

Phil Goedecker

The Impatient Trader

Twenty years, two strategies with a reputation for destroying accounts, and one losing year. What this sheet covers, and what only the chapter can give you.

\$5,000 to \$53 million

Twenty-year record

9 months

\$5,000 to \$1,007,000

1

Losing year in twenty, about \$30,000

15

A+ trades in a typical year

2

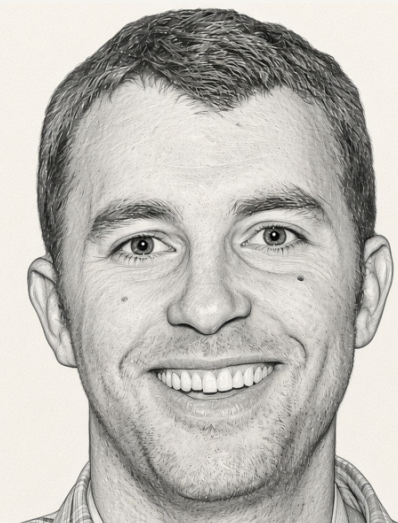
Indicators, in twenty years: price and volume

10%

Of total assets in the trading account

Every figure is drawn from Chapter 5 unless labelled as our own arithmetic.
Complete Trader's Edge has not audited any trading statement. Not investment advice.

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CHAPTER

5

SERIES

Market Wizards:
The Next Generation

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The record in one page

Phil Goedecker turned \$5,000 into \$53 million over twenty years using two strategies with a reputation for destroying accounts: short selling and selling option premium. In two decades he has had a single losing year, costing about \$30,000, and has never come close to a loss that endangered the account.

Period	What the chapter states	What it tells you
College, first try	\$3,000 saved working for his father, lost over about twelve months	Buying uptrends with no patience, \$7 commissions
College, second try	Another \$3,000, same approach, lost in full	He calls it trading tuition
Aug to May, senior year	\$5,000 to \$1,007,000	All-in short positions at maximum margin
That summer	\$1m down to \$500,000	Overconfidence and strategies he had no skill in
August	\$400,000 banked, restart at \$100,000	Separating himself from the money
Rest of 2006	About \$25,000 a month, ~\$500,000 profit for the year	Including the \$400,000 already banked
2007 and 2008	Reset to \$100,000, each year up over \$500,000	Deliberately keeping the account small
2009	Lost about \$30,000	Triple-leveraged ETFs. His only losing year
2010	Back to shorting overextended stocks, up \$600,000	Return to the niche
2011	First year over \$1m in profits	The year he fixed position sizing
2020	Over \$10 million	Best year, most favourable market he has seen
Recent year cited	\$6 million	Options-dominant, with a deliberately low goal

Our arithmetic, not the book's

\$5,000 to \$53 million is a multiple of 10,600, which over twenty years is roughly 59% compounded annually. Treat that as a description of the whole arc, not a typical year. He withdrew heavily and repeatedly, resetting the account to \$100,000 at the start of 2007 and 2008, and most of the multiple came in the first nine months when the account was tiny and the leverage extreme. A 201-fold gain on \$5,000 is a different event from a 59% year on \$50 million.

Origins, and two accounts of tuition

LAKE OF THE OZARKS

His father owned a St. Louis business selling appliances, furniture and electronics, and took one week of holiday a year at Lake of the Ozarks. At about fifteen Goedeker saw the mansions and boats on certain sections of the lake and decided he did not want a life built around one week off. A professional career would take too long, and real estate needs capital a fifteen-year-old does not have. The stock market he could reach.

He read the Sunday business section of the St. Louis Post-Dispatch, which printed year-to-date price changes. It was the late 1990s and he saw stocks up 400%, 800% and 1,000%. He lived half a mile from a library and borrowed every stock market book in it, and used the library's internet because the family had none at home. His father held mutual funds and had taught him compound interest. Goedeker understood it and rejected the timeframe.

