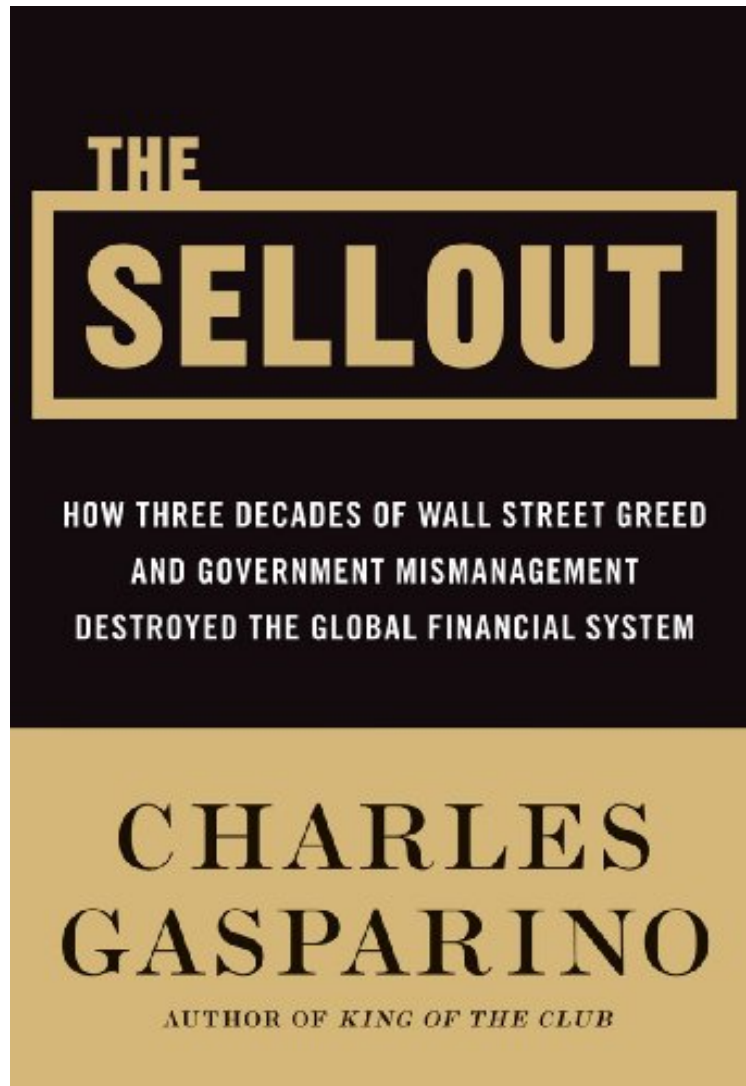


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The Sellout: How Three Decades of Wall Street Greed and Government Mismanagement Destroyed the Global Financial System

Charles Gasparino

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Charles Gasparino : The Sellout: How Three Decades of Wall Street Greed and Government Mismanagement Destroyed the Global Financial System before purchasing it in order to gage whether or not it would be worth my time, and all praised The Sellout: How Three Decades of Wall Street Greed and Government Mismanagement Destroyed the Global Financial System:

3 of 3 people found the following review helpful. A compelling and readable background of the financial crisisBy Jon

Eric Davidson Charles Gasparino may be a sort of polarizing on-air reporter - first on CNBC, now on Fox Business - but he has proven to be good author who is adept at providing engaging works that detail some of the biggest stories on Wall Street. In "The Sellout", he focuses the crosshairs on the root cause of the financial crisis that really flared into a full-out firestorm in 2008. "The Sellout" identifies one of the key instigators for the crisis as the creation of high-risk bonds full of mortgages in the late-1970's. Traders began developing models that bundled these mortgages into bonds that were exponentially more risky as the years went on. Despite the risks, profits skyrocketed, so the brokerage houses and investment banks transitioned more and more away from diversification and became even more reliant upon these risk models. Mr. Gasparino details that, even with the crash in the 1980's - and other warning signs in the 1990's and 2000's - the infatuation with profits through high-risk bonds never diminished. In the meantime, government officials and regulators looked the other way, and then relaxed mortgage rules as a means of trying to get a larger portion of the American public into home ownership, regardless of the homeowner's ability to repay the debt. The result - as we know all too well now - is that a "perfect storm" of sorts developed, and the high-risk bonds and the models they were based on became untenable, to the point where Wall Street and the housing market imploded. The financial world can be almost incomprehensible to the layman, but Mr. Gasparino excels at laying out the financial details and events in an way that is easily understandable. He avoids the "inside baseball" minutiae that could have bogged down the book and made it inaccessible to a large part of the reading audience. He also is about as objective as one can expect; he largely finds and assigns blame on all sides of the political spectrum as well as within the Wall Street hierarchy that has been in place over the past thirty years. The result is a fairly even-handed and compelling tale that is rather refreshing in the hyper-polarized and politicized environment that envelops the financial world in the present day. Mr. Gasparino probably could have provided additional detail, with perhaps additional research. But I doubt "The Sellout" would have been as compelling and enjoyable a read as it proved to be.

