The early morning sun reached through the slats of the blinds and created thin bars of light emerging out of the pale darkness on the stark white walls. The soft stripes of light stretched across the posters haphazardly hung on the wall and extended across the old college desk lamp, which now sat squarely on the nightstand. Against the base of the lamp was a picture of Shawn and his family. Shawn stood in the middle of the frame, his arm around his sister Hannah in a crisp white dress, which had been waiting in her closet for three months in anticipation of her Confirmation. Shawn and Hanna were framed by their parents standing erect beside their children, their hands resting across the shoulders of those, who were always superlatively important.

The alarm clock buzzed and Shawn lazily lifted his arm to turn it off. He got out of bed, raised the blinds, and gazed out into the trees of St. Gabriel’s Park. A robin serenely landed on the tree and seemed to gaze inquiringly at Shawn, who was still peering with wide eyes adjusting to their surroundings. He grabbed the bottom of the double hung window and with a firm jerk, lifted up the creaky pane just enough to let the cacophony of honking from the cars below his apartment jolt him into reality. Startled, Shawn glanced back at his alarm clock, went to the bathroom, and took a shower.

Shawn had just moved to New York and was still adjusting to the lifestyle that the city entailed. The distance from his family in Kentucky seemed all the more palpable as he knew none of the thousands of faces that passed him every day. As the president of his high school class and the captain of his college club soccer team, Shawn seemed to have everything in his life figured out. He knew that he had been successful at everything he had done, and while this gave him confidence, this self-assurance never let this grow into arrogance.

After getting dressed in the ironed khakis and oxford he laid out the night before, Shawn left his apartment, locked the door and made his way downstairs and outside. He walked among the morning crowd to the corner of 2nd and 31st. Even though he walked at the same pace as the people around him, he nevertheless felt like he was rushing. When he was half a block away from his destination, he saw Jess waiting for him.

Shawn and Jess had grown up in the same town back in Kentucky, but they never developed a relationship beyond polite conversation. They went to the same high school, but Shawn the prototypical jock and Jess the prototypical artist, never found themselves interacting with one another. They went to the same church, and their parents had been friends for years before Shawn was born, but they never became more than acquaintances.

Jess’s floral sundress looked new, and he concluded that she likely had gotten it from one of the designers her magazine had featured. She had also just graduated from college, and she moved to the city to pursue a career in fashion. In the week before she left home, Shawn’s mother jokingly made her promise to take Shawn to church on his first Sunday in the city, and knowing when Mrs. Galloway wasn’t really kidding, Jess happily obliged.

The Church of the Good Shepherd was over 100 years old, but while it once stood as a landmark in the neighborhood, it now was dwarfed by the abutting apartment buildings and their aggressively plain facades. An hour later, Shawn and Jess reemerged into the city, now sticky as the hot breeze carried the humidity up the street from the East River.

“Do you want to grab a cup of coffee?” Jess said warmly, “there’s a good bakery shop on the corner of the block.” They walked with the ease of having what seemed like all the time in the world and came to a small café with a black awning; the white letters boldly stated “Indulge Bakery and Café.” The exterior had dark wooden paneling recessed from its brick surroundings, and the flower boxes were filled with yellow and red impatiens and had
little drops of water still clinging to their delicate petals. Shawn got the two of them coffee, black, and Jess smiled politely as she took a sip from the covered white paper cup.

Ever the polite conversationalist, Jess inquired about what Shawn would be doing at his new job, and true to her roots, she asked with the genuine interest about what exactly he would be doing. Shawn had grown accustomed to answering this question…and the inevitable follow up: how a degree in Sociology was sufficient to construct and utilize financial models. Shawn spoke confidently about how he would be creating, packaging, and selling asset-backed securities. He casually threw around terms like “balance sheet,” “noncallable bonds,” and “tranche” to Jess’s vacant but approving smile. Shawn understood that it was rude to intentionally talk over people, but he knew that if he perfected this necessary art, he would seem courteous yet too-smart-for-his-own-good in his inability to clearly express the complexity of his job.