THE TWO BLOW-UPS

- Sophomore year: \$3,000 saved working for his father, mother cosigned for margin. Method was buying stocks in an uptrend. Over twelve months it dwindled to almost nothing.
- The diagnosis is the chapter title. He had no patience. Up Monday to Wednesday, he bought Thursday morning; down on Thursday afternoon, he sold Friday. He had no edge, and \$7 per trade bled the rest.
- One year later: another \$3,000, same method, same result. He did not care. He called it trading tuition and assumed he would eventually figure it out.
- He majored in accounting to be able to read financial statements, and read Buffett. He has never used fundamental analysis. Buffett buys and never sells; Goedeker wanted to sell the following week.

THE SUMMER THAT CHANGED EVERYTHING

Before his senior year his father put him on the sales floor on commission, alongside twenty to twenty-five salesmen. By his second month he was the top seller in the store, and he saved \$5,000. That same summer he discovered that shorting was possible. He had spent years watching climax rallies collapse while trying to buy them. He stopped looking for stocks to buy and started looking for stocks to sell, then studied tens of thousands of charts. One pattern repeated: stocks that ran up a long way very fast came back down hard and fast.

HOST AMERICA: THE FIRST SHORT

Host America issued a press release about doing business with Walmart and the stock ran from \$3 to \$15 or \$16. Goedeker waited for the advance to stall and went all in short. Trading was halted the same day or the next; he did not know what a halt meant. A Yahoo message board said Walmart would buy the company and the stock would reopen at \$30 or \$40. It reopened around \$5 two weeks later and his account nearly tripled overnight. NASDAQ, he believes, had forced the company to correct a release that implied its product would be sold at Walmart when only a meeting had been scheduled.

Read this one honestly

This trade was luck and he does not pretend otherwise: no understanding of the halt, no view on the fundamentals, no control over the outcome. What matters is what followed. From that point he committed to shorting overbought stocks and built a documented process around it.

\$5,000 to \$1,007,000, and the giveback

THE RUN

- Senior-year class schedule organised around market hours.
- Nightly screen: biggest winners of the day, the past three days and the past five days. Targets were multi-day and multi-week runners waiting to peak out.
- All-in on every trade at maximum short margin: \$50,000 account short \$100,000 of stock; \$200,000 short \$400,000; \$500,000 short \$1 million.
- By May the account passed \$1 million. He screenshotted \$1,007,000 on his phone. Nine months, August to May.

THE EXIT RULE THAT MADE IT SURVIVABLE

Short at \$12, out as soon as it makes a new high, probably around \$12.50. If a stock kept running he exited and waited for it to break down again before re-entering. He had studied enough charts to have an expectation of the move that should follow his entry; if the price action did not match that expectation, he was gone. In practice he rarely tried the same stock more than three or four times before deciding it was too tricky to bother with.

THE \$500,000 THAT WENT BACK

- That summer the account fell from \$1 million to \$500,000. He says he was probably too cocky and tried to expand into a few other techniques that did not work.
- In August he said enough, wired \$400,000 to the bank and restarted with \$100,000.
- Rest of 2006: about \$25,000 a month, roughly \$500,000 of profit for the year including the banked money.
- Start of 2007 and again in 2008: account deliberately reset to \$100,000. Each year finished up over \$500,000.
- Why not leave more in? Position size. What he was doing worked at that size, and having just watched \$1 million become \$500,000 he did not feel comfortable doubling his exposure.
- 2009: felt the need to grow, experimented with triple-leveraged ETFs and other strategies he had no skill in, and lost about \$30,000. His only losing year. In 2010 he went back to what he was good at and made \$600,000.

The transferable move

Banking the money and resetting the account is the least glamorous decision in the chapter and one of the most useful. Most traders leave everything in and let position size drift upward with equity. Goedeker deliberately kept exposure inside the size he was comfortable trading.

The 500-ticker audit and the A+ trade

By 2011 he wanted to increase position size. Before doing it he analysed his own trades from the previous year, roughly 500 different tickers, and broke the results down by ticker.

Group	Roughly how many	Result per ticker
Big winners	15	Gains of around \$75,000 to \$100,000
Meaningless	Over 400	Gains or losses of a few thousand dollars
Significant losers	The remainder (count not stated)	Losses generally between \$20,000 and \$40,000

Examining the larger losers, he found there was often no setup at all.

