THE BIG SHORT

Screenplay By
Charles Randolph and Adam McKay
Based Upon the Book by
Michael Lewis
The most difficult subjects can be explained to the most slow-witted man if he has not formed any idea of them already; but the simplest thing cannot be made clear to the most intelligent man if he is firmly persuaded that he knows already, without a shadow of doubt, what is laid before him.

Leo Tolstoy, 1897
OPEN ON: INT. SOLOMON BROTHERS - 1979 - DAY

A bunch of FAT BOND TRADERS eat deli sandwiches and smoke cigarettes on the Solomon Brothers Bond Trading floor. It’s not exactly Michael Douglas in Wall Street.

The voice that walks us through this is smart, too the point and slick. We’ll meet him later.

MODERN TRADER (V.O.)
In the late seventies banking was not a job you went into to make large sums of money. It was a good stable profession like selling insurance or accounting. And if banking was boring then the bond department at a bank was downright comatose. We all know about bonds, give em to your nephew when he turns 16 and then we he’s thirty he makes a hundred dollars. Yawn. Bonds were for losers. That is, until Lewis Ranieri came on the scene at Solomon Brothers...

MUSIC: Some great 70’s ballad like KISS YOU ALL OVER by EXILE

We see an even schlubbier version of the other Bond Traders emerge. His suit is rumpled, he has a mustard stain on his shirt from a soft pretzel he’s eating and he is easily seventy pounds over weight. This is LEWIS RENIERI. And though his world is obscure, he is the shit.

Our NARRATOR the MODERN TRADER passes through the scene for a second, dressed in modern clothes...

Lewis greets his Bond Department with obscenities barked through his patchy beard and glasses.

MODERN TRADER (V.O.)
You see Lewis didn’t know it yet, but he had already changed banking forever. He had just one simple idea...

INT. SOLOMON BROTHERS - CONFERENCE ROOM - 1979 - DAY

Lewis and HIS TEAM are doing a presentation to a bunch of STATE PENSION FUND MANAGERS with an old fashioned OVER HEAD PROJECTOR.
LEWIS RANIERI
...The mortgage backed security. Or
the private label M.B.S.

FUND MANAGER
What is that?

BOND TRADER
I hope you don’t say that when you
look at your wife’s pussy!

They all HOWL except the fund manager who looks shocked but
then finally laughs to fit in.

LEWIS RANIERI
Here’s how it works. You’ve got
your average person’s mortgage.
Fixed rate, 30 years...

We see A HOUSE on the over head projector.

LEWIS RANIERI (CONT’D)
Boring, safe, small pay off...
Right? But when you have thousands
of them all bundled together...

We see an illustration of many homes. The next illustration
shows them all “bundled” together with a bow.

LEWIS RANIERI (CONT’D)
Suddenly the yield goes up and the
risk is still low cause it’s a
mortgage and who the hell doesn’t
pay their mortgage?

BOND TRADER
Dickheads and junkies.

LEWIS RANIERI
And because the risk is hedged
these bonds allow for people with
not so perfect credit to get homes.
So you’re making money and you’re
doing a good thing.

BOND TRADER #2
Lewie is a fucking genius.

FUND MANAGER
Uhm, what exactly is the credit
rating on this bond? All my pension
fund cares about is triple A rated
risk.
LEWIS RANIERI
Risk? What risk? The only risk is that you get paid back too soon!
Plus each of these mortgages is guaranteed by the U.S. Government.
This bond gentlemen, is AAA rated.

FUND MANAGER
This is exactly what the Michigan State pension fund has been looking for. I’ll buy 20 million...

BOND TRADER #2
Come on live a little!

FUND MANAGER
Twenty five million.

LEWIS RANIERI
Let’s break out the paper work!

MUSIC: Something like BOOGIE OOGIE OOGIE by A TASTE OF HONEY

INT. STRIP CLUB - 1979 - NIGHT
The Bond Traders are partying at a strip club throwing dollars everywhere and boozing. It disgusting and fun as hell and none of these guys will live past 60.

MODERN TRADER (V.O.)
Lewis and his band of foul mouthed bond traders took a sleepy department and made it the most profitable on Wall Street. Pretty soon stocks and savings were almost inconsequential to the big banks. They were doing 50, 100, 200 billion in mortgage bonds and dozens of other securities a year.

EXT. SKYLINE OF MANHATTAN - DUSK
TIME LAPSE: New impressive BANKING BUILDINGS SPRING UP and dot the Manhattan skyline. Chase, B of A, Morgan Stanley, Lehman Brothers etc.

MODERN TRADER (V.O.)
And America barely noticed as it’s number one industry became boring old banking. Then one day...
(MORE)
almost thirty years later... in 2008... It all came crashing down.

SMASH CUT TO BLACK

1010 WINS ANCR (V.O.)
Wall Street has suffered one of its worst days in history as Lehman Brothers has declared bankruptcy.

1) TRACKING SHOT PAST HOUSING DEVELOPMENT LAWNS WITH FORECLOSED AND FOR SALE SIGNS ON ALL THEM (STOCK FOOTAGE).

2) AND THEN A LONG LINE OF APPLICANTS AT A MCDONALD’S JOB FAIR. (STOCK FOOTAGE)

3) IMAGES OF THE DOW DROPPING. (STOCK FOOTAGE)

This follows the demise of Bear Stearns and a plummeting Dow Jones, down four thousand since January.

MODERN TRADER (V.O.)
In the end Lewis Ranieri’s Mortgage Backed Security mutated into a monstrosity that collapsed the whole world economy. And none of the experts or leaders or talking heads had a clue it was coming. I’m guessing most of you still don’t really know what happened. Yeah, you got a sound bite you repeat so you don’t sound dumb but come on...

WE FADE TO BLACK.

MODERN TRADER (V.O.)
But there were some who saw it coming... While the whole world was having a big ol’ party, a few outsiders and weirdos saw what no one else could. Not me, I’m not a weirdo. I’m pretty cool. We’ll meet later. These outsiders saw the giant lie at the heart of the economy. And they saw it by doing something the rest of the suckers never thought to do: they looked.
EXT. MIDDLE SCHOOL FOOTBALL FIELD - DAY

GRAPHIC: 1985

A MIDDLE SCHOOL football game is in progress. MICHAEL BURRY age 11 catches a ball and starts running. He’s pretty good. His parents and coaches cheer him on. Cute 8th GRADE CHEERLEADERS wave their pom poms.

PARENTS/COACH
Thatta way Michael! Go! Go!

He is TACKLED by a few players and as Michael gets up we hear an OPPOSING PLAYER scream.

OPPOSING PLAYER
Ewwww! Look!

CU of a GLASS EYE on the field. Michael covers his eye with his hand.

OPPOSING PLAYERS
Gross! His eye fell out! He’s a freak! etc.

Michael picks the eye up and walks back to the side lines still covering his one eye. Another player runs into replace him.

PA ANCR (V.O.)
Replacing Michael Burry at tight end, number 88, Scott Proffer!

A CUTE CHEERLEADER looks at Michael with her nose scrunched up and then looks away. His MOM and DAD meet him.

MOM
It’s okay Michael. Let’s just wash it off and put it back in.

DAD
You were playing so well son. I heard the coach compliment you.

11 YR OLD MICHAEL BURRY
Can we just go home?

He walks away.
INT. INDOOR POOL - DAY

We see from under the water ADULT MICHAEL BURRY swimming laps. His strokes are clean and strong.

Michael Burry gets out of the pool. He towels off and walks immediately to the lockers.

MICHAEL BURRY (V.O.)
I’ve always been more comfortable alone. I believe it’s because of my glass eye. I lost the eye from a childhood illness. It separates me from people. Most social interactions are awkward. For me, for the person. Even when I try to compliment someone it comes out wrong... The compliment, not the eye.

(quarter beat)
That wasn’t a joke. I’m just being clear.

GRAPHIC: MICHAEL BURRY

MICHAEL BURRY (V.O.)
The other night there was a party with some old college associates.

INT. WATER FRONT RESTAURANT - NIGHT

There is a party going on with upper class professionals drinking white wine and Heinekens. Michael stands alone between two groups of professionals talking.

LAWYER
We bought the house two years ago for 650 and we just sold it for 950. We put 30 thousand into it tops...

EXT. WATER FRONT RESTAURANT - NIGHT

FLASH to Michael starting his car, a Honda, and leaving.

MICHAEL BURRY (V.O.)
After ten minutes I left and went home and researched state by state mortgage fraud rates until three in the morning.
Michael is seated behind his desk in a t-shirt and shorts.

MICHAEL BURRY
Did you know they’re going up? Highest fraud rates since the 1930’s.

We reveal he is talking to a YOUNG EAGER ANALYST in his office at the center of SCION CAPITAL, Michael Burry’s fund. Michael’s office is at the front enclosed in glass. There are 20 ANALYSTS working at desks in the main room outside the glass.

A big white board shows the quarterly profits from Scion: +38%

YOUNG ANALYST
No. I didn’t know that.

MICHAEL BURRY
I’m sorry if I’m going on and on. My wife says I need to share more.

MARCH 2005

3 years 6 months until the crash

YOUNG ANALYST
That seems healthy.

MICHAEL BURRY
I like your hair. Did you cut it yourself?

YOUNG ANALYST

MICHAEL BURRY
Oh.

Beat.

YOUNG ANALYST
So, do I get the job? I really think I could help your fund.

MICHAEL BURRY
What? Oh sure. Right. Yes...um
YOUNG ANALYST

David.
(onward)
Great! I guess I’ll find a desk. Is there anything you want me to work on for starters?

MICHAEL BURRY

Yes...

Another long beat. Michael thinks. This beat keeps going. Finally the Young Analyst starts to speak just as Michael does.

MICHAEL BURRY (CONT’D)        YOUNG ANALYST
Did you find it strange- You can let me know later-
I’m sorry.

MICHAEL BURRY
Did you find it odd that when the tech bubble burst in 2001 the housing market in San Jose, the tech center of the world, went up?

YOUNG ANALYST
Huh. I guess. I mean, no. It’s housing. It’s always AAA rated, low risk.

MICHAEL BURRY
Yes.... That’s the idea...
    (he knows what he needs now)
I need you to get me the top 20 selling mortgage bonds.

YOUNG ANALYST
So you want to know what the top 20 selling mortgage bonds are?

MICHAEL BURRY
No. I want to know what mortgages are in each one.

YOUNG ANALYST
Wait, aren’t those bonds made up of thousands and thousands of mortgages?

MICHAEL BURRY
Yes.

The Analyst waits for Burry to complete the thought but he doesn’t.
YOUNG ANALYST
Right away Dr. Burry.

Finally he leaves. Burry sits down at his desk and puts ear buds in while Googling “SEC mortgage brokerage firm violations” He gets no hits.

MUSIC: Some hard-core heavy metal like BLOOD THUNDER by MASTADON

An Asian American assistant walks by Burry’s office window and looks at camera.

ASIAN AMERICAN ASSISTANT
I was Michael’s actual assistant for years. I know what you’re thinking, a hedge fund manager with a glass eye who unwinds by listening to thrash metal, come on. But he really did do that.

INT. SCION CAPITAL - MICHAEL BURRY’S OFFICE - NEXT DAY

CUT of a computer screen showing thousands of complicated lines of mortgages from a mortgage backed security. The lines are almost indecipherable but we see Michael Burry is reading them intently like it’s a page turning mystery novel.

MICHAEL BURRY (V.O.)
(his internal thought process)
30 days late... Rate adjusts in one year... Foreclosed... Paid on time... Rate adjusts in one year... Investment grade mortgage bonds full of high risk interest only adjustable rate mortgages... Do people really understand how an adjustable rate mortgage works?... Most of these are no money down loans... 105 LTV... 540 Fico score?... Why are the mortgage companies giving these people mortgages?...

Outside Burry’s office we see the Analyst he just hired David at his desk talking to another ANALYST #2

YOUNG ANALYST
What’s he doing? He hasn’t moved all day.
ANALYST #2
He does this every few days. He hasn’t spoken to me since he hired me.

MICHAEL BURRY (V.O.)
90 days late... 30 days late...
These bonds are one of the banks’ biggest revenue sources...
They need more mortgages to fill them...
That’s why it’s all adjustable rate high risk...
They’re giving mortgages to people who can’t afford mortgages in order to fill these bonds, in order to earn fees...

As he continues to read we TIME LAPSE and see the employees start to leave at the end of day. Eventually THE MAIN ANALYST’S OFFICE IS EMPTY and THE SUN IS COMING UP OUTSIDE.

MICHAEL BURRY (V.O.)
These mortgage bonds might fail...
No one thinks they can fail, but all that subprime credit risk is real, no matter how they slice and dice it... 30 days late, rate will adjust next year... 60 days late...
These bonds will fail...

INT. MICHAEL’S OFFICE - THE NEXT AFTERNOON

Michael is on the phone. He clearly hasn’t slept and his clothes are rumpled. There are water bottles everywhere. Michael brushes his teeth over a garbage can with water.

MICHAEL BURRY
Lawrence. I found something really interesting.

LAWRENCE FIELDS (V.O.)
Great Michael. Whenever you find something interesting we all tend to make money. What stock are you valuing?
MICHAEL BURRY
No stocks. I want to short the housing market.

INT. METRO CAPITAL - LAWRENCE FIELDS’S OFFICE - SAME TIME

LAWRENCE FIELDS’S office is the opposite of Michael’s. It’s lavish with Manhattan views as is he.

LAWRENCE FIELDS
Haha! Really? But the housing market is rock solid. Greenspan just said bubbles are regional, defaults are rare.

FIELDS motions to his assistant through the open door.

LAWRENCE FIELDS (CONT’D)
Tell them I’ll be there in a minute...

MICHAEL BURRY
Greenspan’s wrong.

LAWRENCE FIELDS
I don’t think you mean to do it but sometimes you sound very dismissive and superior Michael. Alan Greenspan is the greatest Fed Chairman in history.

MICHAEL BURRY
It’s a fact. Greenspan’s wrong. He’s too focused on being right to realize he’s wrong. I don’t know how else you want me to say it.

Burry spits out his coffee gargle into the garbage.

LAWRENCE FIELDS
Look, Metro Capital backed you four years ago when you were a doctor with a dinky web page and some inheritance money. And we’ve all done very well. Why don’t you just stick with stocks?

MICHAEL BURRY
I look for value wherever it can be found. And the fact is: mortgage backed securities are filled with extremely risky subprime adjustable rate loans.

(MORE)
Once the majority of adjustable rates kick in 07' they will begin to fail and when they fail above 15% the whole bond is worthless.

The scene freezes.

MODERN TRADER (V.O.)
Mortgage backed securities, subprime loans, tranches... Pretty confusing right? Does it make you feel bored? Or stupid? Well, it’s supposed to. Wall Street loves to use confusing terms to make you think only they can do what they do. Or even better, for you to leave them the fuck alone. So here’s Scarlett Johansson under a waterfall to explain...

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EXT. SMALL WATERFALL - DAY

SCARLETT JOHANSSON in a white T shirt and cut off jeans let’s the waterfall run over her while explaining mortgage backed securities.

SCARLETT JOHANSSON
Basically Lewis Ranieri’s Mortgage bonds were amazingly profitable for the big banks. They made billions and billions off of their 2% fee on each of these bonds they sold. But then they started running out of mortgages to put in them. After all, there’s only so many homes and so many people with good enough jobs to buy them. So the banks starting doing something different. Instead of creating mortgage bonds that were guaranteed by the US government, they started creating their own private mortgage bonds. No government, no pesky standards like good credit or minimum income. And then the big banks were able to fill the bonds with riskier and riskier mortgages and keep the profit machine churning. By the way, the risky mortgages are called “subprime.” Anytime you hear subprime, think shit.  
(MORE)
SCARLETT JOHANSSON (CONT'D)
Michael Burry found out these mortgage bonds that we supposedly 65% AAA were actually mostly full of shit, so now he’s going to “short” the bonds, which means to “bet against.” Got it? Good.
Back to the scene.

MICHAEL BURRY
It’s only a matter of time before someone else sees this investment. We have to act now.

LAWRENCE FIELDS
And how do you know the bonds are built on subprime crap? Aren’t they filled with hundreds of pages of mortgages?

MICHAEL BURRY
I read them.