They chatted with the discomfort of being too close to rehearse the “get to know you” questions with each other but too distant to discuss anything personal. Shawn looked at his watch, a present he got for his high school graduation, and finished his coffee. Abruptly, he stood up and excused himself, saying he needed to finish unpacking his boxes before tomorrow. Jess also rose, grabbing her purse and adding that they should “do this again” next week. Shawn flashed a smile, gave her a hug, and went up the street, past the church, and back to his apartment.

As Shawn walked back to his apartment, a smile came to his face. Even though he was well aware of the hundreds of miles that separated him from Kentucky, he felt that he could always find a connection to his home town, and while he and Jess were casual friends, both found comfort in knowing that the other also felt somewhat lost in the alien culture of the city they found themselves in.

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The next morning, the grating mechanical pitch of Shawn’s alarm clock cut through the silence of his hollow apartment. Drearily, Shawn reached over and flipped off the switch on his alarm. The faint glow of the streetlight illuminated the blinds of the cold window. It was his first day of work, and like a child on Christmas morning, Shawn perked up, and felt the anxious excitement of experiencing the unknown. He turned on the warm light of his desk lamp, eagerly rolled out of bed, and began his day, adrenaline fueling an uncharacteristic alertness.

A cloud of steam followed him as Shawn stepped out of the shower. He quickly toweled himself off and made his way to the closet. He assertively removed the light blue plastic carapace from his soft black suit and crisp white shirt. His fingers quickly and nimbly buttoned his shirt, tightened his belt, and wrapped his tie around his collar. With precision, Shawn flipped the tie into a full Windsor, each fold forming itself perfectly, the dimple emerging effortlessly in the middle of the knot.

He walked quickly to the subway station, breezed through the turnstile, and made it onto the train, just as it arrived. He walked into the office eight minutes earlier than he scheduled and poured himself a cup of the freshly brewed, premium roast coffee. Stepping into the boardroom, Shawn took a deep breath and looked out through the Manhattan skyline to the unlimited horizon, the sun rising over the East River.

Soon, Shawn’s coworkers began entering the boardroom and found seats at the table. They exchanged a quick good morning and returned to thumbing through their BlackBerrys and typing out some quick emails.

The clacking of the PDA keyboards suddenly halted, and John Mozer entered the room. He was in his late 40’s but despite his age maintained the appearance of a youthful 32. At six foot four, Mozer stood a head above everybody else in the office, and his broad shoulders and firm handshake let all those around him know who controlled the room. He strode in with the swagger of a man who knows that everybody is looking at him, and the glint in his eyes broadcasted that this would never change. His meetings were always concise, aggressive, and effective. Mozer exuded the no bullshit attitude that made his coworkers admire him – with a respect that only a subtle fear can produce.
Mozer opened the meeting with a quick a welcome for Shawn, then with a voice that was raspy yet assertive, hammered out the bullet points for the things the group needed to deliver for the day and week. After 30 minutes, the analysts had more than a days worth of worked lined up, but before they could complete their respective lists of to-dos, the meeting was over, and all the members of the group filed out of the boardroom and made their ways to their desks.

As Shawn was getting up to leave the room, he heard Mozer’s deep baritone, “Shawn,” he boomed, “It’s great to see you. How has your summer been?”

“Great,” Shawn replied, pausing before expressing his excitement to finally begin working. As Shawn opened his mouth to speak, Mozer gave him a firm pat on his shoulder.

“I think you are going to do well here, Shawn,” Mozer interjected, “I think you have what it takes to be a top analyst for us.”

Flustered, Shawn thanked him and as he was about to continue his previous train of thought, Mozer interjected.

“I’m going to tell you something that I wish somebody told me on my first day: the secret of this business is that we don’t do anything different than the rest of the guys on the street. Our clients won’t know how our finished product will be any different from the other guys; so why would they keep us?

“Because they like us. We’re not smarter; we’re not prettier; so they sure as shit better like us. Now, let’s go make some money!” And with that, Mozer slapped Shawn between his shoulders, urging him out the door.

Shawn walked to the “bullpen,” the circle of cubicles in the middle of the office, where all the analysts sit. There was only one unoccupied desk among the chain of monitors, and as Shawn was walking over to his presumed office home, a stout bubbly woman approached him. Thrusting her hand between Shawn and his desk, the woman stood beneath a mass of curly black hair and spoke faster than she could likely run. She introduced herself as Ally from HR and said she would set Shawn up on his computer. Ally hunched over the desk and her fingers began slamming on the keyboard in a flurry of key clicks. A rapid fire of deletes sounded out once every four to five space bar cadences. As the pace of her typing accelerated, Ally leaned into the desk – the bottoms of her four-inch pumps raised off the carpet; her plump ankles bulging over the tops of the patent leather.

