PROLOGUE

It was the autumn of 1999, a few days before Martha Stewart Living Omnimedia Inc. sold stock to the public in one of the most talked about IPOs of the year. I was working at my desk when, out of the blue, the telephone rang and it was Martha Stewart on the other end. She had phoned to thank me, in so many words, for setting her up to become a billionaire.

It was a dislocating moment, for I had really done nothing much at all. In fact, my sole contribution had been to read her company's offering prospectus, which had been filed with the Securities and Exchange Commission several weeks earlier, and declare thereafter in print how well put together the company's financials appeared to be. They were nothing like what I had expected. In an age of junk stocks and dot.com trash, Martha Stewart Living Omnimedia stuck out like the deal of the year, and I'd said so in a weekly newspaper column about Wall Street and stock deals that I'd been writing for the *New York Observer.*

I'd said things like:

> The problem presented by the offering—and the only significant one at that—is what would happen to the company and its stock if, let us say, Ms. Stewart were to be run over by a truck . . . or more likely, were to accidentally hang herself while demonstrating 10,000 new and interesting ways to make festive dining-room-table centerpieces out of pine cones and discarded garden hose. Short of that,

> this offering is the deal of all time—the only IPO I can remember since I don't know when in which the company is almost literally drowning in profits.

Or this:

> As far as I am concerned, this offering changes everything about Ms. Stewart. No more jokes about the Queen of White-Bread Living . . . no more cheap shots about 44 new ways to wash and polish a spatula (honest, I'm going to try). The lady deserves better . . . a lot better. She just might be the smartest, cleverest woman in American business today.

And:

> Right now, Ms. Stewart is a pretty good-looking woman, if you want my frank opinion—and I've studied her close up from behind on a Stairmaster (she works out at my gym). But, hey, as Paul Newman said in *Hud,* nobody gets out of life alive—which means that the day will assuredly come (long before Ms. Stewart turns 90, I might add) when her lifestyle hustle will have been reduced to coming up with new and exciting ways to pretend she's not wearing Depends.

Or this . . . the sentiment with which I ended the column:

> Martha, it really makes my day to think of you starting yours by standing in front of an open bay window, gazing over those acres and acres of marigolds and snapdragons, with the gentle New England breezes billowing out those floor-length sheer curtains all around you. I think it's great that you can start the day like that—or at least that you've got half the women in America thinking you do—and I'm totally dead serious, too. I'll tell you this: No one on earth wakes up wondering how Jerry Levin starts his day, right? You're smart; in fact, you're brilliant . . . so good luck. You've earned it.

The column was certainly supportive of her upcoming IPO, yet never in my wildest dreams did I expect to pick up the phone and hear Martha on the other end, saying, "Wow . . . that was some column. . . !" and launch into all the reasons why she thought it was the

best thing that had been written about herself and her company in years. It was entertaining, she said, witty . . . and best of all, right.

But then she paused for a moment, and when she spoke again, her voice was a notch lower. She said, "There was just one thing . . ." and in that instant, everything changed.

I thought, "Okay, let's get it over with," as every nerve of the wary journalist began to tingle; she hadn't phoned to say how much she liked the column at all. She'd spotted some obscure and trivial fact that I'd gotten wrong and had called up to complain about it.

But this is what she said . . . and the second she spoke, I knew I wanted to get to know her better. She asked me, "What do you mean *pretty* good-looking?" and I was putty in her hands.

By the time the conversation ended, we had agreed to have breakfast the following Sunday morning.

The restaurant bore the name *Paci*. It was a sparely decorated place, occupying what used to be the waiting room in an abandoned train station on the MetroNorth rail line in the fancy-pants village of Southport, Connecticut, home to celebrities like Phil Donahue and his wife, Marlo Thomas, and radio personality Don Imus.

I arrived a few minutes early, sat down, glanced at the menu, and began to imagine how the breakfast would go. Would she turn out to be arrogant and snooty, as folks in town claimed she was? Or would Westport's wealthiest resident turn out to be a nice down-to-earth babe? But the answer was obvious. If she were the imperious witch described by so many, why would she be agreeing to have breakfast with me? What was in it for her? Actually nothing. Martha Stewart was on the verge of becoming a billionaire, and I was just some guy from around town who'd said something nice about her in print. So she'd agreed to have breakfast with me to thank me in person. Who couldn't like a person like that?