LAWRENCE FIELDS
You read them? No one reads them. Only the lawyers who put them together read them.

MICHAEL BURRY
I don’t think they even know what they made. The whole housing market is propped up on these bad loans. It’s a time bomb. And I want to short it.

LAWRENCE FIELDS
Through what instrument Michael? There are no insurance contracts or options for mortgage bonds. The bonds are too stable. No one would buy them.

MICHAEL BURRY
I’m going to get a bank to make me one. Then I’m going to buy a ton of them.

CUT TO:

EXT. GOLDMAN SACHS – MANHATTAN – DAY

We push in on Goldman Sachs. We see FINANCIAL NEWS on a monitor outside playing Jim Cramer’s Mad Money show.
JIM CRAMER
Folks, this market ain't dropping!
It's like the running of the bulls
in Pamplona. Either get out of the
way or invest, invest, invest!

THE FEMALE SALES REP (V.O.)
So, Dr. Burry, tell us about this trade.

INT. CONFERENCE ROOM - GOLDMAN SACHS - DAY

A SALES REP (LUCY THALIA), an INDIAN NUMBERS GUY (DEEB WINSTON) all from Goldman Sachs sit across from Michael Burry. Michael looks very Men's Warehouse in a blue blazer and slacks compared to the Goldman group who looks very GQ in Prada suits.

MICHAEL BURRY
I want to buy swaps on mortgage bonds. A credit default swap that pays off if the underlying bond fails.

SALES REP
You want to bet against the housing market?

MICHAEL BURRY
Yes.

DEEB WINSTON
Why? These bonds only fail if millions of Americans don't pay their mortgages. That's never happened in history. If you'll excuse me Dr. Burry, it seems like a foolish investment.

MICHAEL BURRY
Based on prevailing sentiment of the market, the big banks and popular culture, yes, it's a foolish investment. But everyone's wrong.

There's a beat and then everyone laughs except Michael Burry who wasn't kidding.

SALES REP
This is Wall Street, Dr. Burry. If you offer us free money, we are going to take it.
MICHAEL BURRY
My one concern is that when the bonds fail I want to be certain of payment in case of solvency issues with your bank.

They are shocked.

SALES REP
I’m sorry. Are you for real? You want to be against the housing market the most reliable sector of the American economy and you’re worried we won’t pay you?

MICHAEL BURRY
Yes. That’s correct.

The Goldman people whisper amongst themselves for a beat.

DEEB WINSTON
We could work out a pay as we go structure that would pay out if the bond’s value falls. But it would also apply to your payments if the value of the mortgage bond goes up. You’d have to pay us monthly premiums.

SALES REP
Is that acceptable Dr. Burry?

Mike starts pulling thick DOCUMENTS out of his backpack. He slides them across the table.

MICHAEL BURRY
Yes it is. Here are prospectuses on 6 mortgage-backed securities I want to short.

They scan them. They’re diligent, they make us wait.

DEEB WINSTON
These should be fine.

SALES REP
We are prepared to sell you five million in credit default swaps on these mortgage bonds.

MICHAEL BURRY
Can we do 100 million?
EXT. GOLDMAN SACHS HALLWAY - MOMENTS LATER

Michael Burry leaves the conference room. AS HE CLOSES THE DOOR HE HEARS THE SALES REPS AND THE NUMBERS GUY LAUGHING AND CLAPPING. He hesitates, is he hurt? But then pushes on.

MUSIC: Popular Hip Hop track like GOLD DIGGER by KANYE WEST

MICHAEL BURRY (V.O.)
Is there any way to buy 200 million?

INT. DEUTSCHE BANK - THE NEXT DAY

Michael is now across from SALES REPS from Deutsche Bank.

DEUTSCHE SALES REP
I, uh, I don’t see why not. But are you sure?

DEUTSCHE SALES REP #2
(waves off his colleague)
Absolutely. Absolently we can do that.

MICHAEL BURRY
That would be great. Here are the bonds I would like to bet against.

He pushes another bundle of papers across the table.

QUICK CUTS: OF BUNDLES OF HAND PICKED MICHAEL BURRY MORTGAGE BONDS BEING PUSHED ACROSS TABLES AND SIGNED AT BANK OF AMERICA, BEAR STEARNS, MORGAN STANLEY, CREDIT SUISSE ETC.

INT. FAST FOOD RESTAURANT - DAY

The MUSIC CUTS OUT and we see Michael Burry through the front window eating alone at a chain restaurant. His phone buzzes. He answers. It’s a photo of his WIFE, and his 6 year old son Nicholas. Under it, it reads “We miss you!”

INT. MANHATTAN NIGHT CLUB - NIGHT

THE HIP HOP SONG KICKS BACK IN AS SOURCE. AN UPSCALE CLUB IS PACKED WITH BANKERS dancing and drinking.

We focus in on the DEUTSCHE SALES REP AND COWORKERS WHO SOLD BURRY THE SWAPS. They are clearly CELEBRATING HARD.
TRADER
Hey Randall, what’s with the Dom?
Bonuses aren’t for three months.

DEUTSCHE SALES REP
We just sold 200 million today in credit swaps for mortgage bonds!
Some fund manager from California!
Fucking crazy right? It’s a whole new way to make money!

TRADER
I didn’t know there were swaps on mortgages!

DEUTSCHE SALES REP
There are now! We made one for him.
He must have gone off his zoloft!

More Dom is poured. A male and female sales rep make out. The Trader steps over to another table and taps a guy on the shoulder.

TRADER
Hey Jared! Did you hear about the deal Randall did with some fund manager?

For the first time we see the Modern Trader, JARED VENNETT, 32. He’s smart, a bit slick with a slight Jheri curl and wears a sharp suit. HE’S OUR NARRATOR.

JARED VENNETT
Randall’s a foot soldier. It must be a shit deal.

GRAPHIC: JARED VENNETT

TRADER
No, it’s for real.

Jared LOOKS AT CAMERA.

JARED VENNETT
I told you I’d come in later.

TRADER
Apparently this guy wanted 200 mill in credit default swaps on mortgage bonds! Randall made the sale. Can you believe it?!
JARED VENNETT
Someone shorted 200 mill worth of mortgage bonds?

TRADER
That was just with Deutsche. Word is he hit half the town!

JARED VENNETT
How much total?

INT. MICHAEL BURY’S FUND OFFICE – DAY
Michael Burry is on the phone with Lawrence Fields.

MICHAEL BURY
1.3 billion.

LAWRENCE FIELDS
What?! That’s pretty much all of Scion’s liquidity! Michael this is highly distressing.

INT. ACADEMY GALLERIA – FLORENCE
Lawrence Fields is in Florence with the David behind him. He steps away to continue the conversation.

MICHAEL BURY
It’s not all of our liquidity Lawrence. I’m not certain you understand this trade. This is a certainty.

LAWRENCE FIELDS
Michael, I consider myself a mentor to you. But our company is not comfortable with this investment. Am I being clear?

MICHAEL BURY
I have full autonomy when it comes to investment strategy. You can read our agreement-

LAWRENCE FIELDS
Don’t throw our inception agreement in my face Michael. There was an underlying understanding that you wouldn’t act like a goddamn crazy man!
MICHAEL BURRY
This isn’t crazy. It’s all very logical.

LAWRENCE FIELDS
So now we pay out premiums on these swaps against the housing market until the mortgages fail? In other words we lose millions until something that’s never happened before happens?

MICHAEL BURRY
That’s correct.

LAWRENCE FIELDS
And you have no doubts. You’re not nervous at all?

MICHAEL BURRY
I have no doubts. But yes, I’m nervous. It’s a very large position for me to take.

LAWRENCE FIELDS
And will you please tell me what the difference between doubt and nervousness is?

Half beat.

MICHAEL BURRY
That is a very good question. And I’m sorry but I’ll have to get back to you on that. Have a nice vacation Lawrence.

He hangs up. His computer and phone are dinging.

QUICK CUTS OF EMAILS FROM MICHAEL BURRY’S INVESTORS:

1. “Have you lost your mind? I’m seriously worried about you."

2. “What the hell is a credit default swap???”

3. “I am not comfortable trying to guess what the peak of a 70 year housing spike is!”

4. “So you’re telling me that rather than receiving profits on stocks I will now be paying premiums on these credit default swaps you bought? How is this in anyway good news?”

And finally we push in on one last ominous email:
"A LOT OF PEOPLE IN NEW YORK ARE TALKING ABOUT WITHDRAWING THEIR MONEY FROM YOUR FUND."

CUT TO:

EXT. SUNNY ROOFTOP - DAY

CU of a cell phone on the ground. We hear a voice.

VOICE (V.O.)
Paul? Are you there Paul? Paul!

We FLASH out.

INT. GROUP THERAPY SESSION - MANHATTAN - DAY

A group of 7 PROFESSIONALS in suits sits in a circle with A THERAPIST leading the group session.

Businessman
... I’m a nice guy all day long.
Ask anyone. I’m a pleasure to work with. But the second my son screws up I’m yelling at him just like my Dad did to me-

MARK BAUM, 40, moppish hair, rumpled suit, will always say what he thinks, busts into the room.

MARK BAUM
I’m so sorry I’m late! No cabs!

He sits down and starts right away.

MARK BAUM (CONT’D)
So, yeah. I met with this retail banker yesterday and I’m supposed to be getting him to invest in our fund but instead I start grilling him about over draught penalties and how his bank lets a customer write ten, twelve checks before they tell em they’re overdrawn. And this creep is making billions off of screwing over people this way-

THERAPIST
Mark-
MARK BAUM
And I’m getting madder and madder
and I ask this guy how he sleeps at
night knowing he’s ripping off
working people and he just leaves.
He doesn’t say a word. He just
walks away from the lunch. So am I
fucked up or is he?

Beat as the room catches up.

THERAPIST
Mark, we’ve talked about this
numerous times. You can’t come in
late and hijack the entire session.

MARK BAUM
I didn’t hijack the session.
(to another businessman)
Did I hijack the session.

BUSINESSMAN #2
Yes.

MARK BAUM
What’d you do?

BUSINESSMAN #2
I’m in commodities.

MARK BAUM
Of course you are.

THERAPIST
Mark, I know you suffered a
terrible loss... Maybe we can talk
about that...?

MARK BAUM
I don’t talk about that. Hold on!

Mark’s phone is buzzing.

MARK BAUM (CONT’D)
Oh shit. I have to take this. So
sorry.

He answers and walks out.

MARK BAUM (CONT’D)
(onto phone)
I don’t care Porter. The guy’s
whole business is built on ripping
people off. How long can that last?
He leaves. The group is left stunned.

GRAPHIC: MARK BAUM

EXT. MANHATTAN STREETS – LATER

We see GIANT BILLBOARDS: for Movado watches, Mercedes SUVs, Designer jeans (with a topless woman with her back to us). We’re on the streets of Manhattan and Mark’s walking while talking on his phone.

MUSIC: Pop song like HIPS DON’T LIE by SHAKIRA plays on monitors in the window of an electronics store.

January 2006

2 years 7 months until the collapse

MARK BAUM

I don’t want that kind of business... I’m sorry. Money’s not money... That’s bad money. Other than Goldman what company lasts ripping people off like that?

JARED VENNETT(V.O.)

Mark Baum had built a career on never assuming anyone or any company was legit without proving it. When he was a kid he excelled at studying the Talmud in Yeshiva. That was great. But one day the Rabbi told his Mom why-

INT. YASHIVA SCHOOL – DAY

10 YEAR OLD Mark Baum and his 8 YEAR OLD BROTHER PAUL run around with kids in the hallway of a Yashiva while his MOM, 35, talks to the RABBI, 52.

RABBI

Paul is a fine boy. But his brother Mark... He is the best student of the Torah and the Talmud...

MOM

Then what’s the problem Rabbi?

RABBI

It’s the reason... He says he studies so hard because...

(MORE)
he is looking for inconsistencies in the word of God.
Beat.

MOM
So has he found any?

BACK TO MANHATTAN STREET

JARED VENNETT (V.O.)
Later Baum started his own fund on Wall Street. He had an amazing nose for bullshit and wasn’t afraid to let everyone know when and where the bull had gone number 2. But then a tragedy happened to Mark that turned his world view dark and ready to believe the whole system was a lie.

MARK BAUM
(sees he’s got another call)
I gotta go, it’s Cynthia. I’ll be in the office in twenty minutes.

INTERCUT:

INT. APARTMENT LIBRARY - PARK AVENUE - NEW YORK - DAY

Mark’s wife, CYNTHIA (35). Their TWIN DAUGHTERS (10) are on the floor on matching laptops while their SON (7) runs around.

CYNTHIA
Your therapist called me. You did it again.

MARK
There were no cabs. What was I supposed to do? At least I went.

CYNTHIA
I worry about you Mark. You run around like you’ve got to right every wrong in the world. Everyone’s a creep or a crook.

MARK BAUM
Fine. I’m a rude guy. And I’m pissed off. But it’s a shit storm out here sweetie.

(MORE)
MARK BAUM (CONT'D)
You have no idea the crap people are pulling and the average person just walks around like they're in a goddamn Enya video.
EXT. MANHATTAN STREETS - CONTINUOUS

MUSIC: Dreamy new-age song like ENYA’S ONLY TIME

We see SLO MO people walking down the street. Some laughing. Some stressed about work. Some eating hot dogs.

MARK BAUM
They’re all getting screwed... Credit cards, pay day lenders, car financing, fees, fees, and more fees. And what do they care about? The ball game or which actress went into rehab?

MUSIC: OUT

CYNTHIA
I think you should try medication.

MARK
Nooo. We agreed. If it interfered with work.

CYNTHIA
You hate Wall Street. Maybe it's time to quit.

Mark is now trying to hail a cab.

MARK
I love my job.

CYNTHIA
You hate your job.

MARK
I love my job!

CYNTHIA
You're miserable!
  (gets quieter)
Mark. I feel sad about what happened every day. I know you must feel the same... But you never show it.

QUICK FLASH TO THE CELL PHONE ON THE GROUND.

MARK (V.O.)
Paul? Are you there Paul? Paul!
WE PULL UP AND SEE A MAN IN A SUIT WALK TOWARDS THE EDGE OF THE BUILDING... AND STEP OFF.
WE CUT BACK TO MARK just as the man falls fully out of frame.

INT. APARTMENT LIBRARY – PARK AVENUE

There is silence for a beat before Cynthia speaks.

CYNTHIA
I know how close you were to your brother... I keep hoping you’ll talk about it. But you never do. And now you’re so distrustful of everything and everyone. You didn’t used to be this way...

EXT. MANHATTAN STREETS

Mark is quiet. He’s still unconsciously holding his arm up for a cab.

MARK
Please don’t. I really can’t do this now Cynthia.

A cab stops.

CYNTHIA
We should talk. Can you just think about the idea of making a change?

MARK
I’ll think about anything. I’ll think about shaving my head and joining a monastery but I can tell you the answer is no.

CYNTHIA
Consider it. Please. I’m not talking about joining a monastery. We could just get off the treadmill and move to Vermont and open a B&B. It could be that easy.

MARK
Fine, I’ll consider it. But honestly, I’m okay Cynthia. I really am.

(sees a guy try and take his cab)

No! That’s my cab!! Back off asshole!
He grabs the guy and yanks him out of the cab.

EXT. MORGAN STANLEY BUILDING - LATER

Everyone walking in and out of the Morgan Stanley building is on their Blackberries. Mark gets out of his cab while finishing a conversation with his cab driver.

MARK
And remember, get out of that mutual fund you’re in. They’re going to rape you with fees!

He walks into the building and passes a Morgan Stanley higher up KATHY TAO.

KATHY TAO
Hello Mark Baum!

MARK
Hey Kathy. You busted me. I had an afternoon personal thing.

KATHY TAO
I’m not your baby sitter. If FrontPoint makes Morgan Stanley money I’m happy!

MARK
Hey did I hear you’re expecting?

KATHY TAO
We’re expecting to be expecting! The IVFs are cleaning us out but we’re staying positive!

INT. FRONTPOINT OFFICE - MORGAN STANLEY NEW YORK - LATER

Small. Provisional. A tiny SUPPORT STAFF. There are four desks with Mark’s team working at each.

Mark enters, pushing open the door that reads “FrontPoint Partners.”

MARK
Hey! Cynthia wants me to quit and open a B&B in Vermont!