From behind the wall of his cubicle came a thinly boned, angular woman, whom Ally introduced as Margaret, the company ergonomist. Ally shoved a chair at Shawn, the wheels clattering as the chair zipped over to him. Nervously, he sat down. Margaret, a thin, pale woman with sharp cheekbones, grabbed Shawn’s slumping shoulders and pushed them back. She put her right index and middle fingers beneath his chin and pushed his head up. She grabbed his shins, uncrossed his legs and placed his feet squarely on the floor. Then, tinkering with the knobs and levers of the chair, she pushed and prodded Shawn’s back, raising and tilting his seat. She told him that he would never feel better in an office chair, and he really felt the difference. He felt like he could work for hours without ever having to get up. He wheeled himself under his desk, opened the drawers, and admired his artillery of pens, pencils, and paperclips.

After he got situated, Shawn went to meet up with Collin a second-year analyst in the group. While Shawn and Collin were not close, they had been in the same fraternity at college, and Shawn new that he could find an ally in Collin within this unfamiliar environment. Shawn’s task for the week was to being working on a few of the models that Colin was running. The models were the fundamental groundwork used to value a package of home loans coming from a middle market lender with whom their bank had a close relationship. These loans were going to be grouped into a residential mortgage backed security – or what the office called an RMBS – and Collin walked Shawn through the model and explained to him the basics of how to run the valuations.

The rest of Shawn’s day was a blur of numbers, financial statements, and Excel spreadsheets. It wasn’t until he looked at the clock at seven that he realized he had been staring at the computer screen for six straight hours without getting up from his chair. He found a few other
people in the office, ordered some food, and went back to work. Shawn ate at his desk, and made some final modifications to the model before leaving the office at ten.

Because he stayed at work past seven, the company paid for a car to take him home. Shawn entered the black town car and inhaled slowly as he lounged into the soft leather seats. He closed his eyes, which felt scalded by the constant glare of the computer. The pain in his retinas seemed to seep back into his skull. He rubbed his temples and waited for the moment he could crawl into his bed.

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The next morning seemed identical to the one before it, only earlier. Shawn did not actually wake up at a different time, but the lethargy, which made getting out of bed quite difficult, was more palpable. He went through the motions of his morning routine, and with a firm cinch of his tie, walked out the door to go to another day at the office.

His work mirrored that of the previous day: building more models for more loans going into the RMBS. The deeper Shawn delved into the model, the more he understood the implicit logic that created it. He began to think that there was nothing especially challenging with the models; they were all a series of pieces he had to learn. And after only two days, Shawn realized that his job essentially consisted of transferring numbers from documents into his spreadsheets then modifying the equations in the spreadsheets to make the data work.

By the end of the week, Shawn’s routine was firmly established. However, it was less that Shawn developed a routine, but more that his life had become routinized. It seemed as if the firm dictated every moment of every day. Already, he felt bored with his work, and even the “important” things he did were rather trivial. Whenever Shawn would start valuing a new set of loans, he found it hard to read his way through the exhaustingly long reports on overly obscure and generally irrelevant loan specifics. He knew that this “due diligence” was what the job required, but he knew that his cursory reading of background documents didn’t change anything. During his first few days, Shawn initially made a concerted effort to read through all the paperwork, but by the end of the week, he chose only to read a few sections of the important documents.

Nevertheless, as the days went by, Shawn’s skill quickly grew. However, what Shawn found truly interesting was in developing models that involved a complex system of working parts; every data point Shawn entered created a series of chain reactions, automatically adjusting thousands of other numbers. Changing one input changed the nearby cells; these cells in turn changed columns; the columns changed rows; and the outputs would trickle on—page after page, sheet after sheet. As fast as his computer could process, he was able to create a whole host of sums, ratios, counts, and predictions.