I picked up a roll from the breadbasket and squeezed to see if it was fresh. Crisp on the outside . . . nice and soft on the inside. Like Martha, I fantasized. I stared at the wall and imagined her sweeping elegantly into the restaurant, like Loretta Young in the movies,

"Chris, my darling . . . it's been so long . . ." as we hurried to the limo for the night flight to Saint-Tropez.

Tick, tick, tick . . .

And then suddenly there she was, in the doorway, dressed in jeans and a T-shirt, and looking half my age—and I was younger than she. It was too much: The perfect entrance . . . Martha Stewart Everyday. She was grand.

She sat down, placed her cell phone beside her—very "Martha" I supposed—and we ordered breakfast and began to chat. We talked about her stock offering on Wall Street and the strange ways in which our lives had overlapped through the years. She was charming, she was real, and she was smooth, effortlessly pirouetting the conversation from herself to the life and career of the reporter sitting opposite her.

It was a virtuoso performance, and when I looked back on that breakfast years later, I saw no sign that she hadn't meant every word she said—not least because she delivered on everything she offered to do. I told her I hosted a daily radio show for MSNBC and asked her if she'd like to be a guest on it one day. She said sure, and six months later, she was. I told her I was interested in starting a separate, syndicated radio show like the TV thing she'd put together, but that I didn't know how to go about it, and she said, "Call my lawyer, Allen Grubman. He'll handle everything for you." The next day, an e-mail arrived from Martha to let me know she'd spoken to Grubman and he was waiting for my call. I told her I was writing a book on stock market investing, and she said, "Great," and offered to have me as a guest on her show to promote it when it was published. Eighteen months later, she put me on her show, and in a matter of hours my book began rocketing up the Amazon.com rankings.

It was remarkable. I'd been in the woman's life for half an hour and the ideas were pouring out of her—ideas for how to advance my career along with offers to help. I'd heard all these stories about how busy she was, how every waking minute of her day was booked and

committed to something. Yet in the middle of all that, she'd somehow found the time and interest to involve herself in my life at a level that seemed astonishing. Who could not be grateful for that? It was a Sunday morning in the 'burbs, and there I sat at breakfast with a person soon to become one of the wealthiest women on earth—good-looking, captivating, and interested only in me.

Toward the end of the conversation, she turned to me and volunteered a piece of information. It wasn't about her dogs, or her housekeeper, or anything from the world of a woman in a T-shirt and jeans on a Westport Sunday morning. It was news from another world altogether, of mansions bought from the estate of Edsel Ford, and chartered jets and autumn hikes up the slopes of Kilimanjaro and boat rides up the Amazon.

She said, "I'm leaving tomorrow for bird-watching in Tierra del Fuego, you know . . ."

Only later, when the puzzle pieces of her life began to snap into place—when I learned, for instance, that 20 years earlier her husband, Andy, had left her alone over Christmas in the big house on Turkey Hill, and had himself gone to Tierra del Fuego in search of whatever lost parts of his soul he may have hoped to find there—only then did I realize the question I should have asked at that moment. It was not about Andy or any of that part of her past, but about the emptiness she, too, seemed to be trying to fill by journeying to the ends of the earth. I should have responded, "Sounds like fun, Martha, are you going alone?"

But instead, she started talking about her properties and a fishpond she was stocking with carp, about her neighbors in East Hampton, and about her growing accumulation of acreage in nearby Fairfield.

Finally, the conversation ground almost to a halt, so I decided to play a few rounds of "do you know." I mentioned a neighbor of mine who, like Martha, had been a student at Barnard and had gone on to become a best-selling author in her own right. I asked, "Hey, do you know Erica Jong?"

Well, let me say that Martha Stewart's reaction would have been no different if I had asked, "Would you mind if I just leaned over and spit in your Eggs Benedict?" Her face reddened, her jaw muscles began to twitch, a vein on her neck popped out, and her eyes narrowed to slits as she said, "That god-damned woman ruined my life!"

What do you do in a situation like that? Do you respond, "Geez, sorry to hear it"? Do you say, "Hey, my life sucks, too"? What I thought was, "Well, let's not go *there*!" and I said, "I'll get the check."