VINNY DANIEL, a Queens city school graduate in a Macy’s suit turns from his desk.
VINNY DANIEL
I’d love to see Mark Baum run a B&B. “Here’s your steel cut oatmeal asshole!”

JARED VENNETT (V.O.)
Because he didn’t kiss the ring of the people with the check books Mark Baum had to set up his fund under Morgan Stanley’s umbrella. His small team reflected Mark’s distrust of the system.

MARK
Yeah. She says this job is making me unhappy.

VINNY DANIEL
But you’re happy when you’re unhappy.

JARED VENNETT (V.O.)
Vinny Daniel: Mark’s numbers guy. Vinny lost his Father to violent crime when he was young. Just like Mark he didn’t talk about it.

VINNY DANIEL
(to camera)
I don’t talk about it.

An athletic Wasp, PORTER COLLINS, 31. who wears a suit jacket and polo shirt, covers his blue tooth to chime in.

PORTER COLLINS
Cynthia doesn’t mess around. She got me to stop eating gluten. You want me to check the residential real estate market in Vermont?!

JARED VENNETT (V.O.)
Porter Collins: former Olympic rower who went to Brown. He had worked with Baum at a previous firm and couldn’t figure out why no one listened to Baum, the guy with all the good ideas.

MARK
There’s no way I’m moving to Vermont. Westchester maybe, but not Vermont...
DANNY MOSES (31) Southern but moving fast towards New Yorker, a self-effacing analyst type, though he’s actually their trader. HE’S FINISHING A PHONE CALL.

DANNY MOSES
... wait a minute. I think you have the wrong FrontPoint. There’s another FrontPoint in this same building that is bonds.

JARED VENNETT (V.O.)
And Danny Moses: the optimist of the bunch. And a hell of a trader, which is why they tolerated the optimism.

DANNY
Okay... No problem.

He hangs up.

DANNY (CONT’D)
That was a weird call.

PORTER
Why? Did the person actually enjoy talking to you?

DANNY
It was this guy from Deutsche who was talking about shorting housing bonds. In the middle of the call I realize he’s got the wrong FrontPoint. He wanted the one of the eighth floor.

VINNY
He wanted to short housing bonds? Who bets against housing?  
(due diligence)
What’s the ABX at?

PORTER
What’s the ABX?

VINNY
It tracks sub-prime mortgage bond value.

Danny checks his computer.
DANNY
It’s down... Wow. That’s weird.
It’s down three points since last year. I haven’t heard a peep about that.

MARK
What was this guy’s name again?

DANNY
Jared Vennett. From Deutsche. He sounded pretty sketchy.

One of the ASSISTANTS (the real DANNY MOSES) LOOKS UP TO CAMERA.

ASSISTANT
This actually happened. I’m the real Danny Moses. A wrong number led us to one of the biggest leads in investment history. I still work in New York and I wasn’t that much of an optimist.

MARK BAUM
Call him back. Tell him we want to hear his presentation.

VINNY
You wanna take advice from a trader we don't know -- about a market we don't understand -- cause the idiot dialed a wrong number?

MARK BAUM
Yeah. Why not?

DANNY
If he'd even show up, it'd be to screw us.

MARK BAUM
Probably.

VINNY
Definitely.

INT. CONFERENCE ROOM - THE NEXT DAY

Jared Vennett, his Chinese Quantitative Analyst, TED JIANG and a Deutsche YOUNG SALES REP stand and sit in front of the room.
Mark, Porter, Vinny and Danny listen to the bond trader's spiel, which is condescending and very sharp.

The Deutsche Rep hands out hard copies.

MARK BAUM
So how many people have you talked to about this trade?

JARED
A few. And there’s definitely some interest.

FAST CUTS: A HALF DOZEN PEOPLE THAT HE TALKED TO PREVIOUSLY SAYING “NO” “GET LOST JARED” “YOU’RE HIGH” ETC.

INT. CONFERENCE ROOM - CONTINUOUS

MARK BAUM
(sarcasm)
Which is why you’re here talking to us, a wrong number.

JARED VENNETT
Look, some people have called me in to just laugh at me on this deal. Is that what this is?

VINNY
That’s not what this is. That’s just Mark. We wanna hear this.

JARED VENNETT
Okay, here we go...

On the table is a JENGA GAME of stacked wooden blocks. On the side of the blocks is written the ratings of the tiers AAA, AA, BBB, BB, and B.

JARED VENNETT (CONT’D)
This is a basic mortgage bond. The original ones were simple, thousands of AAA mortgages bundled together and sold with a guarantee from the US government. But the modern day ones are private and are made up of layers of tranches, with the AAA highest rated getting paid first and the lowest, B rated getting paid last and taking on defaults first.

(MORE)
JARED VENNETT (CONT’D)
Obviously if you’re buying B levels you can get paid more. Hey, they’re risky, so sometimes they fail...

He throws one of the B blocks into a TRASH CAN.

JARED
But somewhere along the line these B and BB level tranches went from risky to dog shit. I’m talking rock bottom Fico scores, no income verification, adjustable rates...
Dog shit. Default rates are already up from 1 to 4 percent. If they rise to 8 percent, and they will, a lot of these BBB's are going to zero.
Jared chucks another B block and a BB in the garbage.

JARED (CONT’D)
And that, my friends, is an opportunity.

DANNY
You’re sure of the math?

Jared gestures to his CHINESE QUANT, sitting to his right.

JARED
Jiang is my quant. Look at him, he doesn't even speak English. He won a national math competition in China. China. Yeah I’m sure of the math.

Ted turns to camera.

TED JIANG
Actually I do speak English. Jared likes to say I don’t because he thinks it makes me seem more authentic. And I finished second in the national math competition. Some people at work think Jared’s a dick but he’s great at his job.

VINNY
So you’re offering us the chance to short that pile of blocks? How?

JARED
With something called a credit default swap. It’s like insurance on the bond. And if it goes bust you can make a 10 to 1, even 20 to 1 return. And it’s already slowly going bust. But no one’s paying attention cause all the banks are busy getting paid obscene amounts of fees selling these bonds. Basically I'm standing in front of a burning house and offering you fire insurance on it.

Danny's trying to get his head around Jared’s numbers.

DANNY
How can the underlying bonds in these pools be as bad as you say? They wouldn't be legal.
JARED
No one knows what's in these bonds. I've seen some that are 65% AAA rated that are actually full of 95 percent subprime shit with Ficos below 550.

VINNY
Get the fuck out of here!

JARED
And now get ready to really have your mind blown. I just discovered this treat...

TED JIANG
(to camera)
We discovered it. But that’s fine. He’s on a roll.

JARED
...when the market deems some bond too risky to buy, what do you think happens to it? We just warehouse them on our books?! No. They get repackaged, with a whole bunch of other shit that didn't sell, into a CDO.

MARK
A what?

Jared takes a bunch of the BBB, BB and B rated blocks and makes a precarious NEW tower.

JARED
A collateralized debt obligation. A C-D-O. We put a bunch of unsold B, BB or BBB bonds together, when the pile gets large enough, the whole thing's considered diversified and the whores at the ratings agencies rate it 92, 93% AAA. No questions asked.

MARK
Holy hell... Say that again.

FREEZE: Mark, leaning forward completely engaged.
JARED (V.O.)
The Collateralized debt obligation. It’s important to understand because it’s what allowed a housing crisis to become a nation wide economic disaster. So here is world famous chef Anthony Bourdain to explain.
INT. CHEF’S KITCHEN – DAY

In a high end professional kitchen ANTHONY BOURDAIN opens a fridge with a bunch of fish in it.

ANTHONY BOURDAIN
Okay, I’m a chef on a Sunday afternoon setting the night’s menu at a big restaurant. I ordered my fish on Friday which is the mortgage bond that Michael Burry shorted. But some of the fresh fish doesn’t sell. I don’t know why, maybe it just came out halibut has the intelligence of a dolphin. So what am I going to do, throw all this unsold old fish, which is the BBB level of the bond, in the garbage and take the loss?

Bourdain chops up the old fish and pushes it into the big pot of “SEAFOOD STEW.”

ANTHONY BOURDAIN (CONT’D)
No way. Being the crafty and morally onerous chef that I am, whatever crappy levels of the bond I don’t sell I throw into a “sea food stew.” See, it’s not old fish. It’s a whole new thing! And no one knows they’re eating three day old halibut. That is a CDO.

INT. CONFERENCE ROOM – CONTINUOUS

BACK TO THE SCENE

MARK
Wait, wait, so the mortgage bonds are dog shit but the CDOs are dog shit wrapped in garbage?

JARED
Institutions treat these CDOs like they’re as solid as treasury bonds and these things are going to zero.

DANNY
That can’t be right. There were 500 billion in housing bonds sold last year alone.

(MORE)
DANNY (CONT’D)
The banks, the ratings agencies, the government... They wouldn’t let this happen.

JARED
They would and they did. My whole department is long this stuff. The pricks are calling me Chicken Little and Bubble boy. But when reality hits the idiots in my department won’t be laughing.

He starts pulling blocks out of the CDO and MBS towers and throwing them in the garbage.

JARED (CONT’D)

On this last one, the table shakes... both towers collapses.

JARED (CONT’D)
Then that happens.

MARK
What's that?

JARED
That is Aermcia’s housing market.

INT. FRONTPOINT OFFICE - DAY

Vinny, Danny and Porter cluster unhappily at their desk.

They watch Mark say good-bye to the Deutsche Bank team at the door. He's lost in thought as he returns.

VINNY
He's playing us. He's dumping his position.

MARK
What if he's right?

VINNY
You want him to be right!

MARK
Yes, I do. When a bank offers a loan, people take it. Why? Because they assume banks know more about money than they do.

(MORE)
MARK (CONT'D)
Banks have spent decades training us to let them handle our money and credit. How else do they get away with credit cards that keep you in debt for years? Student loan rates that you never get free of? Financing, for many Americans, is just a fancy term for getting raped. Then this guy walks in my office... tells me those same banks got greedy... lost track of the market ...and I can now profit off their stupidity? Fuck yeah, I want him to be right.

DANNY
Things can't be as bad as he says out there.

MARK
Let's find out. That's our job.

VINNY
Why don't you hate this guy? He's everything you taught us not to trust.

MARK
I can't hate him. He's so transparent in his self interest I kind of respect him. Would I buy a car from him? No way. Is he right about the mortgage market? Let's find out.

(the others moan)
Look, it's two very simple questions. Is there a housing bubble? And if there is, how exposed are the banks?

Mark's team can't resist him when he's in adventure mode.
DANNY
Yeah, okay. Fine.

PORTER
Sure.

Vinny pfiffs his concession.

MARK
And let’s move fast. If Vennett’s right, it’s only a matter of time before every loser with a few million bucks in a fund jumps on this.

INT. HIGH END DANCE CLUB - NIGHT
43

MUSIC: A rap song with a great beat and attitude like GRILLZ by NELLY

JAMIE SHIPLEY, 30, good looking but earnest and CHARLIE GELLER, 31, very smart and neurotic are dancing on a dance floor in a high end Chelsea club.

WOMEN COME TO HANDSOME Jamie but his horrible dancing soon chases them away TO Charlie who tries to impress.

CHARLIE
Hey ladies! I’m Charlie! This is Jamie!

The WOMEN move away.

MOMENTS LATE: Charlie and Jamie approach a table full of ATTRACTIVE MANHATTAN PROFESSIONAL WOMEN.

CHARLIE (CONT’D)
(yelling over the music)
Hi ladies! I’m Charlie. This is Jamie!

JAMIE
Hi! I’m Jamie!

ATTRACTIVE MANHATTAN PROFESSIONAL
How can we help you?

CHARLIE
I’ll just be straight with you. No games. The truth is, you all are very attractive and we wanted to get to know you!
ATTRACTIVE MANHATTAN PROFESSIONAL
Get the fuck away from us!

CHARLIE
Okay!

Jamie starts to sit down with them.

CHARLIE (CONT’D)
No! They said fuck off.

JAMIE
Oh!

Jamie jumps up and they leave.
Charlie and Jamie sit nervous under massive Richter works.

CHARLIE
JP Morgan. Can you believe it?

JAMIE
Okay, don’t make me nervous. They’re just people.

Finally, they hear...

YOUNG MAN’S VOICE
Brownfield Fund?

They stand, straighten their suits. A BOY BANKER hurries out from behind the reception desk.

CHARLIE
You must be Ted!

YOUNG BANKER
No, I'm Chris. I'm on Ted's desk.

CHARLIE

JAMIE
Jamie Shipley. We’re excited to get set up on your trading platform.

YOUNG BANKER
Cool. Here, guys, have a seat a second.

He gestures to the chairs they just stood from. Not good.

YOUNG BANKER (CONT’D)
Ted asked me to do some meeting prep but I couldn't find any marketing material on you.
CHARLIE
Oh. Sorry. We don't have any. We recently moved here from Colorado.

YOUNG BANKER
Got it. Can we see your offering documents?

CHARLIE
(sheepish)
Brownfield is all our own money.

YOUNG BANKER
Well, can you tell us how much you manage?

CHARLIE
Sure. It's 30 million, but we started four years ago with 110 thousand. So, our returns have been pretty phenomenal.

JAMIE
We want to get an ISDA agreement with JP Morgan so we can deal in long term options.

YOUNG BANKER
That's cool. But you're under the capital requirements for an ISDA.

CHARLIE
Like, by how much?

YOUNG BANKER
One billion four hundred seventy million.

Jamie and Charlie flinch.

CHARLIE
Does it make us look bad that we didn't know what the capital requirements were?

YOUNG BANKER
It's not great.

Awkward beat.

YOUNG BANKER (CONT’D)
Have a good one guys.

He walks away.
JAMIE
B of A and Bear didn’t return our calls and even Wachovia blew us off. 30 million means nothing to these banks. They keep calling us “high net worth individuals.”

CHARLIE
Here’s the prospectuses and brochures of all the other losers who didn’t get past the lobby.

There are scattered brochures and folders with names like “The Nostradamus Fund” and “The Long Short Group.” Under one is Jared Vennett’s “Shorting the Housing Market.”

CHARLIE (CONT’D)
Look... This guy’s saying the housing market is a massive bubble...

Jamie LOOKS TO CAMERA

JAMIE
We didn’t really find Jared Vennett’s housing bubble pitch in the lobby of a bank that rejected us.

(MORE)
The truth is, a friend told Charlie about it. And I read about it in Grant’s Interest Rate Observer. But this is more fun.

CHARLIE
This guy says there are 10 to 1 returns on credit default swaps on mortgage backed securities. He says they whole housing market will collapse...

Freeze.

JARED VENNETT (V.O.)
For Jamie and Charlie, the housing market doomsday prediction was music to their ears.

45 OMIT

46 OMIT

EXT. BOULDER COLORADO – GARAGE – SUMMER DAY

A CRAPPY GARAGE with computer paper on the wall reading “The Brownfield Fund” It’s hot as Jamie and Charlie work on their lap tops. Jamie pours water over his head. A CHOCOLATE LAB sleeps on the floor.

JARED VENNETT (V.O.)
They had started working out of Jamie’s garage with 110 thousand Jamie had saved taking sailboats up and down the east coast. Their strategy was simple and brilliant...

CHARLIE
People hate to think about bad things happening so they underestimate their likelihood.

JAMIE
Holy shit. That’s like the most brilliant thing you’ve ever said!
JARED VENNETT (V.O.)
And Jamie and Charlie found banks will sell options very cheaply on things they think will never ever happen. When they were wrong, they were wrong small. But when they were right, they were right big. Within a few years they had turned their 110 grand into 30 million. But then it was time to go to NYC. And so far, it wasn’t going well.

INT. JP MORGAN LOBBY - CONTINUOUS

JAMIE
So what if it does seem interesting. No bank will give us our ISDA. We’re dead in the water.

CHARLIE
I think we should call Ben.
EXT. RESIDENTIAL STREET - DAY

FREEZE: WE CUT TO BEN RICKERT, 45, and the most neurotic person we’ve met so far, walking his dog with Jamie on A RESIDENTIAL STREET or PARK.

JARED VENNETT (V.O.)
Ben Rickert was a former trader in Singapore for Chase who had quit the whole game in disgust. He happened to be Jamie’s neighbor when they were in Colorado and they met walking dogs. But Ben was dark. He didn’t just think the whole system would fail, he thought the whole world was going down.

