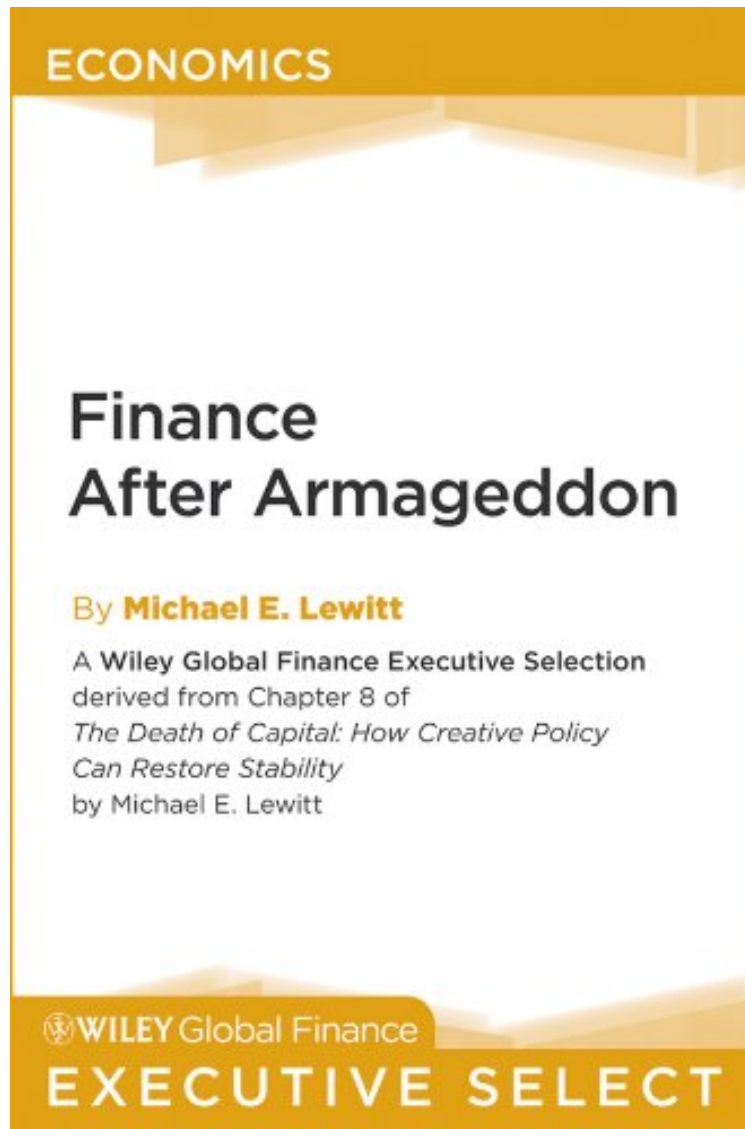


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## Finance After Armageddon (Wiley Global Finance Executive Select)

Michael E. Lewitt

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**Michael E. Lewitt : Finance After Armageddon (Wiley Global Finance Executive Select)** before purchasing it in order to gage whether or not it would be worth my time, and all praised Finance After Armageddon (Wiley Global Finance Executive Select):

0 of 0 people found the following review helpful. Well Written, Easy to Understand and a Pleasure to Read.By Yeshai Mishal"The Death of Capital" is extremely informative and well crafted. I kept catching myself snickering at the text's wry humor, snarky tone, and punchy writing style. I'm was impressed (and heartened) by the well-researched, pull-no-punches strength of its arguments.It is an excellent primer that covers a wide range of topics -- from Marx to Minsky; from Private Equity to Public Good.It's an outstanding book that I highly recommend.A few choice quotes:"Not only

did these transactions add nothing to the productive capacity of the economy, but by increasing financial commitments without improving companies' ability to meet them, they rendered the financial system more unstable." "The true toll that private equity has exacted from the U.S. economy will not be known for decades. A mind is a terrible thing to waste, and too many minds have been wasted on the types of financial engineering to which private equity is devoted. While many of the brightest and most promising students attending U.S. universities have been attracted to the exorbitant compensation offered by private equity firms and the investment banks that cater to them, American society and the entire world would have been far better served had these promising young men and women become scientists and teachers. Instead, as the U.S. economy struggles to recover from the 2008 financial crisis, the corporate landscape is littered with the carcasses of over-leveraged companies that were seduced by the siren song of private equity profiteers."

2 of 2 people found the following review helpful. Explains 2008 financial meltdown in understandable terms. By Aggie '61 The Death of Capital explains how our financial system has gone off the rails and created the perfect storm that handcuffed our economy. It is a Must Read for anyone who wants to understand what happened and how to set the system on a course to fix the underlying issues. It does not pander to simplistic causes and solutions that point exclusively toward one party for blame. It explains how a basic widget business grows to a point where profits and retained earnings exhaust manufacturing investment options. From that point, profits flow toward "making money with money"; and the race toward exotic financial instruments is on. In other words, it lays out an explanation of why our brightest minds go into Wall Street to engineer mega-profitable financial products rather than Main Street to engineer manufactured products.