When the end of the week finally came, Shawn felt that it passed surprisingly quickly. Still, his body was so exhausted that he realized that he put in over 70 hours. Collin and the other associates invited Shawn out to dinner that Saturday, and he happily obliged, finding it reassuring that he knew a new group of people he knew in the city. After a casual dinner at a gourmet pizza place, Shawn thanked his new coworkers for their thoughtfulness in including him socially. As Shawn was leaving the restaurant, Collin caught him by the shoulder and asked if he wanted to join them for a drink afterwards, but Shawn said he had to go home and get an early night.

The next morning, Shawn met Jess at church, and at the café afterwards. Both of them were excited to compare their new experiences in the city and were excited by all the things to do in New York. Still, both of them remained apprehensive about the craziness they saw around them.

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The weeks went by, and the long days of summer regressed into the shorter, colder days of fall. But this didn’t seem to matter because Shawn was in the office before the sun rose and left well after the sun had set. The doorman who was at working when Shawn came
home was the same doorman who was working when Shawn left the next morning.

Despite becoming accustomed to many of the aspects of his new life, Shawn didn’t feel fully connected with the city. He began socializing with the other bankers from work on the weekends. His late Saturday nights began interfering with his early Sunday mornings, and he and Jess would only get together every other week. He felt like the two competing sides of his life were requiring the same hours of the day and he had to compromise the time he spent with Jess.

The more time he spent with his coworkers the more he began to realize that he still didn’t fit in with the investment banker lifestyle, yet he wanted to maintain the connection to his past. He knew that the rubber Timex he got for graduation did not go with his suit, but he chose to wear it anyway. While nobody ever commented or even seemed to notice Shawn’s watch, Shawn knew that it obtusely differentiated him from his coworkers.

After a week of wearing the timepiece but fearing the attention it drew, Shawn came to work with a new gold Rolex. When the hours in the office seemed to stretch on and on, Shawn would glance down at his new possession and remember that he had come a long way to become the success he had been told he could become.

Shawn became the puppeteer of Excel, deftly maneuvering the strings of equations to make the model dance and twist to form the valuation outcomes. This expertise had been exhilarating for Shawn initially, but he soon found that merely replicating models did not use his full capabilities as a bright analyst.

In thinking of how he could “add more value” – a phrase lauded by the firm – he suggested that he should include a new variable incorporating the historic default rates of home mortgages based on geography, Mozer said he should run it and see if it helps. Shawn plugged in his new variable into a few of his models, and the totals on the page were only marginally changed. Shawn continued to work the new data into the model, and when he was finished, learned that his insight added an additional 8 percent of value for the given set of loans.

Even though his new variable didn’t benefit all the models he was running, Shawn was able to enhance his analysis for some of the loans going into the RMBS and chose which models to use based on which analysis would predict the largest return. He presented his successes to Mozer, and it was met with approval that Shawn’s innovation could help the firm create a more valuable product.

The fall faded into winter without much ado. Shawn found little to keep him going. Near the end of November, Jess got a boyfriend, who lived in Long Island. She began spending the weekends away from Manhattan, and Shawn and Jess stopped getting together every week. Combined with the drear of the weather, the lack of a semi-regular Sunday date eliminated the personal motivation to maintain his enthusiasm. Shawn had become much closer to his coworkers recently and they maintained a pretty consistent Tuesday, Thursday, Friday, Saturday bar routine.

He was counting down the days to Christmas, two weeks away. At the meeting that Monday morning, Mozer announced that the office was lucky this year and everybody would be able to take both Christmas and Christmas Eve off from work. And while this made everybody in the meeting happy, the best news for Shawn had yet to be announced.

After Mozer wrapped up the important business points, Collin stood up and announced that he was leaving to work for one of the bank’s major clients, a hedge fund called Sentry Capital Partners. Collin’s departure was going to come before the completion of the RMBS, meaning that Shawn would be the lead analyst on the entire project. Shawn knew that when the project was completed he would get recognition, but more importantly, he would get returns.

That night, the some of the managers of Collin’s hedge fund took Shawn and the other analysts and associates from their group out for the night. The Sentry managers brought them to a dimly lit steak house, and as they walked through the front door, the gentle throb of a jazz
band murmured in the soft glow of the tiffany lamps. They breezed past several middle-aged men in suits waiting with their carefully coiffed wives and sat at the table for 16 already awaiting them.