INT. SAM’S HOUSE - NIGHT

We see hands putting down jugs of water next to a dozen jugs of water in a kitchen. It’s Jamie and Charlie.

JAMIE
Hey Ben! Do you think you have enough water?

BEN (O.C.)
Average precipitation in this region is down 2% a year for the past eight years! And Congress just cut the budget to police loose nukes!

CHARLIE
God he’s paranoid.

Ben enters.

BEN
Not paranoid. Prepared.

FREEZE

JARED VENNETT (V.O.)
Ben had real experience in a big bank. Jamie and Charlie had never even been in a Manhattan bank bathroom. But Ben was done with the banking world. He was very clear.
JAMIE
Look, there really could be something here. But it's pretty bold, so let's do some digging before we call Ben.

CHARLIE
(Still perusing the pitch). Wow. This is pretty shocking. It's like it's all hidden in plain sight...

LOBBY SECURITY GUARD
Seriously guys! I need you out of here! Now!

CUT TO:

CU: The hilarious scowl of the MIAMI DOLPHINS LOGO.

INT. TERMINAL - MIAMI AIRPORT - DAY

Porter and Danny pass a shop with the Dolphins logo on every conceivable domestic item. They're on a mission, one they're sure is a waste of time.

PORTER
One time Mark sent me to Indiana for a week to check out an air conditioner factory. He thought they were using inferior materials. They weren't.

DANNY
Come on, it's not so bad. It's Florida. Besides, I never get to travel. Let's have fun.

PORTER
Don't be chipper in the face of me being miserable. Please. It makes me hate you.

DANNY
I wasn't being chipper.

Beat as they walk.

DANNY (CONT'D)
Maybe we can get some Cuban food. I hear it's amazing in Miami.
PORTER
I’m serious Danny. Knock it off.

DANNY
How is wanting to eat chipper?

EXT. UNFINISHED SUBDIVISION - DUSK

Porter and Danny get out of a rental car and consider a FAILED DEVELOPMENT. Four model houses sit alone, closed for business, their perfect yards surrounded by cyclone fencing.
STREET LIGHTS NOW COME ON ACROSS THE EMPTY AND HALF FINISHED SUBDIVISION. Danny and Porter are puzzled, and intrigued.

DANNY
It’s like they just walked away...

INT. CONFERENCE HALL - CORPORATE HOTEL - THAT NIGHT

Two-hundred eager PARTICIPANTS attend a seminar called, "You Can Be a Real Estate Millionaire!"

SEMINAR LEADER
Real estate is the only entrepreneurial activity available to all Americans. Why? Simple, it doesn't require capital. That's right. Let me say that again. You don't need money to be a real estate millionaire!

In the back, Porter sips a hotel takeaway cup, stunned, appalled. Danny takes notes. An EAGER GREETER spots them. She slips out.

GREETER
Hello gentlemen. Are you interested in the 10 CD set? Only 2999 dollars!

PORTER
We’re good! Thank you.

Porter and Danny slip away.

EXT. FRONT PORCH - RANCH HOUSE - NEXT DAY

Danny knocks like someone knocking for the last time. No answer. He looks in the mail slot... the house is empty.

EXT. FRONT PORCH - ANOTHER RANCH HOUSE - DAY

Covered in old newspapers. Porter checks one for a date. It’s three months old.

EXT. FRONT PORCH - YET ANOTHER RANCH HOUSE - DAY

Danny peers in a front window. This time, the door OPENS. A sleepy MAN WITH A TATTOOED NECK rubs his eyes.
DANNY
Oh. Hello. I'm surveying mortgage owners who are over 90 days delinquent. I'm looking for a... Harvey Humpsey?

TATTOOED NECK
You want my landlord's dog?

DANNY
Your landlord filled out his mortgage using his dog’s name?

TATTOOED NECK
I guess so. Hold up, has that asshole not been paying his mortgage? Cause I’m paying my rent.

DANNY
He is 90 days late on his payments, yes.

TATTOOED NECK
Seriously, am I going to have to leave?

There's fear in his eyes, the last thing Danny expected. A CHILD now appears between the big man's legs.

TATTOOED NECK (CONT’D)
Cause my kid just got settled in the school.

DANNY
Um. I don’t know. You should talk to your landlord. Sorry. Have a good day!

The man stays at the door as Danny hurries away.

58
INT. FOYER - STILL YET ANOTHER RANCH HOUSE - DAY
The door opens. Danny and Porter peer in... the place is abandoned; its few modest furnishings, covered in dust.

PORTER
Hello?! Anybody here?! Hola?! Yo?!

59
INT. LIVING ROOM AND HOME OFFICE - CONTINUOUS
Porter tries a light switch, dead.
A CORKBOARD above a desk still has post-its. The carpet is covered with files, books, a box of old photos.

PORTER
The only thing they took was their TV!

He picks up a dusty TIME MAGAZINE with Greenspan/Summers/Rubin on the cover. "The Committee to Save the World".

DANNY (O.S.)
Come here!

INT. DEN AND KITCHEN - CONTINUOUS

White bread molds in the bag.

At the counter, Porter watches Danny shows the old mortgage bill: the house's owner used a black marker to circle the amount due and then wrote... SORRY!

EXT. BACK YARD - CONTINUOUS

The back yard is over grown and the pool is murky green.

PORTER
I think I saw three houses in the whole development with cars in the driveway.

Suddenly something swirls in the pool and they see a 10 FOOT ALLIGATOR emerge and submerge.

DANNY
Holy... fucking... shit.

EXT. CUBAN RESTAURANT - DAY

DANNY IS VISIBLE IN THE WINDOW OF A CUBAN RESTAURANT EATING. Porter is outside on the sidewalk on his phone.

PORTER
Hey Mark, you might want to get down here.

CUT TO:
INT. SCION OFFICE - DAY

We pan past Scion’s office which is now littered with empty desks and land on the WHITE BOARD showing last quarter’s returns: -9.3%.

Two ANALYSTS talk to each other from their desks gossiping while Burry in his office works on his computer.

ANALYST #2
I heard he had a breakdown. He’s letting the fund tank.

YOUNG ANALYST
A buddy of mine in Manhattan said Burry left his wife and is moving to Peru.

A PHONE RINGS at Burry’s ASSISTANT’S DESK.

MIKE’S ASSISTANT
(answers the phone)
Scion. Dr. Burry’s office.
...He would prefer you email him...I sit twenty feet away and I email him--

The FRONT DOOR opens.

Lawrence Fields and MARTIN BLAINE (45) of Metro Capital enter. 2 thousand dollar sport coats and polo shirts.

They stride right for Mike's office. MIKE’S ASSISTANT starts to email Burry furiously, gives up, stands.

MIKE’S ASSISTANT (CONT'D)
(loudly)
Mr. Fields. Mr. Blaine. Hello.

They enter Mike's office, shut the door.

YOUNG ANALYST
Was that Lawrence Fields? Holy shit.

INT. SCION OFFICES - MIKE’S OFFICE - DAY

Lawrence sits. Martin stands. They're angry. Yet, Mike, in T-shirt, shirts with no shoes, doesn't seem to even register there's any emotion here at all.
LAWRENCE FIELDS
Your big mortgage bet concerns us.
We have no confidence in your
ability to identify macroeconomic
trends.

MIKE
You flew here to tell me that? Why?
I mean, anyone can see there's a
real estate bubble.

LAWRENCE FIELDS
Actually, no one can see a
bubble... that's what makes it a
bubble.

MIKE
That's dumb, Lawrence. There are
always markers. Mortgage fraud.
It's quintupled since 2000. Average
take home pay is flat yet home
prices are soaring. That means the
homes are debt not assets.

MARTIN BLAINE
So, Mike Burry of San Jose, a guy
who gets his hair cut at Super Cuts
and doesn't wear shoes, knows more
than Alan Greenspan and Hank
Paulson?

MIKE
Dr. Mike Burry. And, yes. He does.

LAWRENCE FIELDS
Are you being sarcastic with us,
Michael?

MIKE
I don't know how to be sarcastic. I
don't know how to be funny. I don't
know how to work people. I know how
to read numbers.

Okay, let’s talk numbers. Lawrence changes tack.

LAWRENCE FIELDS
How big's your short position?
Right now?

MIKE
It's 1.3 billion.
LAWRENCE FIELDS
And the premiums?

MIKE
We pay roughly 80 to 90 million every year.
(they wince)
I know it's high but I was the first one to do this trade.
It will pay. Watch. I may have been early, but I'm not wrong.

MARTIN BLAINE
It's the same thing!

Lawrence raises a finger to ask his partner for restraint.

LAWRENCE FIELDS
You're managing, what, a fund of 555 million?
(Mike nods)
In 6 years it'll all be gone. On one bet.

MIKE
Second quarter of 07' the adjustable rates will kick in and defaults will sky rocket.

MARTIN BLAINE
Says you.

LAWRENCE FIELDS
How much is eligible for withdrawal before they do, say in the next two quarters?
(then)
If your investors panic.

MIKE
It's 302 million.

LAWRENCE FIELDS
My God, Michael.

MIKE
No one will pull out! It'd be suicide! Yeah, I'm down 17 percent for the year, but if they trust me--

MARTIN BLAINE
No one trusts you.
MIKE
I’ve written several emails to the investors letting them know second quarter of 07’ is when our position on housing shows returns. I’ve been very clear.

He sounds like a crazy man defending himself to a tree.

LAWRENCE FIELDS
There will be redemptions.

MIKE
Well, that would be really stupid.
(angry)
If the fund's capital drops too much, the swaps contracts are voided. And the banks get to keep the collateral!

MARTIN BLAINE
What?

They didn't know this, and it seals the deal.

LAWRENCE FIELDS
Give us our money back.

CLOSE ON:

BUMPERSTICKER: “Pricing gets traffic, staging gets offers.”

The sticker's on a brand new...

INT. MERCEDES SUV - UPSCALE SUBDIVISION - DAY

Mark gets a house tour from a wealthy REAL ESTATE AGENT.

MUSIC: A dreamy samba like SO NICE by BEBEL GILBERTO

REAL ESTATE AGENT
The market's in an itsy-bitsy little gully right now. It's like everybody said, "Okay, that was crazy. Let's all just slow down."

A YOUNGER AGENT sits in the back between Danny and Porter.

Mark’s engrossed by the upper-middle-class world out the window; Every driveway has a new SUV, or odd Prius. Every garage has a Winnebago, jet ski, speed boat. Complicated riding mowers. Trampolines. Plundered Ebay and Amazon boxes.
And, yet, there are For Sale signs everywhere.

EXT. TRACT MANSION - DAY

An attractive brick house, exhaustively landscaped. In fact, the harried HOMEOWNER is now edging his lawn.

REAL ESTATE AGENT (O.S.)
I sold it the year it was built for 350.

I/E. MERCEDES SUV - DAY

The SUV has stopped at a discreet distance.

REAL ESTATE AGENT
Two years later for 480. Then...585 maybe... only 18 months later. This couple bought it last year for 650, he'd let it go for that.

He spots her. Come show it!

She waves back. Not today!

REAL ESTATE AGENT (CONT'D)
It'll break his heart, but he'll let it go.

MARK
Why's he selling?

REAL ESTATE AGENT
Neither one's working right now.

YOUNGER AGENT
Marlene, you'd say they're motivated, right?

REAL ESTATE AGENT
As much as one can be in this neighborhood.

I/E. SUV - TRAVELLING - DAY

SHOTS of the SUV driving them past big houses for sale.
REAL ESTATE AGENT
House on the left might be motivated...That is another quasi-motivated seller...They're probably teensy-weensy bit motivated...In her case I'd say possibly almost motivated.

Danny and Porter exchange a look. The market's in trouble.

MARK
A lot of homeowners seem pretty motivated.

REAL ESTATE AGENT
It's the gully. That's all. Just nerves.
(faces Mark)
So... where are we?

MARK
Let me talk to my wife.

YOUNGER AGENT
This market won't last.

MARK
Actually, can I talk with a mortgage broker? Anyone you like?

INT. HOTEL BAR - SOUTH BEACH - DAY

BLACK
Bitch better like me, I sent her to Cabo.

The bar's empty save Mark, Danny and Porter sitting with two overly-groomed MORTGAGE BROKERS -- their ties match their shirts: the hip one's in BLACK; his friend, MAROON.

The guy in Maroon has Porter's business card.

MAROON
Is Morgan Stanley recruiting us?

PORTER
The bank owns our hedge fund but we're not really part of it. We invest in financial service companies.

(MORE)
PORTER (CONT'D)
We're here trying to understand
the residential mortgage business.
The brokers just nod, glad to be part of the conversation.

MARK
How many loans do you write each month?

BLACK
It's about 60.

Maroon nods. Me, too. Almost.

MARK
What was it four years ago?

BLACK
Ten. Maybe 15.

MAROON
I was a bartender.

DANNY
How many are adjustable rate mortgages?

BLACK
Most. Ninety percent. The bonuses on those sky rocketed a few years ago. Adjustable is our bread and honey.

MARK
These are people buying a primary residence?

BLACK
No, they're all cash-out refi's, or property to flip. A shitload of condos. A few primaries.

DANNY
Do mortgage applicants ever get turned down?

They laugh.

BLACK
Dude, if they get rejected I suck at my job.

DANNY
Even if they have no money?
MAROON
Well, my firm offers NINJA loans. No Income. No Job. I just leave the income section blank if I want, corporate doesn't care. And the people just want a house. So they go with the flow.

BLACK
We call those loans “Dorothys” cause they’re magic. No credit, no income, no problem: just tap your shoes together three times and say “There’s nothing like owning a home.”

MARK
Your companies don't verify?

BLACK
If I write a loan on Friday afternoon, the big banks buy it by Monday lunch.

MAROON
Same here.

MARK
Can you two hold on a second?

71 INT. HOTEL LOBBY - SECONDS LATER
Eyeing the brokers, Mark whispers with Porter and Danny.

MARK
I don't get it. Why are they confessing?

DANNY
That's not confessing.

PORTER
They're bragging.

72 INT. HOTEL BAR - DAY
Mark takes an ottoman right in front of the brokers.

MARK
Do customers ever know what they're buying?
MAROON
I focus my business on immigrants.
Once you tell them they're getting
a home they sign where you tell
them to sign, don't ask questions,
don't really understand the rates.

Mark starts to say something, then turns to Black.

MARK
You target immigrants, too?

MAROON
Ha! Their credit isn't bad enough
for him!

BLACK
I'm a yield guy. I make 2,000 on
fixed-rate prime loans. I can make
10,000 on a subprime adjustable.
Trust me, I would not be driving a
Hummer without Strippers. Nobody on
the pole has good credit. And
they're all cash rich.

Porter and Danny watch Mark consider punching this punk. The
last thing they expect is...

MARK
Can you introduce us?

INT. ALCOVE - VIP ROOM - STRIP CLUB - NIGHT

MUSIC: A sexy pop song like SEXYBACK by JUSTIN TIMBERLAKE

DANCER
I always get option-pay
adjustables. I'm a private
contractor. I need flexibility.

A DANCER does rote gyrations. Mark’s indifferent to the lap
dance, unashamed, occupied by his agenda.

MARK
You tell the mortgage company what
you do?

DANCER
I write therapist.
(and then)
You can touch me.
MARK
Always?

DANCER
Only in the VIP.

MARK
No, you said you always do adjustables. You have more than one loan on a property?

DANCER
Everybody does. At least down here. That way you only put down like 5 percent.

MARK
But prices have leveled off.

DANCER
Yeah, there's a gully.

MARK
Can you stop moving? I'll still pay you.

She peeks out of the alcove, sees a BURLY MAN WITH A HARD FACE and keeps dancing.

DANCER
Sorry, (mouthing it) we're not alone.

MARK
Okay, look, if home prices don't rise you won't be able to refinance. You'll be stuck with whatever your monthly payment jumps to after the teaser rate expires. Plus any payments you missed. Plus interest on those payments! Your monthly could go up 200 or 300 percent!

DANCER
Jamie says I can always refinance.

MARK
He's lying. Actually, in this particular case, Jamie's probably just wrong.
DANCER
Two hundred percent? On all my loans?
MARK
What do you mean all my loans?
We’re talking about two loans on one house, right?