3 of 3 people found the following review helpful. How to Make Wall Street Serve Society Rather Than Itself By F. J. Sheehan Jr. Michael Lewitt's Death of Capital is written by the right person at the right time. He understands and explains the way in which Wall Street operates and the composition of the complex securities Americans have grown to hate. Lewitt has been an investment manager over the past two decades. He was fully versed in the speculative, indecipherable and very profitable securities that were sold by Wall Street. Those of us fortunate enough to read his monthly HCM Market Letter were well prepared for the folly that burst in 2007. Lewitt writes of the enormous waste Wall Street engendered - and continues to manufacture - that crushes 99% of the population. This is captured in his assessment of PhDs and MBAs who "made inexcusable errors of judgment, raising legitimate questions about the utility of such degrees when they fail to include a modicum of common sense and, more important, common decency in their curricula." Lewitt looks beyond the current incapacity of the country's so-called leaders who ignore the elephant trumpeting in the room. The current waste is bound end in tears. Lewitt offers a financial structure that can restore balance to the economy where finance serves the interests of society rather than itself. Incentives and practices including short-term profits, companies financed by debt rather than equity, borrowing short then lending long, and concealment (off-balance sheet structures, "dark pools," the Fed's delay in releasing FOMC transcripts) all need to go. Lewitt's final chapter offers corrective initiatives for each.

This chapter from The Death of Capital is a call for change that discusses projects and initiatives to rejuvenate the economy and provide a basis for sustained growth. We have developed a regulatory system that does exactly the opposite of what it should be doing—favors speculation over production; obscurity over transparency. This chapter addresses hot-button topics including: How to Improve Capital Adequacy Executive Compensation Reform Modern Monetary Policy and Regulation Enhancing Financial Transparency Solutions for Credit Default Swaps, Derivative, and Structured Investment Vehicles

makes a powerful impression. A key strength is its broader social perspective, often hard to find in financial writing today. (Fund Strategy, October 2010). From the Inside Flap While some semblance of stability has returned to the financial markets, the economies on which these markets must ultimately depend remain structurally weak, and the path toward sustained growth will be difficult. In order to set the economy on a sounder path, we need to understand the sources of instability that caused the failure of the financial system, rethink established ideas, and challenge the intellectual and moral authority of the institutions that control the world's capital. The system is badly broken and we must figure out how to fix it before it is too late. Written by respected portfolio manager and longtime investment professional Michael Lewitt, The Death of Capital looks at how, in recent years, the U.S. economy has increasingly been dominated by short-term speculation rather than productive investment, debt rather than equity, and short-term thinking rather than long-term planning. These disastrous trends, described here as "financialization," ignore the fact that capital is a highly unstable social process rather than a fixed, historical object or category. As a result of our failure to understand the true nature of capital, we have developed a financial and regulatory system that does exactly the opposite of what it should be doing—favoring obscurity over transparency and fomenting instability rather than a stable path to growth. In explaining where we have gone wrong, Lewitt pulls few punches in criticizing some of the counterproductive forces that have led to the death of capital—including Wall Street practices such as private equity and derivatives trading—which he views both as economically unproductive and morally bankrupt. Page by informative page, this timely guide: Explores the most important aspects of capital and capitalism through the prism of four of the world's great economic thinkers Addresses "financialization" and its consequences, such as a

weaker U.S. dollar, the decline of American industries, and the loss of American economic and political hegemony Examines how the legal system contributed to economic deterioration by privileging short-term profitability above other important societal interests such as labor, the environment, and social welfare Calls for politically controversial reforms such as stricter regulation of hedge funds and private equity firms, banning naked credit default swaps and off-balance sheet financing vehicles, imposition of a Tax on Speculation, and principles-based reforms to improve systemic stability And much more Filled with in-depth insights and practical advice, *The Death of Capital* is not just a play-by-play of the recent financial crisis, but also an original and passionate analysis of the trends that led to it and how the financial system can be reformed to avoid future crises.

From the Back Cover Praise for *The Death of Capital*

"In an era of books on the financial crisis, this one is a significant standout. Michael demonstrates a keen understanding of the factors that led to the financial abuses of the past decade and equally importantly advances sound ideas for financial reform. A very engaging and worthwhile read!" ndash;Leon G. Cooperman, Chairman and CEO, Omega Advisors, Inc. "Michael Lewitt is a very thoughtful presenter of facts and conclusions in his regular market letter. He has identified and clarified the conditions [that] are impacting global capital markets. This book belongs on the reading list of every serious investor." ndash;David Kotok, cofounder, Cumberland Advisors, and coauthor, *Invest in Europe Now!* "Michael Lewitt describes how financial technology became the tool that almost destroyed the very system it was designed to protect. This book is both passionate and logical." ndash;Christopher Wood, Equity Strategist, CLSA, Editor, *Greed Fear* "Michael provides a serious, comprehensive study of the problems facing the United States and other countries and a synopsis of what created the intractable financial problems." ndash;Bill King, Editor, *The King Report*, and author, *Wall Street Bull* "An essential read for capitalists . . . which we all should be in America. This book highlights the often overlooked fact that the machinery of our system works on math and marketing." ndash;Mark Stevens, CEO, MSCO-*The Art and Science of Growing Businesses*; author, *Your Marketing Sucks* "This is the right book at the right time by the right person. Combining a sophisticated understanding of markets and informed ethical criticism, Michael presents the most insightful analysis of the recent financial crisis. *The Death of Capital* is required reading for anyone who wants to understand how the mistakes of the past will shape the future." ndash;Mark C. Taylor, Chair, Department of Religion, Columbia University "The *Death of Capital* is essential reading. It describes, in cogent and graceful prose, how it was all too predictable that the capitalist systemdash;for all outward appearances at the peak of its powerdash;would end up on life support. That achievement alone makes it a masterpiece in this era of those who claim the crisis was a 'black swan' or '1,000-year flood.' Michael also sets out in stark and sometimes harsh terms the new policies he sees as necessary to save capital from capitalism." ndash;Kate Welling, Editor, [welling@weedencapital.com](mailto:welling@weedencapital.com)