Before I started this book, I had no firm ideas about the two faces of Martha Stewart—the person who could be warm and accommodating in one instant, and furious and hateful in the next. Was one the "real" Martha, or were they both?

I had known Martha in a casual way for years—decades even—because we were neighbors. I had seen her in stores around town, I had said hello to her once in a parking lot . . . things like that. I frankly didn't even know who she was; and for most of that time she wasn't much of a somebody anyway . . . just another good-looking blonde in Westport, Connecticut, a town that seemed to be overflowing with them.

When I finally began writing this book, I discovered that we had actually been leading parallel lives. We had lived within a two minute walk of each other on Manhattan's West Side, then had moved at almost the same moment to the suburbs, settling not more than ten minutes away from each other. For thirty years, we had both remained in that same chichi community in Fairfield County, Connecticut.

Our families seemed almost clones of each other. Martha's husband, Andy, had gone to Yale and become a lawyer. I, too, had gone to Yale and become a lawyer. The Stewarts were parents to an only child, a daughter named Alexis. Our first child was a daughter as well, and we had given her the nearly identical name of Janalexis.

The Stewarts had bought the "fixer-upper" farmhouse that they renovated and eventually made famous—at 48 Turkey Hill Road, in the town of Westport, Connecticut—because it was basically the only home they could afford. Remarkably, my wife, Maria, and I had actually been shown the same home several months earlier by a real estate agent and decided to pass on it because of its deteriorated condition. So the house remained on the market, eventually the Stewarts bought it, and through the combined energies of the two, the house had made Martha famous.

Meanwhile, Maria and I wound up buying a fixer-upper ten minutes away and, like the Stewarts, we spent the next twenty years fixing it up; the house didn't make us famous, of course; it had simply helped us raise a family. We had sent our daughter to the same country day school where the Stewarts had sent theirs, and after that, to the same college: Barnard. Martha and I both had worked for a time for the same employer—Time Inc.—in the same line of work (magazine publishing) and had even been exercising daily in the same local health club.

When our lives finally intersected, Martha became a friend, though never what you'd call a best friend. But from the first moment I met her, I found her to be a likable, decent person, which certainly didn't square up with the opinion of many local residents. At least half the people I knew thought she was a witch—and were ready to say so to anyone. The other half thought she was a saint and were equally vocal about it.

It was odd, for the inhabitants of Westport—like those of Beverly Hills or perhaps East Hampton—had long since mastered the art of simply ignoring the celebrities living in their midst. From Scott and Zelda Fitzgerald to Paul Newman and Joanne Woodward, the history of Westport has been a story of tolerance and acceptance and the granting of personal space to the lives of its public figures . . . partly, one may say, because everybody's property values improve when the real estate agent can take clients through a house and casually let drop, "Oh, and Keith Richards from The

Rolling Stones lives at the end of the block, but they like to keep to themselves. . ." or ". . . that house we passed at the corner? That belongs to Robert Redford . . ."

With Martha Stewart, it was different. By the time I got to know her, Martha Stewart was not only the most famous—and wealthiest—person in town, but also the most notorious. On a strictly public image basis, the mere mention of her name could polarize any group of people and start an argument that would quickly escalate to surreal dimensions.

It wasn't simply that people either loved her or hated her, it was the intensity of their feelings that seemed so remarkable. She had built an astonishingly successful business by marketing herself to the world, among other things, as the very epitome of womanly self-expression in the home. Yet this had turned her into a lightning rod for every conceivable opinion about what "being a woman" really meant.

Wherever her name was mentioned, half the women within earshot would pronounce her the living ratification of their worth as human beings. The other half would say they wanted to throw up at the thought of her. Many said they adored her for her example in their lives; many others said they despised her because she made them feel guilty for what they could not accomplish for themselves.

It was no different with the men. Half would turn accusingly to their wives and say, "Why can't *I* get dinners like *she* serves!" The other half seemed to feel threatened by all that she had become. How many of *them* had begun with a farmhouse fixer-upper, and ended up with a ten-digit net worth?

But Martha Stewart was more than just the final triumph of the American homemaker. She was the ultimate female handyman, the ultimate businesswoman, the ultimate adventurer—each of these roles sparked whole new sets of arguments about what Martha was, and what she was not . . . and whether the rest of America needed to be judged by her standards.