She stops and gives him a look.

DANCER
I have five houses. And a condo.

INT. TICKETING AREA – MIAMI AIRPORT – DAY

Full of purpose, Mark strides ahead of Porter and Danny.

MARK
Get the mortgage exposure and leverage ratio of every bulge bracket i-bank--
(into his phone)
--Hey, there's a bubble.

VINNY (O.S.)
How do you know?

MARK
Trust me. Call Vennett. Buy 50 million in swaps on the MBS...

Danny holds out the offering doc.

MARK (CONT'D)
...Garabaldi IV. Triple B.

VINNY (O.S.)
You sure, Mark?

MARK
Yeah. It's time to call bullshit.

VINNY (O.S.)
Bullshit on what?

MARK
Everything.

INT. GYM – DAY

Jared Vennett is running on a treadmill when the phone rings.
JARED (on his cell)
Is this America's angriest hedge fund?

VINNY (O.S.)
How are you, JARED?

Jared steps off the treadmill to take the call.

JARED
Starting to believe my own hype.

VINNY (O.S.)
I've got one last question.

76
INT. TRADING DESK - FRONTPOINT OFFICE - DAY
Vinny on the phone.

VINNY
How are you fucking us?

Jared cackles.

VINNY (CONT'D)
I'm serious. We'll buy your swaps. But only if you say how you're fucking us.

JARED (O.S.)
Hold on.

77
INT. GYM - DAY
Jared steps away from a few guys working out.

JARED
Swaps are a dark market. That means I set the price. Whatever price I want. When you come back for your pay day I’ll rip your eyes out and make a fortune. The good news for you is you’ll make so much you won’t care. Plus your boss has a big mouth and I need people to know about this trade so my superiors don’t think it’s an esoteric waste of time and I can keep selling it.

Static.
VINNY (O.S.)
Thank you.
JARED
Anytime.
(then)
What's it gonna be? You want me to make you a market?

VINNY (O.S.)
Yeah. We'll take 50 million--

He disconnects, punches air. His casual pose evaporates.
Really? So the NSA has a 52 billion dollar budget and the ability to monitor 10’s of millions of calls a second but they’re not using it?

Okay fine. We’ll call this number and I’ll stop saying “Ben Rickert” and “dirty bomb” in the same conversation.

Seriously don’t do that. That’s not funny.

Did you read what we sent you?!
It’s Charlie! I’m here too!

Hey guys. Yeah, I checked out what you sent me... Hold on...

Ben picks up a bootleg copy of Jared’s PRESENTATION.

A brick loft. Jamie and Charlie are gathered around a phone on speaker. We cut back and forth.

And?

I’ll be honest gentlemen... It scared the shit out me.
CHARLIE
So this guy Vennett’s not wrong?

BEN (V.O.)
No... he’s not.

CHARLIE
Yes!

BEN (V.O.)
Tell me more about these CDOs... I feel like I opened the hood of a car and instead of an engine saw a monkey on a bike.

Ben holds up a report Jamie and Charlie did on CDOs.

JAMIE
Vennett mentions the CDOs but they’re way worse than even he knows. We couldn’t even model them.

CHARLIE
They don’t make any sense! And they’re a hundred times larger than the MBS!

BEN (V.O.)
And somehow they’re over 90% AAA rated. The perfect scam.

FREEZE

JARED VENNETT (V.O.)
I’ll be honest. I don’t love that these losers are saying I missed something but the truth is they’re right. The CDOs were a hundred times worse than even I imagined. Let’s go back to Bourdain’s seafood stew so we’re all on the same page.

A80 INT. KICHEN -- DAY A80

Bourdain stands over the pot of seafood stew.

BOURDAIN
Alright, remember how I said the CDOs are seafood stew filled with old fish stamped AAA? Well Jamie and Charlie found out the CDOs were even worse than that.

(MORE)
BOURDAIN (CONT’D)
Turns out they were filled with shitty mortgages from different bonds that didn’t even operate by the same laws. And there were also swaps and all kinds of other junk just thrown in there. Millions and millions of this garbage... So instead of just old fish our seafood stew also has... wolverine meat in it...

He puts a weird gray meat in.

BOURDAIN (CONT’D)
Possum... skunk... Kimodo dragon and then a whole lot of stuff the no one even knows what it is.

Bourdain reaches into a box marked simply MEAT (?) and throws a bunch in.

BOURDAIN (CONT’D)
And these CDOs were selling and selling....

Wee pull out and see dozens of pots of stew all around the kitchen.

BOURDAIN (CONT’D)
Nuts, right?

B80 INT. BROWNFIELD OFFICE – GREENWICH VILLAGE – DAY

BEN (V.O.)
I saw the CDOs you want to short. The’re brilliant. Worthless, total crap.

CHARLIE
Jamie Shipley, Ladies and Gentlemen.

JAMIE
I'm good at finding shit. If I can keep Charlie from trying to sneak in a little value.

CHARLIE
Sue me, I'm Jewish. We shorted all double BBs and triple B’s. The risk is relatively low and the pay off is 25 to 1.
BEN (V.O.)
So why are you calling me? I don’t do this anymore.

Charlie and Jamie share a careful glance.

CHARLIE
Look, Ben, help us get an ISDA so we can short this crap. We know you hate Wall Street but it's not like you'd be trading, you'd only be helping us get a place at the table.

BEN (V.O.)
That’s an ugly table to be seated at.

JAMIE
The system fucked up in a big, big way here. And somehow we know before anyone else.

(MORE)
This is a once in a lifetime trade. Help us make this deal. Come on, it’ll be fun.

Oh this won’t be fun.

Sam’s tone is less than definite, he’s clearly tempted.

I didn’t mean fun.

You said fun.

Okay, I'll call Deutsche Bank.

Charlie and Jamie high five.

Thank you. What about Bear? They have some reprehensible product.

Okay. Bear will trade with anybody.

Silent air pumps.

How soon can you be out here?

I don’t know... I haven’t flown since they put those Chertoff body scanners in the airports. I’ve never been a fan of being strip searched by radiation.

(takes a breath)

I’ll be there Tuesday.

Jamie and Charlie celebrate more.

MUSIC: An popular alternative hip hop song like FEEL GOOD INC by GORILLAZ plays us into the next scene.

Ben rides the long airport escalator wearing a flu mask. And holding a duffle bag.
He passes an Asian man also wearing a flu mask, salutes his comrade-in-fear. The man stares back confused.

At the bottom of the escalator Charlie and Jamie wait with a sign reading “Ben Rickert”

Ben walks past them with out breaking stride and crumples up the sign.

EXT. DEUTSCHE BANK – TWO HOURS LATER

Establishing

INT. LOBBY – DEUTSCHE BANK – DAY

Charlie and Jamie sign an ISDA CONTRACT in the lobby.

Ben waits over them. NOAH, 26, Vennett’s assistant takes the contract.

NOAH
All right. I’ll see if I can push it through.

BEN
Thanks, Noah. And thank Jared for us.


JAMIE
You know, just once in my life, I’d like to see the inside of an investment bank.

CHARLIE
So that’s it Ben? We’re done?

BEN
That’s it. Between Bear and Duetsche, you now officially own 12 million dollars of credit default swaps on the BBB- tranches of subprime ABS’.

CHARLIE
Somehow I thought it would be more dramatic.

JAMIE
So what’d we do now?
Ben doesn't break stride.
BEN
Now we wait for the world to blow up.

CUT TO:

QUOTE COMES UP OVER BLACK:

"THE TRUTH WILL SET YOU FREE. BUT NOT UNTIL IT IS DONE WITH YOU."  -DAVID FOSTER WALLACE, INFINITE JEST

CUT TO:

EXT. MIDTOWN - MORGAN STANLEY BUILDING - DAY

An electronic scroll on the side of Morgan Stanley reads:

Mortgage Delinquencies Hit New High

January 11, 2007

1 year 7 months until the collapse

We hear snippets of business news audio:

SNIPPETS OF BUSINESS NEWS
Ben Bernanke calls the news a momentary market fluctuation....
Despite the disappointing housing news all other market indicators are very strong....

Mark Baum is running down the street while dialing his phone and trying to hail a cab.

MARK
Hello! Vinny Daniel please!

A CAB STOPS, he gets in.

MARK (CONT'D)

VINNY
(feint voice on the cell)
Hello? Mark is that you?

MARK
Vinny! Did you see?
Vinny is walking through the FrontPoint offices. Danny, Porter and the rest of the staff are on the phones.

MARK (V.O.)
Mortgage defaults just went through the roof! Is anybody jumping off buildings?

VINNY
Why would they? Subprime mortgage bond prices are up.

We see emails on Vinny’s screen from Duetsche notifying that the bond’s value is up. “Garabaldi IV: BBB tranche”

MARK (V.O.)
What?!

Porter turns over his shoulder from his desk.

PORTER
Vennett is asking for more collateral on our swaps!

MARK (V.O.)
What the hell’s going on?!

VINNY
We don't know. But Deutsche is on the phone demanding payment.

MARK (V.O.)
Somebody call Vennett.
(Porter does so)
Subprime loans go bad... but subprime bonds get more valuable?!

VINNY
They want another 2 million by market close.

MARK (V.O.)
What about the rating’s agencies? Are Moody’s and S&P downgrading CDOs or mortgage bonds?

VINNY
Nope. They’re all still triple A.
MARK
Motherfuckers!
The West African CAB DRIVER looks over his shoulder.

CAB DRIVER
Is everything okay sir?

MARK
Yeah, other than the fact America is a cesspool of corruption and greed.

CAB DRIVER
That is very true sir! But I never hear Americans say it! Haha!

VINNY (V.O.)
That’s not all Mark...

INT. TINY SIDE OFFICE - FRONTPOINT - DAY
Vinny peers into their Conference Room, where there are THREE RISK MANAGERS. Standing at the head of the table is a very pregnant, Kathy Tao.

VINNY
The Frontpoint risk guys are here. They called in Kathy Tao. They're trying to convince her to make us sell our swaps. Apparently, tying up 6 years of insurance payments in hopes of housing Armageddon is not good investing.

MARK (O.S.)
What'd Kathy say?

VINNY
Nothing, yet. She keeps asking if this is one of your crusades.

INT. CAB - DAY
Mark on the phone.

MARK
When she leaves, go back in and very calmly, very politely, tell the risk assessors to fuck off. (MORE)
Then meet me over at Standard and Poors. Let’s go talk to Georgia Hale.

He hangs up.

CAB DRIVER
In my country they just show up and steal your children for their army. In America they are very sneaky. They take your house, your money and you still think they are your friends!

MARK
You want a job?

CAB DRIVER
No way brother! I am just the ferryman! Haha!

He drives crazy fast through traffic.

INT. CONFERENCE ROOM - FRONTPOINT PARTNERS - DAY
Vinny enters. The risk managers go silent.

VINNY
(calmingly, politely)
Mark said to fuck off.

The Risk Managers wait for nuance. None will be coming.

CUT TO:

INT. SCION OFFICES - DAY

Michael Burry writes on the big white board the quarterly returns: **-11.3%**. There are now only five working analysts. The rest of the desks are empty.

Michael walks into his office closes the door and yells.

MICHAEL BURRY
Fuuuuuuuuck!!!!!

Everyone in the office looks up and then after a beat, go back to working.

WIFE (V.O.)

Michael?
Michael is watching Business News on the TV while his WIFE, pretty and direct, tries to talk to him.

SOMEONE FROM THE TREASURY OR THE FED BEING INTERVIEWED.

GOVERNMENT OFFICIAL (SOT)
Yes, there’s been an up tick in defaults but it’s well within our models.

WIFE
Michael.

GOVERNMENT OFFICIAL (SOT)
So despite these temporary aberrant numbers we’re quite pleased.

WIFE
Michael!

She turns off the TV.

WIFE (CONT'D)
I’m trying to talk to you.

MICHAEL BURRY
I’m sorry. I was listening. Go on.

WIFE
The school says Nicholas has been having issues. He’s not socializing. He isolates and doesn’t communicate with the other kids.

NICHOLAS his six year old son is playing with a toy crane on the floor.

ALEX
(listing parts of the crane)
Hoist rope, lattice boom, upper sheave, gantry, harness...

MICHAEL BURRY
Well I was never the most social of kids... Is that such a bad thing?
WIFE
They think we should take him to a specialist to get an evaluation.

MICHAEL BURRY
Then yes, of course, let’s do that.

NICHOLAS
Mom, Dad...

Nicholas has walked over to them holding his toy crane.

NICHOLAS (CONT’D)
The crane is rotating 260 degrees. It just needed a circular base and a catch for the string.

MICHAEL BURRY
That’s great Nicholas! Good job!

GEORGIA
I can’t see a damn thing.

GEORGIA HALE (55) is a pleasant, middle-class woman wearing EYE EXAM SUNSHADES and fussing with her blinds.

GEORGIA (CONT’D)
My eye doctor’s always busy. I end up taking any appointment they’ll give me and then the whole morning gets shot to hell.

She goes to her desk... where Mark and Vinny wait.

GEORGIA (CONT’D)
Alrighty. So. FrontPoint Partners. How can Standard and Poors help you?

VINNY
We don't understand why the ratings agencies aren't downgrading subprime bonds, since the underlying loans are deteriorating.
GEORGIA
Well, delinquency rates have people worried, but they're actually within our models.

MARK
Models that you share with the banks. Couldn’t they be gaming them?

GEORGIA
I highly doubt it. These are very large banks that care a great deal about their reputations.

MARK
They care a lot more about their bonuses.

GEORGIA
I'm sure the world's banks have more nuanced incentives than abject greed, Mr. Baum.

MARK
You're wrong.

GEORGIA
Then they'll go bankrupt. The marketplace is ruthlessly efficient.

Mark considers this old saw a moment.

MARK
Your convinced the underlying mortgages in these bonds are solid loans?

GEORGIA
That's our opinion, yes.

MARK
Here's what I don't understand: if these mortgage bonds are so solid why are all the stocks for the mortgage brokerage companies down? These are companies issuing the loans that make up the bonds and they’re tanking.

She's inscrutable behind her sunshades. But the fact she doesn't argue tells us he's shaken her confidence.
GEORGIA
We believe our ratings will prove accurate.

MARK
Have you ever refused to rate any of these bonds upper tranches AAA? Can we see the paper work on those deals?

GEORGIA
I’m not under any obligation to share that information with you.

MARK
Just answer me Georgia. Can you name one time in the past year where you checked the tape and didn’t give the banks the triple AAA percentage they wanted?

Half beat.

GEORGIA
If we deny them the rating they'll go to Moody’s.

A stunned beat. She's not supposed to say this.

GEORGIA (CONT’D)
If we don't work with them, they'll go to our competitors.

VINNY
Holy shit. They’re selling ratings for fees.

Silence. Mark didn't know it was that simple, that cynical.

MARK
You can afford to make less. Make less.

GEORGIA
It’s not my decision. I have a boss.

MARK
Really? That’s the angle you’re taking? So anyone who has a boss can’t be held responsible for doing shitty and illegal things? What are you, nine years old?
She takes her glasses off. Her eyes are watery, dilated.

GEORGIA
And what, pray tell, are your incentives?! Why are you in my office?! Is it maybe in your interest to have the ratings change?! How many credit default swaps do you own?!

She's nailed him.

MARK
(quietly)
That doesn't make me wrong.
GEORGIA
No, it just makes you a hypocrite.

INT. CAB - DAY
Vinny watches Mark as they ride back uptown in a crowd. He’s rattled.

VINNY
(checks his blackberry)
Vennett’s coming to the office at 3.

(then)
You Okay?

Mark nods.

MARK
Short the rating agencies. All of them.

INT. BROWNFIELD OFFICE - NYC LOFT - DAY
Charlie and Jamie are climbing the walls. Ben is on speaker phone.

BEN (V.O.)
Mortgage delinquencies went up and the CDOs got more valuable!? You gotta be kidding me!

JAMIE
We know. It’s completely backwards. It’s like 2 plus 2 equals 73.

INT. BEN RICKERT’S OFFICE - SAME TIME
Ben sits at his desk reading the Sixth Great Extinction. We cut back and forth.

BEN
I just called an old friend at Bear and he didn’t even know what a CDO is.