Our arithmetic, not the book's

Fifteen tickers at roughly \$87,500 each is about \$1.3 million of gross gains. The chapter does not give the number of significant losers, so no total is possible, but twenty losers at \$30,000 each would remove \$600,000 and thirty would remove \$900,000. On that arithmetic the year was decided by a group of trades producing almost nothing and a smaller group that should never have been entered.

THE TWO CHANGES

- Moderately increased position size on A+ trades.
- Drastically reduced losses elsewhere by cutting the size of those trades by about 90%.
- Result: the first year with correct position sizing, and the first year over \$1 million in profits.

WHAT COUNTS AS A+

One sentence: going short a trashy, small-cap stock after a parabolic rally. Those trades work nine times out of ten. There were fifteen of them in a year, a little more than one a month.

THE CHAT-ROOM STORY

Several traders were short the same stock from about \$10 and it went to \$12. One had added at \$12. Another planned to add at \$13 and more at \$15. Asked when he would add, Goedecker said he had covered at \$10.50, because his entry was wrong. He wants to be green quickly. If he is short and the stock goes up, he is losing money, and he sees no reason to add to a position telling him he was wrong. He can always get back in later.

WHY HE KEPT TAKING THE OTHER TRADES

A+ setups came about once a month and he was a full-time day trader who wanted to trade. He describes himself as addicted to it, and admits to believing he could do anything, a trait that has both served him and cost him. He now says you cannot be a great long trader and a great short trader, and cannot excel at shorting parabolic rallies, buying breakouts, trading the news and trading options at once. Net performance on his B and C setups is probably close to flat; sizing is what took his profit and loss to the next level.

The second career: selling option premium

He gave up actively shorting stocks a couple of years before the interview, after burning out. For his first ten years he traded the whole market day, researched at night and spent three or four hours a day on weekends. In 2016 a trader in a small chat room offered to teach him options in exchange for lessons in his own style. He agreed instantly, started with \$200,000 assuming he would lose it, raised the account to \$1 million within a couple of months, added another million shortly after, and made a million dollars in his first year trading options.

Decision	What he does
Underlying	Stable mega-caps such as Apple, Amazon and Microsoft. Avoids stocks that can gain hundreds of percent quickly, such as GameStop
Distance	Deep out of the money, always
Greeks	None on his screen. He does not think in terms of delta
Strike selection	From the chart, as a percentage below the market
Two-week puts	Strike around 10% below the market
Thirty-day puts	Strike around 20% to 25% below the market
Six-month puts	Strike around 50% below the market
Puts vs calls	About 80% puts, 20% calls
Calls only on	Mega-caps he believes will never be bought out
Expiration range	Two weeks to six months

WHY LONGER-DATED, AND WHY MOSTLY PUTS

- Longer-dated is about total premium, not decay rate: six months out he can still collect decent premium at strikes 50% or 60% out of the money. In a sharp selloff, far-out longer-dated strikes barely move while shorter-dated strikes nearer the money reprice violently.
- He never wants to hold a short-dated option that is only moderately out of the money through an earnings report.
- Calls get you into trouble faster: a takeover or a mania has no ceiling, while a stock can only fall to zero. He rarely hears of anyone blowing up selling puts, and often hears of it selling calls.
- His tuition on that point was GameStop. He sold calls in it and covered for a \$1 million loss.

Schwager's caution, repeated not softened

Any discussion of selling out-of-the-money options should carry a do-not-try-this-at-home label. As prices decline the position grows: a short put with a delta of 0.10 sees delta rise sharply on a sharp decline, and 0.20 implies a doubling of the position, 0.30 a tripling. The bigger the loss, the larger the position becomes. Goedecker is candid that the method is one of the most dangerous in trading, which is why he has never taught it from a conference stage.