The dinner was an immoderation of beluga, first-growths, and Kobe. They discussed antique cufflinks; joked about an associate who wore a light brown belt with cordovan shoes; and laughed when Collin asked who their tailors were. At the end of the evening, no questions were asked when the bill came to the table.

After the meal, the group split. Shawn followed the associates and other analysts into the cabs that were waiting outside the restaurant. Without Shawn having to say a word, the cabs drove across town and stopped outside a plain building with a lone light bulb hanging outside an unmarked door. A large black man in a suit stood behind a red velvet rope, with a line of anxious young people standing to his right against the brick wall.

The group got out of their cabs and walked straight to the bouncer. The girl at the front of the line let out a muffled ugh as Shawn walked around the velvet rope and through the plain red door. He glanced down over his shoulder long enough to see her glare at him, but he rolled his eyes back forward and entered the club, forgetting her instantly. They were escorted to their table overlooking the crowded dance floor, two bottles of top-shelf vodka waited for them on ice.

Shawn ended up taking to one of the Sentry analysts when they were out. He said that even though Shawn was just starting out he was the fundamental source of value for the company. His analysis was the backbone of the work for his higher-ups, and as such, his models were what ultimately would detail how much money the firm would make. The Sentry analyst laughed, after all, the analyst had the power to control the outcome of a valuation.

Collin and the associates from the hedge funds were still laughing and drinking when Shawn left an hour and a half later. Getting back to his apartment well after two thirty in the morning, Shawn collapsed onto his bed and fell asleep in his suit. When Shawn woke up, he noticed the left sleeve of suit coat had a tear running down the bicep. So that day at lunch, Shawn accessed one of his VP’s Outlook contacts and got the name of his tailor on the Upper East Side. He made an appointment, and that weekend, Shawn went across town and was fitted for two new custom Italian suits. He knew the several thousand dollar bill should not have shocked him, so Shawn coolly presented his credit card to the clerk and left the store.

The first Monday of the New Year was the first day Shawn wore one of his new suits. It was also Collin’s first day of work at Sentinel: Shawn’s first day of work as the top analyst. Managing the details for the models of the RMBS project, he had complete control. Recalling back to his conversation the night he went out with the Sentry associates, Shawn knew that he had the duty of creating value for the firm.

His management of every detail allowed him to optimize the equations for each model. He was now the one who chose how to benchmark the interest rate predictions. He could do it in whichever way he wanted and as such saw it as his responsibility to create the highest predicted value for the loans. Shawn had made himself invaluable: he created the value from the models, and nobody could do it better than him.

Because Shawn had taken on the new responsibility, he was assigned a new analyst, Julia, to help fill the gap Collin’s departure created. Julia joined Shawn’s team from the consumer products group, and Julia’s transferring departments after only a few months raised eyebrows among numerous people in the office. Everybody assumed that she couldn’t perform in her past group, and she was already deemed a pariah within the asset-backed securities group.

Yet with the patience Collin showed him when he started, Shawn walked Julia through the models he created. He explained the basics, as Collin had done, but Shawn took an especial effort in explaining how he personally incorporated new variables into the models he was given. Julia was immediately impressed by Shawn’s
ability to take such ownership of the project and to show such initiative beyond the conformity she saw elsewhere in the firm.

Later that week, Julia approached Shawn with a question regarding two of the models he developed. The files she presented dealt with two loan packages being purchased from the same lender originating in Nevada. Julia pointed out how each model was evaluating a similar set of loans yet had slightly different coefficients for an obscure interest rate equation that transferred data between sheets 8 and 23.

Shawn tried to explain to her how the different values were important to creating the optimal value for the loan. He explained to her how the differing equations allowed the basis default rate on sheet 8 to be optimized for calculating the predicted rate on sheet 23; how through this difference this analysis optimized the value of the loan; and how through maximizing value, they were able to better support the RMBS as a whole. But Julia did not understand his explanation.

Innocently, Julia suggested that she could ask an associate in the group to explain why the difference existed, but Shawn insisted otherwise. They would be taking the RMBS to market soon, and if she tried to change around all the models, they would not be able to meet their deadline.

Julia’s criticisms and ignorance bothered Shawn. Her coy smile made the vein in Shawn’s temple pound like the jackhammers of the construction outside the office. She simply didn’t understand how to make money for the firm.

