

UNCONTR LL RISK

THE LESSONS OF
LEHMAN BROTHERS
AND HOW SYSTEMIC
RISK CAN STILL BRING
DOWN THE WORLD
FINANCIAL SYSTEM

MARK T. WILLIAMS

**Me
Graw
Hill**



New York Chicago San Francisco Lisbon London Madrid Mexico City
Milan New Delhi San Juan Seoul Singapore Sydney Toronto

Contents

Acknowledgments vii

Chapter 1	The Inquisition.	1
Chapter 2	From Humble Roots to Wall Street Contender.	9
Chapter 3	From Private to Public.	23
Chapter 4	History of Investment Banking.	31
Chapter 5	How the Investment Banking Money Machine Works	45
Chapter 6	The Roller-Coaster 1980s	57
Chapter 7	The 1990s: Rebuilding Years.	67
Chapter 8	Lehman's Near-Death Experience.	77
Chapter 9	Innovation, Imitation, and Increased Risk	91
Chapter 10	Lehman's Risk Management	105
Chapter 11	The Real Estate Bet and the Race to the Bottom.	117
Chapter 12	The Bear Mauling.	137

Chapter 13 Time Runs Out	149
Chapter 14 The Death of Lehman, Regulation, and Investment Banking.	165
Chapter 15 The Enablers and the Deciders.	185
Epilogue: The Post-Lehman Financial Landscape	211
Appendix: Lehman Chronology, 1845-2010	221
Notes	231
Index	241