques collection. When Roche asked him about it, the elder Warner quickly pointed to its investment value. Nizamian adds that you couldnt talk to him about anything except the business. Roche says Ty Warner was similar, but with a stronger work ethic. He was persuasive, tenacious, wouldnt take no for an answer, he says. He kept coming back to the sale, as most good salespeople do. I just think he practices that better than most people. Success aside, Warners relationship with his father was strained at best and, by most accounts, bizarre and dysfunctional. Ty and his father dated the same women on several occasions. Dad really knew how to treat a woman, Tys sister remembers. She says that Ty was jealous of his fathers charms, and channeled that energy into seducing women his father had been with. Nizamian took a personal interest in Warner and sought to become a mentor to the young salesman. Ty, theres so much more to life than money, Nizamian lectured him. Learn about the arts, learn about history. Unlike his father, Ty seemed to have a genuine passion for the product. He was making a lot of money, but he was also using it as an extremely well-paid internship in the business of plush. Retailers Warner once sold to recall him quizzing them on which products were selling and which ones werent; Warner sought feedback on competitors products, too. What did they think of this idea? What about that? What if you combined this with that? He also pitched his ideas to the executives at Dakin. Dressed in a camel hair coat, he frequently strolled into product development head Virginia Benes-Kemps office with advice about new products. He thought he was Gods gift to women, she remembers, and she mostly ignored his suggestions.

Sometimes Warner took his ideas straight to the CEO. Nizamian is quick to admit that Warners product sense was uncanny. Ty could look at a new product and declare on the spot whether it would sell and he turned out to be right far more often than the executives were. One idea Nizamian declined to pursue: a line of teddy bears holding Worlds Best Dad plaques. Warner developed his entire arsenal of knowledge on the road in his Rolls-Royce, fur coat, and top hat; sometimes he even carried a cane. He knew what it took to get the attention of buyers, and his devotion to learning about plush gave him knowledge of the industry totally unheard of among the ranks of commissioned salespeople. Warner had been a shy high school athlete, but he transformed himself from a guy who, as one classmate put it, went out of his way to avoid being noticed into one of the most persuasive and eccentric personalities in an industry known for them. Other salesmen might throw their hats into a slamming door to try to get a retailers attention, but Warner never resorted to that. He was always smooth and, with women, especially, flirtatious. Warner had carefully crafted a stage persona that was perfect for toy sales.