Liberation Day, goals, and adaptability

THE HEDGE

- The day after the April 2025 tariff announcement the market opened sharply lower. He bought June SPY puts to hedge his short option portfolio: roughly 800 to 900 contracts at an average of \$7 to \$8.
- Why hedge rather than liquidate: buying index puts neutralised the position with one order in a deeply liquid market. Buying back hundreds of individual short options in a panic would have been slower and far more expensive.
- He hedged all of it, locking in a loss of about \$100,000. The market plunged another 13% over the next two days.
- Our arithmetic: 850 contracts at \$7.50 is roughly \$640,000 of premium, over six times the loss being locked in. He was not paying to avoid \$100,000; he was converting an open-ended exposure into a known one.

STRUCTURAL PROTECTIONS

- Only about 10% of his total assets sits in the trading account, so a one-day crash that wiped out the short option book would not endanger his wealth.
- Weekend momentum: a big move on both Thursday and Friday often continues into Monday. March 2020, oil closed at \$41 on a Friday and opened at \$32 on Monday; the inverse triple-leveraged ETF DRIP opened a hundred percent higher. Friends of his who sold options blew up on that move.
- He refuses to say anything cannot happen. GameStop went from \$20 to over \$500; crude traded at negative prices. A conviction that something cannot happen is a death sentence, because one mistake is all it takes.

GOALS SET DELIBERATELY LOW

He sets an annual financial goal and keeps it low on purpose. After a \$6 million year he will not set an \$8 million goal, because that kind of target causes overtrading when the market does not provide setups. His main goal is capital preservation: in twenty years the winning setups have always come, and if he preserves capital while he waits he has no doubt he will make money by year end. \$10 million, \$5 million or \$2 million would leave his happiness roughly unchanged; losing \$5 million would genuinely bother him.

CONSISTENCY AND ADAPTABILITY

- Stay consistent with your niche while it works. His was shorting small caps, and he never deviated for a decade.
- Adapt when market structure changes. Borrow costs rose as stock lending became a large broker business, forcing much shorter holding periods.
- Adapt when behaviour changes. Small caps once gapped up for forty-five minutes then rolled over into the close; later they held early gains until the early afternoon.
- On publicity: posting profits and losses to a large Twitter following made borrows harder to get and brought amateur shorts that squeezed his best names. He expects this book to crowd the trade temporarily.

The counterweight, and the pre-trade check

FOUR THINGS THAT BELONG BESIDE THE RECORD

- The multiple came from the smallest account. The \$5,000 to \$1 million run was all-in at 200% margin. Coyle says there was probably luck in a 200-fold gain with no major drawdown, and Goedeker was cut in half immediately afterwards.
- The first big win was a coin flip. Host America tripled the account during a halt he did not understand. The process came afterwards.
- The strategy he describes is not the strategy he now runs. The teachable detail is small-cap shorting, which he gave up, which is harder now because of borrow costs, and which this book will crowd. His present business is option selling, which he refuses to teach publicly.
- Twenty years without a disaster does not prove a disaster cannot happen. A short option book survives on the assumption the trader reacts before the gap. That assumption was tested three times in this chapter and held three times.

THE PRE-TRADE CHECK

Seven questions drawn from the chapter. Print it, and answer all seven before the order goes in.

- ☐ 1. Is this an A+ setup, or am I trading because I want to trade?
- ☐ 2. If it is not A+, is it sized at roughly a tenth of an A+ position?
- ☐ 3. What exactly do I expect price to do after my entry, stated before I enter?
- ☐ 4. At what price is my entry proved wrong, and is that level within cents rather than percent?
- ☐ 5. If it goes against me, am I certain I will not add?
- ☐ 6. If the market gapped violently overnight, what is my single fastest liquid hedge?
- ☐ 7. Is my annual goal something this market can actually fund, or am I forcing trades to reach it?

Source

Jack D. Schwager and George Coyle, *Market Wizards: The Next Generation* (Harriman House, 2026), chapter five, 'The Impatient Trader', including the closing notes from both authors. All figures are drawn from that chapter except those labelled as our own arithmetic. Complete Trader's Edge has not audited any trading statement. This sheet is a companion to the chapter, not a substitute for it, and nothing here is investment advice.

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