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By the end of March, the group wrapped up the financials for the RMBS, and Shawn and Julia prepared the presentation materials for the road show. Their PowerPoint would be the face for all of the work the entire group put in, and Shawn knew that he needed to show the value that his security could get the firm.

Deals were being done quick and dirty, and debt was getting bought up faster than it could get on the market. Shawn wanted to clear this deal as fast as possible and knew that if it sold quickly, the better his bonus would be, the better reputation he would get, and the better he would do in his career.

For the slides the presented the projected default rates of the tranches, Shawn made sure to add a note that the calculations showed that this particular RMBS had much lower expected default rates than similar deals getting put out by their competitors. Shawn laughed to himself because he could see how they were actually able to make a better product—and how it was his analysis that made this security uniquely valuable. In reviewing the presentation, Shawn thought that the slides were too number heavy; so, he took the hundredths digit off of all the predicted default rates. It looked much cleaner, and 2.46% was much more visually appealing than 2.467%.

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It took only a few weeks for the group to find buyers for the top tranches of the RMBS. Major institutional investors had been lined up for a while, and their ongoing relationships with the group’s managing directors had earned them the privilege of plucking these securities, which had a high rate of return but no history of default.

Shawn thought constantly about the margins they would get on this deal. He would think about them when he entered and exited his office every day. When he walked passed a Somali man selling umbrellas outside the subway one rainy day, Shawn thought they were not really that different. Shawn, too, would have laughed as tourists begrudgingly handed over their crisp 20 twenty dollar bills fresh from the ATM for an umbrella that wouldn’t last more than a day. However, the boom that they saw in selling the top tranches was not reflected in the sale of the riskier parts of the security. Just as the Somali man would panic a little when he would see the sky lighten and the rain ease into a drizzle, Shawn was getting uneasy about selling the lower tranches.

By the end of April, this uneasiness had grown into fear. Mozer had sent an email that suggested the possibility of lowering the asking price of the tranches with junk ratings. And as Shawn thought about the ramifications of...
his eyes drifted from his screen to his keyboard. The fluorescent light glinted off the quartz dial of his watch, and suddenly Shawn had an idea. With an epiphany that further convinced him that he was an analyst with unlimited possibility, Shawn sent an email to Collin.

Precisely, Shawn maneuvered the email chain between him and Collin, dropping bits of information that he knew Collin would want to follow up on. Shawn was able to steer the conversation from his asking about how Collin liked his new job to Collin's asking about the amount of debt Shawn's managers wanted to get off the books. Shawn casted his idea out there, and Collin had bitten. Now all he needed to do was pull in the deal, the size of which would make him the legend of his analyst class.

Shawn shared with Collin the projections for the return on each of the tranches, but when it became evident that only the bottom parts of the security were left, Collin pulled back. Collin said Sentry was not investing in any more junk-rated securities and for that reason had not been looking at buying this debt. However, not to let this deal be the one that got away, Shawn told Collin that even the bottom tranches had better projections than other securities with similar ratings. After all, Collin had created the models that created the RMBS, Shawn noted, and his results showed an investment the hedge fund would be foolish to ignore.

Collin wanted to see all the data before presenting the idea to his bosses. So, Shawn pulled up the models for the RMBS and quickly highlighted the variables he previously added. With a simple right-click, Shawn hid his new variables in the spreadsheets to make the model easier for Collin to process. With a few more clicks, the documents were forwarded to Collin.

Shawn knew that Collin would be pouring through his models to make sure the numbers checked out. So when Shawn didn't get a reply email within 25 minutes, he shot off another email to Collin. Another 20 minutes dragged by, and still Collin had not responded. Shawn called Collin at his desk to help talk him through the models. In a marathon 45-minute phone call, Shawn zipped through all the documents with Collin following along by proxy. When Shawn was done, his voice had become raspy yet maintained its assertiveness.

Shawn's stomach twisted as Collin exhaled noisily into the receiver, and after a pause that lasted long enough for an intense headache to emerge in the back of Shawn's head, Collin broke the silence. Collin's voice seemed quieter and slightly higher when he admitted that the RMBS was a good potential investment for one of his firm's funds.