0 of 0 people found the following review helpful. The Walls Came Down and So Did Our Economy By John Lanza I think every American citizen should read The Sellout because it shows what can happen when hubris and greed trumps humility and valor. We are a free country because of the sacrifices of many ordinary people who live on Main Street. It must be painful for soldiers of past wars who paid dearly for our freedom to see it used so irresponsibly by a relative few on Wall Street to amass fortunes for themselves. It would be one thing if they created products which served the public good, but they created products few understood which only served to enrich themselves while bringing our economy to its knees. To rub salt in the wounds, Main Street ended up bailing out Wall Street for their irresponsible excesses. A common sense solution to our current economic woes would be to make the Wall Street deal makers give back the mammoth bonuses they received for making losing bets using Main Street funds. Mr. Gasparino does an excellent job in showing how the hubris and greed of the deal makers of Wall Street created a casino environment. Aided and abetted by former Wall Street deal makers in the Treasury Department, they tore down the walls separating commercial banking from investment banking, effectively allowing the deal makers to gamble with the deposits of Main Street at commercial banks. While the author offers some solutions to our economic problems he defines so well, he does not offer the most important solution, namely to put the walls up again which separate commercial banking from investment banking. Until the walls go up again and give Main Street back commercial banks which are safe and sound with financial products that we and our regulators can understand, we will not have financial stability. Investment banking has always been a risky and loosely regulated business in which the Wall Street deal makers created products few understood, most notably the regulators and rating agencies. When the walls came down, the Wall Street casino brought risk to a new level because the Wall Street barons started gambling with Main Street's money that was put in commercial banks to be safe and sound. The Glass-Steagall Act of 1933 created the walls to separate commercial banking activities from the investment banking activities that led to the Great Depression. This enabled us to recover from the Great Depression and build a banking system which was the envy of the world. When the Act was repealed in 1999, the walls came down, and so did our economy. Our banking system, once the envy of the world, became an embarrassment. If the walls don't go up again, the Great Recession we now find ourselves in could escalate to the Greatest Depression because there are still no controls in place to penalize the risky behavior that led to the Great Recession and because those in power are still extolling the virtues of less regulation instead of more regulation. We should all be asking why our past three Presidents allowed this to happen and why it is not being discussed as the most important issue in the current Presidential debates? This isn't a partisan thing. It could be solved with a common sense solution such as separating commercial banks once again and make them safe and sound, and let the investment banks continue to compete in their culture of risk but with their money and not ours.

0 of 0 people found the following review helpful. The Sellout: How Three Decades of Wall Street Greed and Government Mismanagement Destroyed the Global Financial System By Gerrit M This book reads like a Tom Clancey or Dan Brown Novel - the big difference is that its subject matter is not fiction. The Author, Charles Gasparino laid sufficient foundation work at the beginning so that as you read the book the 30+ individuals and corporations that are mentioned in the book have meaning and context. I read this book in two sittings cover to cover. I would recommend this book to anyone who has even the slimmest interest in what happens in Wall Street - this book puts everything into perspective. This, and a couple of other books should be compulsory reading for congressmen and senators of our great nation.

In the spirit of *Barbarians at the Gate* and *Poker* comes *The Sellout*, the definitive book on the recent collapse of Wall Street, one of the most dramatic and anxiety-ridden era in national socioeconomic history. In this powerful business narrative, Charles Gasparino, the author of *Blood on the Floor* and *King of the Club*, captures how avarice, arrogance, and sheer stupidity eroded Wall Street's dominance, made many of our country's most fabled financial institutions vulnerable to significant new foreign control, and profoundly weakened the financial security of millions of poor and middle-class American families.