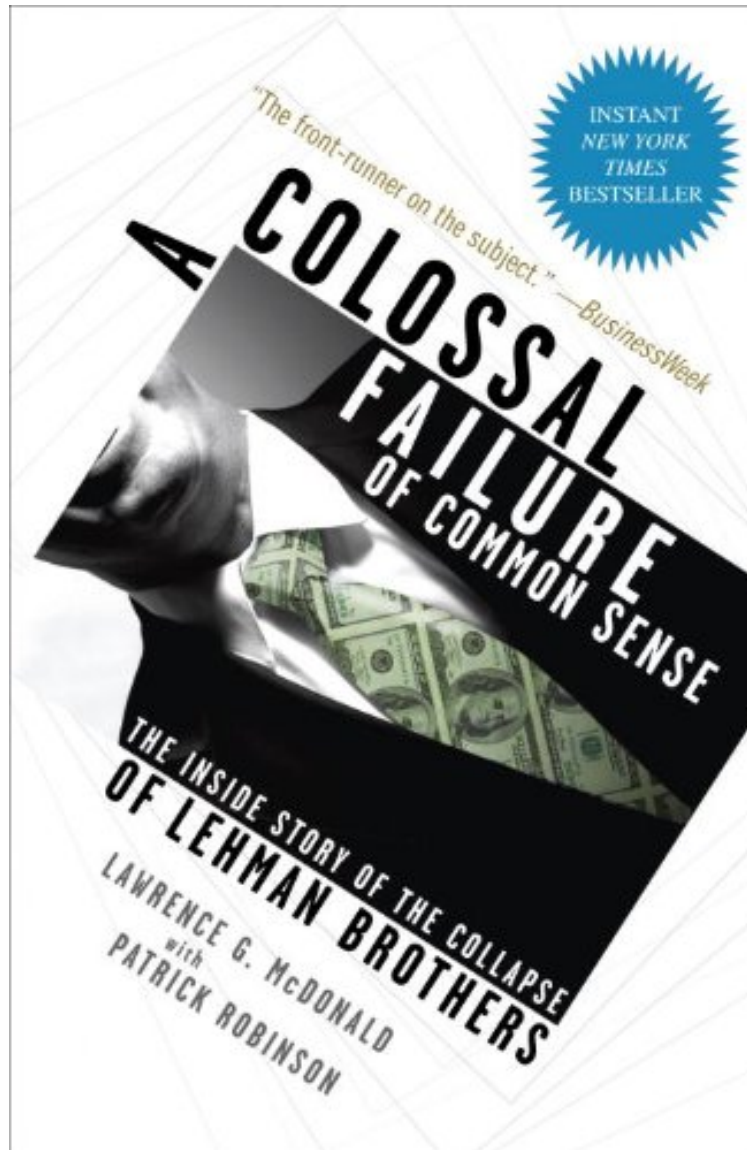


A Colossal Failure of Common Sense: The Inside Story of the Collapse of Lehman Brothers

Lawrence G. McDonald, Patrick Robinson

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Lawrence G. McDonald, Patrick Robinson : **A Colossal Failure of Common Sense: The Inside Story of the Collapse of Lehman Brothers** before purchasing it in order to gage whether or not it would be worth my time, and all praised A Colossal Failure of Common Sense: The Inside Story of the Collapse of Lehman Brothers:

3 of 3 people found the following review helpful. A Mouse's Eye View of LehmanBy Anne MillsA mouse's eye view of the collapse of Lehman Brothers -- it may give a fair idea of what was happening on the floor, but does not convey

much about what was going on further up in the organization. The book, written by a trader who spent four years at the firm before being laid off before the final blowup, does give a picture of the hyper-testosteroned atmosphere at the firm. But it's all presented in super-personal terms -- it tells a whole lot more about this individual's career and background than I wanted to know, and tells a whole lot less about the bad choices made by management. There are much, much better books about the crisis ("The Big Short", and "13 Bankers" to name two terrific ones) and there are also better books about the firm itself, though none so far have hit the nail on the head, for me at least. Read "Short" and "Bankers" to find out what was happening, and see "Margin Call" to find out how it felt. 1 of 1 people found the following review helpful. Essential to understanding the Financial Crisis By Ed Reeves Very entertaining read. It is rare to find a text that can provide first hand insight into the financial crisis, and do so in a way that engrosses the reader. This makes the material, which can often be complex, much easier to understand and very interesting to people without a background in finance or economics. I was able to learn about bond trading, capital structures, mortgages, CDOs, CLOs, LBOs, NINJA mortgages, and the dotcom bubble among other things. All of these were explained more than once making them easier to commit to memory and also allowed me to truly grasp the financial concepts. Larry also gives a personal recount of his life before Lehman Brothers, and in doing so it reads like any fiction novel where you can follow the development of the protagonist and this adds an emotional element to the story - something that is not often correlated with financial deals! Larry was immersed in the main elements of banking practices that led to the financial crisis and so can give a very experienced and comprehensive recount. For anyone wanting to learn about the financial crisis I would say this would be the perfect place to start. 0 of 0 people found the following review helpful. Poorly Written but Good Insider Perspective By TA The book is poorly written and the author is prone to hyperbole. Some of the quotes are clearly made up. The view of the author is that those he works with are all legends (try doing a shot every time he writes "legend" and you will be drunk within 30 pages) and the brightest and those who disagree with his view are all idiots. The first third of the book is autobiographical and has nothing to do with Lehman. That being said, the author provides a very good insider's perspective on the inner machinations of a Wall Street bank. The infighting at Lehman is unbelievable and even worse, some of the senior managers had actually anticipated and warned Fuld of the upcoming disaster to no avail. The author does a great job of shining a spotlight on the culture of the trading desks, loan originators and senior management at an investment bank. If, however, you're looking for an insightful book on what happened to Wall Street during the 2008 financial meltdown, there are much better books. The best, in my opinion, is Andrew Ross Sorkin's "Too Big to Fail". Bethany McLean's "All the Devils are Here" is also quite good, along with William Cohan's House of Cards (which is focused on Bear Sterns). Overall, the last third of this book provides the reader with an original perspective from someone who's future is tied to an employer led by an arrogant and aloof leader, but the first two-thirds of the book are really not worth it.

One of the biggest questions of the financial crisis has not been answered until now. What happened at Lehman Brothers and why was it allowed to fail, with aftershocks that rocked the global economy? In this news-making, often astonishing book, a former Lehman Brothers Vice President gives us the straight answers -- right from the belly of the beast. In *A Colossal Failure of Common Sense*, Larry McDonald, a Wall Street insider, reveals the culture and unspoken rules of the game like no book has ever done. The book is couched in the very human story of Larry McDonald's Horatio Alger-like rise from a Massachusetts "gateway to nowhere" housing project to the New York headquarters of Lehman Brothers, home of one of the world's toughest trading floors. We get a close-up view of the participants in the Lehman collapse, especially those who saw it coming with a helpless, angry certainty. We meet the Brahmins at the top, whose reckless, pedal-to-the-floor addiction to growth finally demolished the nation's oldest investment bank. The Wall Street we encounter here is a ruthless place, where brilliance, arrogance, ambition, greed, capacity for relentless toil, and other human traits combine in a potent mix that sometimes fuels prosperity but occasionally destroys it. The full significance of the dissolution of Lehman Brothers remains to be measured. But this much is certain: it was a devastating blow to America's financial system. And it need not have happened. This is the story of why it did. From the Hardcover edition.