The next day Mozer announced to everybody in the office that a buyer had been lined up for the last parts of the remaining RMBS, and the deal would close by the end of the week. The deal went through that Friday, and the group went out to celebrate like never before. Shawn got to bed at seven thirty on Saturday morning, and he was so exhausted that he didn’t get out of bed until noon on Sunday.

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After everything wrapped up on schedule, the months passed Shawn by, and the world was a sleep-deprived daze. The time dragged on so slowly that he was surprised one day when he looked at his calendar only to find that six months had already elapsed since his first deal was completed.

Things had changed, but Shawn's life had largely remained the same. He had moved farther downtown to a highly desired building where some of the associates in his firm lived. He found it easy to adjust to his new, more spacious, crisper apartment. It was the subtle differences that really made Shawn enjoy his new place. He liked the echo his Oxfords created when he walked across his polished hard-wood floors. He liked the ascetic sophistication of the gun-metal finished appliances. But most of all, he liked how he didn’t have to open his windows as he did in the old apartment, where the air conditioner would shut down from overheating. He had grown to hate his old apartment in the summertime: his room would get covered in pollin wafting in from the park outside his building.

Even as he was still getting settled, Shawn heard a rumor that an apartment eight stories above his had opened up.
Since coming to New York, he had learned the importance of the floor listed on one’s address, and he did not want to pass up the opportunity if the rumored apartment became available.

Shawn’s work was the same, and he found his role had only slightly shifted. Often Shawn felt like he was merely babysitting the younger analysts in his group. Fortunately, Shawn had learned to instill in them an innocuous fear, where they would at least try to solve their own problems before interrupting Shawn. He felt that by earning several firm-wide awards he had created a healthy distance between him and those analysts who were below him.

While Shawn used to find motivation in learning to master every aspect of his job, he soon found that there was little new left for him in that regard. His job had created a machine built to operate at all hours of the day, every day, and finely tuned to maximize shareholder value. They had put out several smaller asset-backed securities in the interim, but nothing on the same scale as the first deal Shawn completed. While this bored Shawn somewhat, he secretly didn’t want any of the other analysts to be able to discuss what it was like to close a deal as big as his own.

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Rumors were spreading across the Street that Collin’s firm was going to start a new fund; so all the major banks wanted in and were calling to pitch all the securities they were selling. When Mozer called the new fund’s managers, he found them quite unwilling to hear about what he could offer them.

A request came to Shawn’s desk asking for a report detailing the information on all the securities the bank had ever sold Sentinel. Shawn gave the project to the younger analysts to research all the Sentinel deals, knowing that the analysts would find the huge deal that Shawn closed the year before.

When the report came back to Shawn from the analysts, he was not surprised to find that his deal accounted for just under half of all the securities they had ever sold the fund. However, Shawn was shocked when he saw how his security had performed. While most of the securities had performed as expected, Shawn’s was an exception, which fell far below the forecast.

Still, the truly damning part of the report was a page that Julia had chosen to add: the projected gain or loss for each security upon reaching maturity (assuming a continuation of the current default rate). According to Julia’s analysis, all of the securities were expected to perform reasonably well, except for Shawn’s, which was forecasted to at a value 34 percent below that which Shawn calculated and reported.

Because the security paid out semi-annually and only seven months had passed since the deal closed, there had only been one payment Shawn’s RMBS. He heard that the security fell below expectations, but he found his time too valuable to calculate a lifetime prediction based off the first payment.

Frantically, Shawn demanded to see who ran the data for the report. But even after following up on what the younger analysts had done, he could not find anything wrong in their report. He told them to rerun the data but instead they should calculate the projected value using the industry standard default rate for each tranche.

But after Shawn had given his marching order, the analysts just stared back at him. He still could not understand their indolence. The other analysts looked at each other and timidly one of them said that the report had already gone up the chain of command. They couldn’t alter the model. Coolly, Shawn dismissed them and went back to his desk.

Shawn called Collin as soon as he sat down. When Collin answered, his steely voice deflected Shawn’s attempts at cordiality. “I know about the models,” Collin said, and with that, Shawn knew that he was alone.