And beyond all that came something that was, for her Westport neighbors, the most dislocating perspective of all. Not only did they know Martha as she appeared in her books and magazine pages, and on TV specials and over the radio . . . they also knew Martha as she appeared in real life, at least in Westport, Connecticut.

To the world at large—or at any rate, to her army of fans and followers—Martha Stewart was earnest, charming, and diligent. She was a mother, and though now divorced, someone who honored traditions and family values. But many of the stories and gossip about Martha that flew around Westport portrayed no such woman. Neighbors on Turkey Hill Road told of instances in which children playing in the street would accidentally throw a ball onto Martha's lawn and she'd come running out, "screaming like a maniac." One shop in town—Westport Camera Arts—actually placed a bulletin board in the store where locals could post venting messages about Martha and her behavior after she published an open letter in the *New York Times* complaining that her neighbors were no longer friendly to her. Soon the bulletin board was festooned with notes: Of the time Martha had cut to the head of the line at a tag sale, . . . had spoken rudely to a local merchant, . . . had failed to pay a bill.

But on the other hand, many people seemed to benefit by being associated with Martha in the briefest and most casual ways. A working-class housewife from Yonkers, New York, sends a letter to Martha offering to teach her how to make Italian tomato paste, Martha puts her on her show, and within days the woman is fielding six-figure book contracts from eager publishers. In Vermont, a dairy farmer makes a brief appearance on her show and his mail-order cheese business explodes overnight.

One time I ran into Martha at a Christmas party in New York. I saw her standing alone (Martha is not a good mixer at parties) and went over to say hi. I told her I'd seen her a few days earlier on a

very low-rent program on Westport's public access cable TV station and asked her why she bothered with such a thing. She looked at me somewhat perplexed and answered, "They're nice people. They need help. Why shouldn't I?"

That was the Martha I knew: Busy, sometimes distracted, but a clear thinker, a good talker, and a follow-through person on her word. Someone who seemed to have no trouble sharing her success with others.

Yet in researching and writing this book, I learned more—a lot more—about Martha than just that . . . more, in fact, in both business and personal terms, than I could possibly have imagined. I discovered the astonishing backstory to the growth of Martha's company—an achievement for which she herself deserves most of the credit. During the "new media" 1990s, while the world went mad over worthless dot.com stocks and the World Wide Web, this one-time Connecticut housewife was busy putting together a largely "old media" business of such stupefying growth prospects and cash-flow profitability that executives from the largely male-dominated world of "big media" fell all over themselves in an attempt to copy her formula for success. They all failed, even as Martha took many of them to the cleaners in business deals over and over and over again, until she was very nearly dragging them by their noses through the streets of midtown Manhattan. As Muhammad Ali said of Sonny Liston in the 1964 heavyweight championship fight: Martha whupped 'em good.

But I learned something else about Martha that rarely crept into her public performances as Martha Stewart, America's Everything Gal. Just offstage, I found another infinitely more complicated Martha lurking in the wings.

Time and again, things in Martha's past turned out to be different from what Martha had claimed. They ranged from trivial matters such as conflicting accounts of her first visit to Europe to more substantial concerns such as the difficulty she seemed to have in managing the everyday details of her life—the mastery of which

was one of the core elements in her public image. And one could also not help but be struck by the toll that the tension between her public and private worlds seemed to be taking on her personally as the frenzied pace of her professional schedule escalated.

The story of Martha Stewart is the story of an extraordinary woman, who had the brains to recognize opportunities when they dropped in her lap . . . and who had the drive, energy, and determination to turn them into unprecedented success in business and on Wall Street, not least by gathering around her—and often ruthlessly exploiting—the talents, and sometimes even the loyalty, of many people.

The less visible story is the "how" and ultimately the "why" all this happened: the secret world of Martha Stewart and her dreams. That is our story here—the story of a little girl who never got over what life never gave her and wound up inventing for herself a past she had never known—a hologram of life so powerful that it not only convinced her personally but mesmerized the world. In this way, the quiet little girl from the house on Elm Place became, in time, the richest self-made businesswoman in America—by selling the world all her missing parts. This is the story of what was missing, why it was missing, and how she turned it into a billion dollars.