JAMIE (V.O.)
I had to transfer Bear and Duetsche 78 thousand dollars. It’s like I bought a suit and paid for it with two suits.
CHARLIE (V.O.)
It’s rigged. We bought into a rigged game. We’re going to lose hundreds of thousands a year until it’s all gone and I have to move back in with my mom.

BEN
Having fun yet?

Beat as Charlie catches a thought.

CHARLIE
Wait a minute... We know the CDOs are taking losses and yet the price is frozen or going up. Maybe they’re frozen because the banks have no idea how to value them? I bet they’re so toxic the banks are just guessing!
(half beat)
I think we should buy more swaps.

JAMIE
What?! No way! No.
Jared Vennett is seated in the conference room. Mark, Vinny, Danny and Porter are SCREAMING AT HIM. He is amazingly calm and even CHECKS HIS PHONE at one point.

ALL
You fucked us! I knew you’d fuck us!... What game are you running!
I’m calling the goddamn justice department! Don’t check your phone!
Don’t you check your fucking phone!!

Finally the group is exhausted from yelling and they run out of gas.

JARED
You guys done?

DANNY
Yeah. I think so.

PORTER
(holding his side)
Jesus. I think I pulled a muscle in my back from yelling.

VINNY
Mortgage defaults are way up. Yet you quote us a higher price on the bonds. Tell me why we shouldn’t pull out of this trade right now?

JARED
Listen, I told you when we did this deal the ratings agencies, the SEC and the big banks are clueless. So now their foot’s on fire and they think their steak is done and you’re surprised?

MARK
This isn’t stupidity, this is fraud.

JARED
Hey, if you can tell me the difference between stupid and illegal I’ll have my wife’s brother arrested.

Danny laughs. Everyone glares at him.
DANNY
I’m sorry. That was funny.

JARED
I just don’t think you guys realize how clueless the system is.
(MORE)
Yeah, there's shady shit happening but trust me, it's all fueled by stupidity. Face it, as cynical as you all are I think you still have a shred of respect left for the powers that be.

VINNY
Not me.

JARED
Okay, except Vinny.

Charlie is pleading to his case.

CHARLIE
Look, either we’re wrong or we’re right in a giant, giant way! If we’re right I want to go all in. If we’re wrong I want someone to tell us.

JAMIE
I’m not feeling remotely confident that we’re right. And if we’re wrong, who’s going to tell us?

BEN (V.O.)
Sounds like we need to go to Vegas.

JAMIE
Vegas?

JARED VENNETT
Yeah, Vegas. The American Securitization Forum. It’s next week. Every bond and CDO salesman, subprime lender and swap trader in the country will be there. I’m telling you, your bet is against dumb money. I think it’s time you meet that dumb money.

PORTER
I hate Vegas.
DANNY
I hear the restaurants in Vegas
have gotten really good. They have
a Nobu.

PORTER
Fucking stop it.

CUT TO:

97  INT. VENETIAN HOTEL - STATUES - DAY

CU The LIVING STATUES AT THE VENETIAN. The white classical
statues are STILL FOR A BEAT and THEN MOVE AND LOOK INTO
CAMERA.

MUSIC: A hip hop or rap song that exudes attitude like TOUCH
IT OR NOT by CAM’RON kicks in as soon as the statues move.

98  INT. MAIN CASINO FLOOR OF CAESAR’S PALACE - DAY

QUICK SERIES OF IMAGES: 1) Cash being exchanged for chips 2) A SEXY WAITRESS serving drinks with a tattoo of her baby
daughter on her calf 3) A MARINE is playing two slot machines
smoking and drinking. 4) A poster showing happy good looking
people gambling and winning.

99  INT. TRADE SHOW FLOOR - CAESAR’S PALACE - DAY

A sea of sponsored booths. Familiar banks. Lots and lots of
White people. A BANNER tells us it's the:

American Securitization Forum

Ben gives Charlie and Jamie the tour. Jamie takes photos with
his cell. Charlie gets schooled.

BEN
And what's "midprime"?

CHARLIE
A loan that's between prime and
subprime?

JAMIE
Midprime's exactly the same as
subprime.

CHARLIE
That doesn't make sense.
And if a bond is “rich” it is...?

CHARLIE
Loaded with assets?

JAMIE
Overpriced and you probably lose all your money.
(how did he know this?)
I can’t sleep on planes so I did my homework.

Ben stops, turns to his proteges.

BEN
Let’s focus up. Now what’s our goal here?

CHARLIE
To figure out if this is the deal of a lifetime, or if everybody knows something we don’t and we’re about to get royally screwed.

BEN
Good. Now don’t lose sight of that when you’re with the guys from Bear tomorrow morning. I set you up with a face-to-face.

JAMIE
Great!

CHARLIE
Where’s the meeting?

Mark, Vinny, Danny and Porter enter and cross past the Brownfield Guys.

MARK BAUM
Five years ago securitization was a loser convention. 100, maybe 200 people would show. 500 billion dollars a year later and you get this.

PORTER
A lot of smug looks in this place.

VINNY
It’s like someone hit a pinata filled with white people who suck at golf. Who are all these clowns?
MARK BAUM
According to Vennett, this is who we’re betting against.

Vennett approaches the group with his young ASSISTANT, who hands out room keys.

JARED
Hello gentlemen. My assistant Chris has your room keys. I trust your travel was uneventful?

MARK
So when do we get face time with these charming folks?

JARED
They’ll be plenty of face time. But remember, we’re here to gather info, not advertise our short position. We don’t want to spook anyone. Got it?

Mark nods. The group still checking out the crowded lobby.

JARED (CONT’D)
Seriously. Mark, you’ve got a very loud mouth. Can you muzzle it for a few days?

MARK
So you don’t want me warning people that the entire conference is put on to normalize the buying and selling of worthless shit?

JARED
Yes.

VINNY
Don’t worry. We’ll be good little boys.

INT. SHOOTING RANGE - THE GUN STORE - LAS VEGAS - DAY

RICH GUY and Reps from Bear Stearns in business casual shoot guns.

Bullets rip into politically incorrect targets...a black kid attacking a sexy white woman, an Asian gangster, a big photo of Osama bin Laden.
Charlie and Jamie shoot Uzi's, surprised by how much fun they're having. Clips spent, they remove headgear.
CHARLIE
The Beretta’s great, but the Uzi... awesome!

BEAR REP #2
Nice shooting, Brown Holers.

JAMIE
Brownfield. The name of the company is Brownfield.

BEAR REP #2
Yeah, I know. But it’s more fun to call you Brown Hole.

CHARLIE
I get it, wow that’s really clever.

Another Bear Rep #1 is about to shoot.

CHARLIE (CONT’D)
Hey, Matt right?

BEAR REP #1
(removes head phones)
What’s going on?

CHARLIE
We were hoping we could get a little more insight on the CDO’s from you we’ve got swaps on.

JAMIE
SO, what do you think’s gonna happen to CDO’s in seven years?

BEAR REP #1
7 years? I just need this CDO machine to keep going for another 2 years. By then I’ll be rich enough to get a place in Aspen.

CHARLIE
Do you have any concerns about the performance of the underlying securitizations? It’s easy to see delinquencies and even default rates on the rise.

BEAR REP #1
Don’t be a buzzkill, dude. We didn’t bring you guys out here to talk work, OK?
JAMIE

Then why did you?

BEAR REP #1

We need a client along so we can expense the ammo.

Aims machine gun at a poster of thug, and fires.

RICH BEAR REP

Woooo!!

CHARLIE

(to Jamie)

Holy shit. These are the guys on the other side of our trade. They only care about their fees and bonuses. And they’re morons. We need to buy more shorts.

Jamie checks his cell.

JAMIE

You hit the main floor and price some more swaps. My Brother’s ex girlfriend works at the SEC and she’s in town. If we’re missing something she can tell me.

INT. GIANT BALLROOM - SAME TIME

TWO HUNDRED OR SO BANKERS AND BOND TRADERS TAKE THEIR SEATS in a large ball room with a podium at the front. A sign reads “Option One CEO Paul Dantone: The Mortgage Market is Strong and Getting Stronger”

DANNY

Option One is the mortgage company last year that took a big loss in their subprime department.

PORTER

I don’t get it. They sell the mortgages they make. How did they take losses?
DANNY
There’s a provision that if the owner misses the very first payment the loan goes back to Option One.

VINNY
Who takes a mortgage if they can’t make the first payment?

MARK
The real question is: what company gives a mortgage to someone who can’t make the first payment?

LATER: THE CEO OF OPTION ONE is speaking to the room.

OPTION ONE CEO
...Business is good. Profits are strong and the mortgage continues to be the bedrock on which this economy is built. Yes, we did take some losses in our subprime department last year. But those losses will be contained at 5%.

Mark raises his hand.

VINNY
(whispers)
Hey Mark, this isn’t a Q and A...

Mark juts his hand up even higher.

OPTION ONE CEO
Uh, yes... There’s a question?

MARK
Would you say it’s a possibility or a probability that subprime losses stop at 5%?!

OPTION ONE CEO
Well... I would say it’s a very strong probability.

Mark raises his hand again. But his hand is in the shape of a ZERO.

MARK
Zero! There is a zero percent chance your subprime losses stop at 5%!

His phone rings.
MARK (CONT’D)
Excuse me, I have to take this!

He gets up and leaves while answering his phone.

MARK (CONT’D)
Hey honey... You’re just calling to say hi? Well that’s so sweet. How are the kids?

Mark walks past Vennett, patting him on the shoulder. JARED flips him off and then looks to camera.

JARED VENNETT
The fucker really did this.

CUT TO:

102 INT. SCION OFFICE - SAN JOSE - DAY

CU OF EMAILS:
“Withdrawing money end of the month”
“I trusted you. And you betrayed that trust. I am done with Scion”
“Will be severing ties with Scion next month”
“When my two year period is over next month I withdraw all my money from your fund”

Mike Burry is looking at his emails at his desk. He looks pale and unhealthy. He now has only THREE EMPLOYEES -- the other desks have the abandoned look of people laid off quickly.

Mike comes out and goes to the company white board. He writes the latest quarterly returns...-19.3%.

On his way out, he stops at a ladder where his Assistant is putting up Valentine’s decorations.

MIKE
Can you come in early tomorrow? As you know, we also have big shorts in AIG and Countrywide, Frauddie Mac and I need to unload those positions to ensure we can afford the insurance premiums on our core mortgage short.
ASSISTANT

Sure Dr. Burry.

Mike starts to leave.
ASSISTANT (CONT’D)
Dr. Burry? What’s going to happen? If the investors withdraw, are we done?

MIKE
Honestly? I don’t know. The bonds aren’t going down. They won’t move. It’s possible we are in a completely fraudulent system.

ASSISTANT
Or you’re wrong.

Silence.

ASSISTANT (CONT’D)
I’m sorry. I just meant...

MIKE
That’s okay Lewis. Yes, it’s possible I’m wrong. I don’t know how. But I guess when someone’s wrong they never know how.

He leaves.

A103 INT. BURRY’S BASEMENT - LATER A103

MUSIC: BY DEMONS BE DRIVEN

Michael sits behind drums and furiously plays double kick drum heavy metal drums to Pantera. Finally he breaks the sticks from playing so hard.

MIKE
AAAAAAAHHH!!

We hear his wife from upstairs.

WIFE (O.C.)
Michael! Is everything okay?

MIKE
Yes honey!
INT. TRADE SHOW FLOOR - LATER

MERRILL REP
We can maybe sell you BBB level swaps at five-hundred basis points. Maybe.

Ben and Charlie are testing the waters for a deal with the MERRILL REP at the Merrill Lynch Booth.

CHARLIE
Five-hundred? You want us to pay a 5% premium on a swap? We paid 2% on the ones we got two months ago!

MERRILL REP
Good for you. That was two months ago. Trust me, you’re not gonna do any better anywhere else.

CHARLIE
So you’re pricing the swaps like the bond is going to collapse but the bond value has gone up? Really? How are you not in jail? Or at least-

BEN
Charlie, let’s go. Thanks guys! We’ll consider it.

He takes Charlie firmly by the arm, marches him away.

CHARLIE
What the hell is going on?

BEN
People are starting to wake up. Not enough for them to adjust the values on the bonds but enough to stop giving the swaps away. Cheap bets are over.

The Rich Bear Rep passes them.

BEAR REP #1
Hey! It’s Brown hole!

CHARLIE
Fuck off!

BEN
You have to calm down.
Jamie in polo shirt and shorts is talking to a bookish but pretty college friend who works at the SEC, EVIE, 30.

EVIE
I can’t believe you got into finance Jamie. I always thought you’d... I don’t know. Be living off canned beans on your sailboat or mooching off older women at the yacht club or something...

JAMIE
Thanks. Actually we’ve been investing in housing bonds and I wanted to ask, is the SEC worried about them? I mean, I know you can’t tell me specifics... Just generally.
EVIE
Oh we don’t investigate mortgage bonds. Truth is since we had our budget cut we don’t investigate much.

JAMIE
Really? Then why are you here? I thought-

EVIE
I’m not here for the SEC. I’m here on my own dime.
(she leans in)
I’m floating my resume to some big banks. How’s your brother by the way?

JAMIE
He’s good.
(back to business)
How are you floating your resume to big banks when you’re supposed to be the ones policing them?

EVIE
Grow up Jamie. 90% of the people at the SEC are just there to get better jobs.
(she sees someone)
Hey Doug!
(then to Jamie)
He’s at Goldman.

She gets up and leaves. The guy she’s approaching grabs her.

DOUG
Look everyone! It’s regulatory capture!

He pulls Evie and himself into the pool. A whole group of bankers laugh while dance music plays. Jamie looks sickened.

INT. CASINO RESTAURANT - LUNCH

Jamie, Ben and Charlie are eating chopped salads.

CHARLIE
Even Bear’s doubled their prices.
And they keep calling us Brown Hole.
BEN
Don’t take it personally. You just don’t have the money or the reputation.
CHARLIE
So I’m a broke loser with a bad reputation but don’t take it personally?

BEN
They’re assholes. Let it go.
(to Jamie)
Did your friend from the SEC give any perspective?

JAMIE
The SEC isn’t even paying attention. Their budget has been gutted and they know zip about the housing market. It was actually depressing.

BEN
People wanted small government, they got it.

They eat for a beat, defeated.

CHARLIE
Wait a minute... We need a deal that we can afford and they can’t refuse, right? What if we bet against the AA rated tranches of the CDOs? What’s cheaper than AA?

BEN
Come on Charlie. AA is so safe they barely even show up on the risk sheets for the banks.

CHARLIE
Are they really though? We know if the bottom tranches fail at over 8% the double AA tranches are worth zero. We also know the ratings agencies and the SEC are asleep at the wheel. I bet those AAs are more like Bs.

Jamie fishes some paper work out of his bag and points to some numbers.

JAMIE
Charlie’s right. The pay off is 200 to 1. But they don’t see it so they’re charging pennies on the dollar to bet against the

(MORE)
JAMIE (CONT'D)
AAs. With that kind of risk/reward
we'd be fools not to do it.
Ben looks at the returns on AA swaps.

BEN
Just when I start thinking you guys are clowns... No one on the planet is betting against AA. The banks’ll think we’re high or having a stroke... And they’ll take every dime we have.

Charlie LOOKS TO CAMERA

CHARLIE
This is the thing we did that no one else did. Even Burry and Baum didn’t imagine the AAs could fail.

MUSIC: A song with a beat like US v THEM by LCD SOUND SYSTEM

106 MONTAGE OF CHARLIE, JAMIE AND BEN MEETING DIFFERENT BANKS OVER DRINKS, LUNCH, BLACKJACK TABLE, POOL SIDE.

GOLDMAN REP
I don’t understand, you want to bet against AA?

BEAR REP #1
Brother, I will sell you as much as you want. And you can shoot with us anytime you want.

MERRIL REP
What’s the angle here?

BEN
No angle. We want 10 million against a AA housing CDO.

LEHMAN BROTHERS REP
Yes. Of course yes. Wow. I thought this trip might be a waste of time. Wow.

MORGAN STANLEY REP
Yes. Yes and yes.

107 INT. CASINO - DAY

As they get AROUND A CORNER, Charlie AND Jamie SILENTLY CELEBRATE AND EVEN DANCE A BIT. But Ben tells them to cool it.
BEN
Do you even know what you just did?

CHARLIE
Yeah, we made the deal of our careers.