It did not take long before the rumors of the report and its conclusions circulated through the office. Everybody knew why Collin’s firm did not want to do business with the bank. Everbody knew who created the inflated projections. Everybody knew that all of bank’s other clients would learn about this. Everybody knew that heads were going to roll.
Ironically, Shawn was scheduled to have a meeting with Mozer the next day to discuss what Shawn was going to do the next year. In the previous weeks, Mozer had all but told Shawn that he would be given an offer to stay with the bank as a third-year analyst. While Shawn had previously hoped that he and Mozer would discuss how Shawn could move directly on as an associate, he now prayed that he wouldn’t break down when Mozer inevitably would bring up the report’s findings.

Shawn felt immediately sick. He persuaded – all but begging – the associates and VP’s in his group to let him take the afternoon off. Nobody tried to stop him from leaving. When Shawn got back to his apartment, he could not hear the sound of his shoes on the hardwood floor over the deafening pounding in his chest. For the second time ever, Shawn crawled into his bed still wearing his suit.

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It was no surprise when Shawn met with Mozer the following day. Never had Shawn seen Mozer that angry. So calm was Mozer in his delivery that he was perversely relieved when Mozer finally said that they would not be able to take him back for a third year.

From that point forward, it was clear that nobody in the office trusted him. Shawn was given no projects to lead, and the work that he contributed was either intensely scrutinized or simultaneously performed by another analyst. Shawn was a pariah within the office, and he endured his last months at the firm trying to go unnoticed.

Because nobody in the office assigned him projects, Shawn was finally able to really sleep, and that weekend, for the first time in over a year, Shawn called Jess. They went to church, had coffee, and he told her everything that had happened. That afternoon, continuing the series of firsts, Shawn strolled through Central Park. He sat against a tree and closed his eyes, tuning out the rumble of the nearby traffic. For a moment Shawn felt as if he was sitting in his lawn at home. The rough bark supported the straight posture of Shawn’s back.
Afterword

Featured Principles

The story primarily highlights the progressive cheating in which Shawn engages. He begins by ignoring the details of the financial statements, then including additional (questionable) variables into his valuations, then blatantly using different interest rate calculations, then dropping digits in the presentation to make the default rates lower. With this progressive cheating, each step psychologically facilitates the next step. His choice to cheat is underpinned by how he has a personal interest in gaining from a flawed model: the higher the value, the higher the firm’s profit, the higher Shawn’s bonus. Furthermore, the effect of Shawn’s cheating is extremely separated from his actual actions. Shawn does not view his actions as scamming investors because (even at his worst cheating) he only changes a variable in an equation, which changes the models outcome. Only in aggregating, repackaging, and selling these overvalued loans is there an impact. Thus, there is a long psychological distance between actions and outcome.

Shawn’s spiral into cheating is mirrored by the changes in his personal life: in the beginning, Shawn lives near a park, goes to church, meets with Jess, all of which remind him of his home and small-town, community-based values. These factors serve as a psychological reinforcement of his morality. However, as time progresses these factors are removed and Shawn doesn’t think about right and wrong, and as a result, he is more inclined to cheat and to cheat to a greater extent. This psychological reminder is expressed stylistically in which vignettes of Shawn’s life the story highlights, and consequently what is important in Shawn’s life (e.g., church in the beginning and partying in the end). In the beginning the narrative emphasizes going to church, and in the end the narrative focuses on partying.

The third theme in the story is how Shawn changes his self-perception. Through his watch and his clothes, Shawn transforms into the stereotypical, materialistic banker. Not only do these reflect his change, but by wearing his watch Shawn is reminded of how he wants to be a great investment banker. He chooses what to wear, but in so doing, he thinks of himself differently. This is further expressed in how Shawn finds his identity in the banker lifestyle through choosing to party more and more. Through these factors Shawn thinks of himself as the “Gordon Gekko,” stereotypical banker, which in turn affects how he chooses to behave, i.e., doing whatever he can to maximize value.

Lastly, the brief closing scene suggests that Shawn is able to reset his moral compass. He reconnects with Jess, tells her the truth, and goes to the park. These aspects lead him towards absolution, and it seems he will reemerge as the good person he truly is.

About the Author

Andrew is a Duke alum, and graduated this past May with a double major in Economics and Public Policy Studies. Andrew is currently living in Washington DC, and will be working for the Department of Justice, starting later this summer.