BEN
You just bet against the American economy. If we’re right it means people lose homes, jobs, retirement savings, pensions. These aren’t just numbers. For every point unemployment goes up, 40 thousand people die. Did you know that?

CHARLIE
No...

Jamie and Charlie look like kids who have been caught teasing an old person.

JAMIE
We were just excited...

BEN
Just don’t fucking dance. Okay?

He walks off. Exiting through double doors.

JAMIE
Where are you going?

BEN
Home! I’ll call you when things get bad.

CHARLIE
Alright Ben! Talk soon!

(then to Jamie)

Jesus. I didn’t know it could be that bad for the country. I guess this hasn’t really hit me yet. I just got scared. Are you scared?

JAMIE
I’m always scared.
A tranquil waterfall out of plate glass windows. Jared walks in with Mark and his team.

JARED VENNETT
Alight Mark Baum from Frontpoint Partners... You’re nervous you and your swaps are being played? Now you get to meet who you’re betting against. Try not to get too righteous and listen for once.
MARK
Okay, okay. So who is this guy?

FLASH CUT: Mark sits at a table. His dining partner is MR. CHAU (50), Chinese-American, an expensive suit.

MR. CHAU
I'm a CDO manager. At Harding Advisors.

MARK
I didn't know there was anything to manage.

MR. CHAU
We select the securities that go into the CDO portfolio, and monitor the assets. I do most of Merrill Lynch's CDOs.

Mark glances through hibachi steam to see Jared... raising his beer. Meet your counter-party. Meet the sucker.

MARK
And you represent investors or the bank?

MR. CHAU
The investors.

MARK
But Merrill's only going to send you buyers if you put Merrill's bonds in your CDOs.

MR. CHAU
Let's just say Merrill and I have a good relationship.

Mark can't tell if Mr. Chau is being naive or just arch.
MARK
Are you worried about rising default rates?

MR. CHAU
I assume no risk for these products myself.

MARK
Let me get this straight. The bank calls you up. Gives you bonds they want to sell. Gives you the clients. Gives you the money to run your business. Gives you fat fees for doing so. But you represent the investors?

Mr. Chau finally chuckles -- he’s actually being defiant.

MR. CHAU
Yes. But my office is not in the Merrill Lynch building. We’re in New Jersey.

MARK
20 minutes away.

MR. CHAU
5 if we use a helicopter.

MOMENTS LATER: Vinny, Jared and Danny nervously watch Mark huddle with Mr. Chau. Mark’s animated, speaking too loudly.

MARK
Say that again! Say that again!

JARED
Uh-oh. Your boss is about to explode.

VINNY
No. He’s too curious to explode.

Ignoring his food, Mark scribbles furiously on a napkin.

MARK
CDO A has parts of CDO B and CDO B has parts CDO A, but then both get put inside CDO C?
That one's called a CDO Squared. And then there are CDOs made up of the opposite side of the bet you made with your swaps. We call them synthetic CDOs.

“Synthetic CDOs?”

LATER: Mark’s completely disheveled now, tie off. Mr. Chau is as decorous as ever, enjoying his dessert.

Another paper napkin slaps the counter.

Okay. This is a pool of, say, 50 million in subprime loans. How much money could be out there betting on it through these synthetic CDOs and swaps?! Right now?! Tonight?!

A billion dollars.

What?!

Mr. Chau shrugs.

How much bigger is the market for insuring mortgage bonds than actual mortgages?!

Twenty times?

We FREEZE on his disoriented expression.

If the flawed mortgage bonds that Michael Burry discovered were the match. And the CDOs Jamie and Charlie bet against were the kerosene soaked rags... Then the synthetic CDO was the atomic bomb with a drunk President holding his finger over the button. At that moment Mark Baum realized the whole world economy might collapse.
But I’m sure you’re wondering one thing: what the hell is a “synthetic CDO?” Well here is Dr. Richard Thaler, the father of Behavioral Economics and international pop star Selena Gomez to explain.

INT. CASINO FLOOR - NIGHT

SELENA GOMEZ sits at a black jack table with a giant stack of chips. She wins another hand and rakes in more chips from the PROFESSIONAL DEALER. A crowd cheers her on around the table.

CROWD
She can’t lose! That’s seven hands in a row!

SELENA GOMEZ
So here’s how a synthetic CDO works. Let’s say I make a bet of 10 million on a black jack hand...

DR. THALER
10 million because this hand represents a simple mortgage bond.

She is dealt a Jack and an 8 by the dealer.

DR. THALER (CONT’D)
Selena is showing 18 and the dealer is showing a seven. So the odds are very much in Selena’s favor. 87% to be exact. Which are like the great odds most perceived the housing market to have.

SELENA GOMEZ
Did you really create a whole field of economic study?

DR. THALER
Well is was inspired by the great work of others, but yes.

SELENA GOMEZ
I have 30 million twitter followers.

DR. THALER
I have 30,000.
SELENA GOMEZ
(Trying to be encouraging)
That’s not bad.
(back to the explanation)
So my odds are great. And I am on a winning streak. Everyone else here wants in on this. I can’t lose, right?

DR. THALER
We have done countless studies that show that people often make this error in their thinking. If something is happening—like Selena winning seven hands in a row

SELENA GOMEZ
Or the housing market going up for seven years straight...

DR. THALER
Exactly. They think it will go on forever. It’s called extrapolation bias. People see something happening and they extrapolate that it will continue to happen.

SELENA GOMEZ
So the people who are watching and think I can’t lose will make a side bet which is the first CDO.

We see A WOMAN IN GLASSES standing behind SELENA. She turns to a BUSINESS MAN.

WOMAN IN GLASSES
Wow. I love Selena Gomez. And she’s won seven in a row with a seven showing for the dealer. I bet you 50 million she wins and I’ll give you three to one odds.

BUSINESSMAN
3 to 1 odds? Okay, I’ll take that bet.

DR. THALER
Then someone behind him decides to bet on their bet with someone else. That’s synthetic CDO number two.

There’s a GUY IN A WARRIORS GAME JERSEY talking to a AN OLD WOMAN.
GUY IN GAME JERSEY
Hey I bet you 200 million that lady in the glasses wins that bet.

OLD WOMAN
She probably will win, she always does, so I want a great pay off.

GUY IN GAME JERSEY
How about 20 to 1?

OLD WOMAN
Deal.

SELENA GOMEZ
And this goes on and on and on and on.... With more and more CDOs betting on the bet on the bet on the bet...

DR. THALER
This happens all the time. In the stock market. In sports. In basketball, they call the Hot Hand fallacy. A player hits 3 shots in a row and everyone thinks he is definitely going to make that 4th one. We know, from a lot of statistical evidence, that there is no such thing as hot hands, but people refuse to accept that.

SELENA GOMEZ
People are cray cray.

DR. THALER
I don’t know what that means.

We see a LONG LINE OF PAIRS OF PEOPLE making bets of increasing value and complexity that stretches behind Selena and Dr. Thaler at the table down the hall and around the corner and out of the doors of the casino.

SELENA GOMEZ
And then the dealer plays out his hand.

The dealer turns over a 3, giving him 10 and then turns over a King. DEALER WINS.

SELENA GOMEZ (CONT’D)
No! How could I lose!? 
There is then a long chain reaction of winners and losers’ reactions.

* LONG CHAIN OF BETTERS
* Shit! Pay up! Crap! Wait, I lost? I want my money! How could Selena lose! Nooo!!*

* DR. THALER
* They all should have known the odds they could lose. But they got overconfident. And because of the synthetic CDOs and all the bets on bets on bets... The one loss becomes thousands of losses.

* SELENA GOMEZ
* And those losers? Pension funds, insurance companies. City governments all over the world. Crazy shit right?

* DR. THALER
* Not crazy, just human. The crazy part is assuming people will act logically all the time.

* SELENA GOMEZ
* Translation: crazy shit.

(MORE)
UNFREEZE BAUM AND MR. CHAU. All Mark can think to do is stand and collect his things.

MARK
I have to go. Honestly I feel a bit sick. Be careful, Mr. Chau. You’ll make a lot of money... until you don't.

MR. CHAU
You think I’m a parasite Mr. Baum? But apparently, society values me very much.

(a beat)
In fact, let's do this... I'll tell you what I'm worth, you tell me what you're worth.

Mark looks straight in the face of everything he hates.

MARK
I don't think you're a parasite, Mr Chau.

(sincere)
I think you're an idiot.

Mark walks away and past Jared and the guys.

MARK (CONT’D)
Short everything that guy has touched.

(he walks away)
I want half a billion more in swaps!

JARED
The collateral calls could bankrupt you.

MARK
Yup!
SLO MO: Hungover and broke people straggle out of the hotel in the bright morning Vegas sun dragging luggage. They get into valet’d cars and cabs.

Charlie and Jamie exit and jump into a Mercedes SUV. They looked vaguely ashamed and Charlie looks freaked.

Mr. Chau walks out with a smile on his face, designer luggage and enters a stretch limo.

A short moment later Mark, Porter, Danny and Vinny walk out. Mark looks particularly far away and haggard.

Three of the Bear Stearns firing range guys leave with two BEDRAGGLED PARTY GIRLS. They’re still drunk. They get in a Humvee Limo.

And last, we see Evie, from the SEC and the Goldman Sachs guy, Doug, leaving together. They kiss and then he gets in a Range Rover and she gets in a cab.

Mark struggles to pull his bag out of a taxi’s trunk.

CYNTHIA (PRE-LAP)
Did you eat on the plane?

The Baum’s are in an elegant and isolated seating area in Cynthia’s upscale clothing boutique.

MARK
Yeah.

CYNTHIA
What’s wrong? What happened?
MARK
Things are worse than I thought. I honestly think the economy might collapse.

CYNTHIA
Really?

MARK
Yeah.
   (then)
And we could end up making a fortune.

CYNTHIA
Define fortune.

MARK
The fund could make half a billion, Cynthia. Maybe a lot more.

She had no idea. A SALES CLERK approaches.

SALES CLERK
Ms. Baum should I-?

CYNTHIA
Not now Paula. You’re my manager. I trust you.

They lower their voices, lean closer.

CYNTHIA (CONT’D)
A half a billion on one trade?! How is that even possible?!

MARK

CYNTHIA
You’ve been saying the whole system is broken for years Mark. Why are you shocked?

MARK
It’s all so much uglier and more twisted than I ever imagined. And I’m a banker. I’m a part of this horrible world.

A silence between them. Cynthia refuses to break it.
CYNTHIA
And I keep thinking about my brother. About Paul. And how he... When he...

CYNTHIA (CONT’D)
When Paul took his own life.

MARK
...We can talk about it later. You’re at your store-

CYNTHIA
Mark.
MARK
Before... my brother... committed suicide... when he told me he was having bad thoughts... My first response was... to offer him some money. My brother was in pain. Real pain. And I offered him... money.

CYNTHIA
You tried to help. There’s no perfect way...

MARK
All this greed in the world. Maybe I’m not so above it. Maybe I’m part of it. And it’s changed me. Changed me into a person who’s not able to reach out to someone who’s hurting without money being a part of it.

(beat)
Does it bother you that I feel that way?

CYNTHIA
No. You can’t name a scenario for how I could have helped him that doesn’t play in my head every day. But it bothers me that you’re so certain you’re right. Because you’re not.

His silence means yes.

CYNTHIA (CONT’D)
You love to know more than other people. To be the virtuous one. You always have Mark. As though you’re untainted and we’re all the filthy masses clawing at Noah’s arch. But the truth is: you’re a banker. A banker who makes more than he should. A banker who had a terrible thing happen to a family member. And now you’re about to make a lot of money from another terrible thing. And even you can’t find a way to make that virtuous. Because it’s not. It’s just life. And sometimes it hurts and it’s sad and it’s scary. So stop trying to fix the world and just feel the feelings like all of us. Because they’re there.

(MORE)
And when you act like they're not it makes me want to scream.

Mark starts to break.

MARK
(tears up)
Paul was always there for me...
(MORE)
MARK (CONT'D)
His face was so smashed we
couldn’t even have an open
casket... He just dropped the
phone...

CYNTHIA
He couldn’t hear anyone. That’s why
he’s dead... There’s nothing you
could have done.

They both sit there holding hands.

CYNTHIA (CONT’D)
Nothing.

114 INT. WAITING AREA - PEDIATRIC PSYCH CENTER - DUSK
Mike's son Nicholas plays alone, talking to himself about the
different parts of a BACKHOE LOADER. Stabilizer
legs...bucket...articulated arm...

Mike enters. His Wife's been waiting, annoyed, gestures to
her watch. Where were you?

MIKE
I’m sorry I’m late. Everything’s
falling apart at work. People want
to remove their money from the
fund. I don’t know what to do.

His wife doesn’t respond.

MIKE (CONT'D)
What’s wrong. Is Nicholas okay?

MIKE'S WIFE
(upset, quiet)
They think it's Asperger's
Syndrome.

MIKE
No. What? What...what's the
symptomology?

115 INT. LIVING ROOM - BURRY HOUSE - NIGHT
Mike has a stack of books: Attwood's The Complete Guide to
Asperger's, Baron-Cohen's Mindblindness, etc.

Sceptical, he chooses A Parent's Guide and reads...
MIKE (O.S.)
"The first sign a child is on the Autism spectrum is often a hobby. It will be one that is solitary and idiosyncratic, and it will completely obsess the child."

Mike's surprised, this actually resonates.

JUMP CUTS: A dizzying whirl of TEXT PASSAGES fly at us...

MIKE (O.S.) (CONT'D)
"...few real peer-to-peer relationships...less eye contact...
...ability to quickly absorb complex systems...love of computers...math...good with numbers"

Mike stops reading. Sweating. Thunderstruck.

A strange truth settles over his face.

INT. HOSPITAL ROOF - SAN JOSE - DAY

Mike has sought counsel from a MED SCHOOL FRIEND, a psych ward doctor currently self-medicating on a joint.

MED SCHOOL FRIEND
This is good, a diagnosis like this, as an adult, it's all upside. You don't have to feel like there's something wrong with you anymore. Now you know. Mystery is solved.

MIKE
What's the upside of having Aspergers?

MED SCHOOL FRIEND
C'mon, Burry, who else but an Aspie actually reads entire bond prospectuses?! Your whole life your brain's told you one thing and society another. Now, you get to stop listening to society. Stop caring what we think! Don't you get it? We're normal. We can't keep up.

CLOSE on Mike, taken with the idea, and its implications.

MIKE (O.S.)
"To All Investors"
MUSIC: A heavy metal song like METALLICA'S EYE OF THE BEHOLDER fades in.

INT. SCION - MIKE'S OFFICE - DAY

Mike types an email. He is alone in the office with empty desks outside.

MIKE (V.O.)
"As you may know, our agreement allows me to take extraordinary measures when markets aren't functioning properly. I currently have reason to believe the mortgage bond market is fraudulent. So in order to protect investors from this fraudulent market I've decided to restrict investors’ withdrawals until further notice. Sincerely. Dr. Michael Burry."

Mike breathes deep, and hits SEND.

He sits listening to the quiet hum of office outside his open door. The distant highway.

A very long beat.

Slowly at first, isolated, then gathering like an angry storm, the office PHONES begin to RING and his email box begins to ding.

One email stands out: From Lawrence Fields. The subject: I'M SUING.

CUT TO:

OVER BLACK WE SEE THE QUOTE:

“Everyone, deep in their hearts, is waiting for the end of the world to come.” - Haruki Murakami, 1Q84

We DISSOLVE to TV Channels flipping from one to the next.

1) SOME SORT OF FLUFFY POP ENTERTAINMENT, a sitcom, game show, reality show.
2) BARRY BONDS defends himself in a press conference.

3) Footage celebrating Lance Armstrong.

INT. BROWNFIELD OFFICE - NYC LOFT - DAY

Charlie is the one flipping through the TV channels. Jamie is on his lap top. They're restless, tense and killing time.

April 2, 2007

The Crash Begins

JAMIE
Will you stop changing the channels? You’re driving me crazy. Just put the business news on.

Charlie turns the channel to business news.

CHARLIE
Fine.

Jamie stops and watches while Charlie rolls over on the couch.

JAMIE
Holy shit. Did you see that?

CHARLIE
See what?

JAMIE
On the crawl!

He grabs the remote and rewinds and freezes the TV. On the crawl at the bottom of the financial news show we see:
Nation's second-largest mortgage lender bankrupt.

JAMIE (CONT’D)
It’s starting.

CHARLIE
I’m going to call my Mom.

INT. FRONTPOINT OFFICE - DAY

Vinny, Danny and Porter watch Kathy, thin again, yelling at Mark in the Conference Room.

ON A WALL TV: The FED CHAIRMAN is speaking to Congress.

The Dow is down 283 points.

BERNANKE (ARCHIVE FOOTAGE)
...We believe the effect of the troubles in the subprime sector on the broader housing market will likely be limited, and we do not expect significant spillovers from the subprime market to the rest of the economy--

VINNY
Turn off all the financial news. They’re in crazy land. We’re trying to stay in reality.

An assistant turns off all the TVs in the office.

Danny Moses, on the phone yells over to Vinny.

DANNY MOSES
Duetsche says the CDOs still haven’t lost any value!

WINNY
The banks are holding the value til they can dump their position... They know now.

The DOOR opens. Kathy and her minions storm off... and out.

Mark emerges beaten, yet hardened.

VINNY (CONT’D)
Well?

MARK
Kathy wants us to dump our shorts.
PORTER
What else is new?

MARK
She says Morgan Stanley will buy them.

DANNY
What?! Holy shit. Vinny’s right, they need our shorts. They know.

VINNY
The whole time we were wondering who’s on the other side of this bet and it’s the big banks themselves. They believed their own bullshit.

DANNY
What’d you tell Kathy?

MARK
I told her we’re not selling shit. If Morgan needs to lose half a billion cause they screwed up it’s not my problem.

VINNY
So now what’d we do?

MARK
Hold on.

121 INT. BROWNFIELD OFFICE - NYC LOFT - SAME TIME
Charlie is getting off the phone.

CHARLIE
You need to understand, mom. This isn’t just a banking thing. It’s going to affect real people. All over the world. Like an enormous tsunami hitting the global economy all at once... Yeah, OK. I love you, too.

He hangs up and turns to Jamie who’s at his computer.

CHARLIE (CONT’D)
She told me I should go on lithium.

Jamie shows him an email on his computer.
JAMIE
Check it out – from Bear Stearns.
They claim the CDOs still haven’t moved.
CHARLIE
That’s insane. They’re crooks. Just look at the ABX: those CDOs should be at zero! You know what they’re doing, right? They’re selling off their worthless CDOs so they don’t take the loses. That’s fraud. On a massive scale.

(looks panicked)
Jeez, I can’t catch my breath. I think I’m having a panic attack.

JAMIE
We’ve got to tell someone. The whole world has no idea what’s about to hit them.

CHARLIE
Who? The SEC is useless. The ratings agencies are in on it.

JAMIE
Let’s go to the press. This is a giant story. Who wouldn’t publish it?

CASEY
So what am I supposed to do? Write a piece called “We’re all fucked?”

CHARLIE
Yes! That’s a perfect title.

JAMIE
Casey, right now every bank in town is unloading these shit bonds on unsuspecting customers. They won’t devalue them until they unload them. This is the biggest fraud in banking history.

CASEY
It took years to build my relationships on Wall Street!

(MORE)
CASEY (CONT'D)
No bank or ratings agency is going to confirm a story like this just because two guys in a garage-band hedge-fund thinks it’s the apocalypse.

JAMIE
Don’t be a dick Casey. We didn’t say “apocalypse.”
CHARLIE
Wow. Wow.

JAMIE
(tries again)
Look, these banks bought most of
the government. They bought the
ratings agencies. There’s no one
left but you. This story is why
journalism exists. If someone like
you blows this off because they’re
worried about access to the banks
this country is fucked.

CASEY
Nice speech Kev. You sound like
Oliver Stone.

(he gets up)
Look, I’ve got work to do. So
thanks for stopping by.

CHARLIE
Wow.

JAMIE
Stop saying Wow.

(back to Casey)
I thought you were for real Casey.
I really did.

CASEY
Yeah, well you try being “for real”
with a three year old and a wife
who’s getting her Master’s degree.
I’m not burning my reputation on
your wild hunch.

CHARLIE
Wow.

He’s holding the door for them. They exit.

CASEY
Thanks for stopping by. Totally
fucking awesome to see you.

BUFF REVISED, MAY 11, 2015 102.

EXT. HALLWAY - WALL STREET JOURNAL - CONTINUOUS

CHARLIE
Disgusting. He won’t do his job
because he wants to keep access to
the banks to keep doing the job he
won’t do?
JAMIE
I just had a horrible thought.

CHARLIE
I’m already juggling five or six horrible thoughts. Don’t tell me.
JAMIE
If Bear Stearn is freezing the value of the CDOs it must mean they own tons of them.
(a breath)
They could go under. And we bought 80% of our swaps at Bear. We’d lose everything.

CHARLIE
Stop it. Bear Stearns has been around for a hundred years. They’re not going under.

JAMIE
We have to at least consider the possibility.

124 INT. SCION OFFICES - DAY

Mike is at his desk. The headline on the site he’s on is:

Bear Stearns liquidates mortgage backed securities hedge funds. Losses at 3.6 Billion.

The office is completely empty save two LAWYERS who are wheeling files out on a hand cart. Michael is on the phone hearing a voice mail.

WOMAN (SOT)
You’ve reached Lucy Thalia at Goldman Sachs. I’m not available-

He hangs up.

July 31, 2007

LAWYER
That should do it Dr. Burry.

MICHAEL BURRY
If you need any files from 2005-

LAWYER
Mr. Field’s suit is very specific to files from the past year.

MICHAEL BURRY
Well then tell Lawrence I said hi.

Burry’s PHONE rings. The caller ID is Thalia/Private.
MIKE
(answering)
You can't get back to me for a whole week?

LUCY THALIA (O.S.)
I'm so sorry, Mike. Goldman had a systems failure. I lost a ton of messages.

MIKE
B of A said they had a power outage. And Morgan Stanley said their server crashed.

LUCY THALIA (O.S.)
Huh. That's weird.

MIKE
I would call it improbable. Where do you have our position marked?

LUCY THALIA (O.S.)
It could be the same, Mike.

MIKE
Can you explain that to me? How's the value of an insurance contract in no way affected by the demise of the thing it insures?

LUCY THALIA (O.S.)
They're independent markets. They're not always correlated. I know it sounds odd but these are very complicated products.

MIKE
They are correlated, and I can prove it.

LUCY THALIA (O.S.)
How?

MIKE
You'd never claim they're uncorrelated on a hard line -- those are recorded bank records -- but you'll say it on your cell phone.

Static.
MIKE (CONT'D)

Hello?
LUCY THALIA (O.S.)
Mike, I need to call you right back.

She clicks off. Mike hangs up.

The phone RINGS again almost immediately. Goldman.

MIKE
(answers)
I'm listening.

A DIFFERENT VOICE
Dr. Burry?

MIKE
Yeah.

DEEB
Deeb Winston, Goldman Sachs.
Listen, I've been reviewing your position. I wanted to discuss your marks, make sure they're fair.

Mike realizes what's happened.

MIKE
I think you mean you've secured a net short position yourselves so you're free to mark my swaps accurately for once. Because it's now in your interest to do so.

Static.

DEEB
I'm not sure what you want me to say.

MIKE
Nothing.

Mike hangs up. There. See. Done.

CUT TO:

125 INT. FRONTPOINT OFFICE - DAY

The trading desk is hopping. We see someone on their computer on Bloomberg.com. The story: Countrywide Financial Warns of "Difficult Conditions."

The Dow is down 325 points
Mark has a phone full of blinking red lights, about to pull up a call, as soon Danny finishes prepping him.

DANNY
Subprime bonds went off a cliff. Rumor is default numbers are huge.

MARK
Who got the remittance data early? I bet it’s Goldman.

Mark punches a blinking light.

MARK (CONT’D)
Jared, it's chaos over here. Where are we?

126 INT. DUETSCHER BATHROOM – DEUTSCHE BANK – DAY

Jared enters a bathroom, pushes a BANKER OUT THE DOOR.

JARED VENNETT
The gods have spoken. No one’s buying CDO or mortgage bonds anymore.
(To the guy he’s pushing out)
Sorry, important call!
(then back to Mark)
Our secret’s out. Swaps are now the most valuable product on the street. And I heard from someone who heard from someone that Bennie Leibman over at Morgan just took some heavy losses in Morgan’s bond department. Your ship might be taking on water... It might be time to grab a life jacket.

Mark hangs up. Everyone's looking his direction.

VINNY
And?

MARK
The market's turned.

A long, weird beat. No one speaks. No one celebrates.

For good reason...

RECEPTIONIST
Kathy's office is looking for you.
Mark strides for a corner office. A young woman passes in tears, carrying a personal effects box and crying, newly fired.

Mark’s waiting on Kathy. Considering her Spartan office, he realizes she has no personal effects, save the pump.

Kathy Tao enters, frazzled, scared.

KATHY TAO
Thanks for coming so quickly, Mark. I’m sure you’ve been hearing rumblings about some losses Morgan has suffered.

He nods. She sits.

MARK
Congratulations.

KATHY TAO
What?

He points to the breast pump.

KATHY TAO (CONT’D)
Oh. Thanks. I just wanted you to know that yes, Morgan has suffered some losses but our liquidity is strong and there’s no cause for concern.

MARK
What about Bennie Leibman? Is he concerned. Word on the street is he took some heavy losses.

Half beat.

MARK (CONT’D)
We know each other too well Kathy. How bad is it?
KATHY TAO
Okay. Two years ago, Bennie Leibman in Morgan’s bond department also started shorting subprime housing. 2 billion in triple B’s.

MARK
Bennie's smarter than I thought.

KATHY TAO
Not smart enough. The premiums on the swaps ate into his desk’s profit.

(MORE)
KATHY TAO (CONT'D)
To cover his triple B shorts he sold a lot of A and double A swaps as protection. A lot. He believed there was no way they could be affected.

MARK
Tell me Morgan Stanley doesn’t hold those contracts.

Silence. They held them.

MARK (CONT’D)
What’s your exposure. 3 billion? Don’t tell me it’s over 4.

KATHY TAO
I can’t answer that. And I’m not sure there’s even a definitive answer.

MARK
Kathy, you bring me in here to say everything’s fine and you don’t mention Bennie’s losses. You’ll have to pardon me if I don’t believe a word you’re saying right now.

Beat.

KATHY TAO
Our long exposure is somewhere between 12 and 16 billion.

MARK
Jesus Christ... Are you fucking kidding me?

KATHY TAO
He kept saying defaults over 8 percent were impossible. There’d be a million homeless.

MARK
And how is that a reason it can’t happen?!

KATHY TAO
No one thought... Please don’t do this Mark. Like it or not you’re part of Morgan.
MARK
Kathy, given Morgan's leverage, what are you doing to prevent a run on this bank?

We see she’s not just stunned, she’s terrified.
At a window table, Mark and Vinny sit across from Porter and Danny.

PORTER
But we have nothing to do with Morgan Stanley!

VINNY
Tell the bankruptcy court. Morgan fails, our accounts go on their balance sheet.

DANNY
That's crazy. Morgan makes the sucker's bet and we pay their gambling debts.

Mark's brooding dangerously.

PORTER
You're saying, we could do everything right, disciplined, smart, and still go broke?

VINNY
That's right.

PORTER
What do we do?

MARK
Short the bank stocks. Then we wait.

VINNY
Or... we sell our swaps, when the market opens. We get our bonuses and our investors get their profits. We'd get 30 cents on the dollar. Not bad.

MARK
They're worth three times that.

VINNY
If Morgan goes under it won't matter.

MARK
Forget it. I'm not giving away lifeboats.
VINNY
Mark, don’t play a game of chicken on this one.

MARK
Drop it! Christ, Vin. We sell when I say we sell. Don't pussy out on me!

VINNY
I get that this is what you’ve dreamed about but we have a fiduciary responsibility to-

MARK
No. No we don’t. No one is being responsible. So fuck responsibility. We’re going to shove the knife in to the hilt and make these assholes at the big banks-

WAITRESS
(approaching)
--you boys want--

MARK
--we’re talking! Excuse us.

The Waitress is wounded. Goes. A brutal beat. No one can look at Mark.

MARK (CONT’D)
(quiet)
I’ll say when we sell.

Jamie is walking down the street on his cell.

August 3, 2007

JAMIE
So not only do two mortgage hedge funds backed by Bear Stearns go belly up but now there’s a class action law suit against Bear.
A SPIN CLASS IS IN PROGRESS WITH LOUD MUSIC PLAYING and 20 people on bikes. A sweaty Charlie is standing off to the side on his cell.

CHARLIE
(yelling over the music)
Holy shit! Bear Stearns could really collapse?

JAMIE (V.O.)
I don’t know if Bear will collapse. But there’s a risk they might. And it’s a risk we shouldn’t take.
CHARLIE
How the hell do we sell these swaps!? I just realized we bought them but we don’t know how to sell them.

JAMIE
We’ll have to get Ben to do it.

CHARLIE
He’s on vacation with his wife’s family in England!

The Spin Class instructor turns to Charlie.

INSTRUCTOR
Hey brother! Do you mind?

CHARLIE
Sorry!

132 INT. SCION - MIKE'S OFFICE - SAN JOSE - DAY

CLOSE on Mike's good eye: he's scanning his monitors.

January 14, 2008

He hovers over his terminal, worried. The numbers are not good. We see default rates above 12%, Dow down 420 points etc. He picks up the phone and dials a number by heart.

MIKE
It's Dr. Burry. Looks like the collapse in the financial sector is imminent. Let’s start to unwind my position. It's 1.3 Billion.

We hear disappointment in Mike's voice.

133 INT. SCION OFFICE - NIGHT

It's been cleared out, even Mike's Assistant is gone. The light goes off in his inner office.

Leaving, Mike stops off at his WHITE BOARD, erases -19.3% with his palm and starts to write +...

He stops, turns and considers the room full of abandoned desks, just a telephone on each, all of them silent.

CUT TO:
A southern England old world pub on a wet street in a small country town.

BEN (V.O.)
I’ve got almost no cell phone or wifi reception and I’m trying to sell 200 million dollars worth of securities. And yes, this pub smells like wet sheep.

JAMIE (V.O.)
You can do this Ben ...
Charlie and Jamie stand around Charlie’s SPEAKER PHONE.

CHARLIE

JAMIE
Eighty's great, Ben. Thank you.
Thank you so much.

BEN (O.S.)
Most of it went to UBS. You're very lucky. The largest bank in France froze customers money market accounts today. This thing's hitting Europe. I hope I can get home...

CHARLIE
You will. Call us when you land.

JAMIE
Hey Ben, I’m just wondering, why did you do this with us? I mean, you didn’t have to.... and thanks. But why?

BEN (O.S.)
Because I like you guys.

JAMIE
(thrown)
Wow. You do? That’s so cool...
Okay... Bye Ben. Hello? Oh.

He hangs up.

JAMIE (CONT’D)
Eighty million in 6 months. From just 110 thousand 4 years ago.
That's not bad.

CHARLIE
I’m done. No more.
JAMIE
Yeah. Yeah, me too.
(half beat)
But we have to short Bear Stearns.

CHARLIE
You damn straight.
(realizing)
Oh, crap, where are we gonna put the money we made?

DISSOLVE TO:
March 14, 2008

JARED VENNETT (V.O.)
As the housing markets and banks continued to hemorrhage only one of the big shorts refused to sell: Mark Baum. So it was beyond perfect when he was asked to speak at a conference opposite Bruce Miller, a famous bullish investor. After he and Mark had their debate, Alan Greenspan, one of the architects of the whole crisis was scheduled to speak. Everyone in Mark’s office showed up and even invited friends.... This was Ali versus Foreman of the financial world... The realist versus the fools. If it seems almost too perfect, trust me, this happened. And it was beautiful.

A podium waits for Greenspan. Beside it are 3 chairs with THE HOST, BRUCE MILLER, ruddy and confident and a sloppily-dressed Mark Baum.

Vinny's in the front row.

BRUCE MILLER (THE BULL)
As some of you may know, Bear Stearns just received a loan from JP Morgan. We’ll see how the market reacts, but I think that lays to rest concerns about the bank's health.

THE HOST
I take it you have no plans to sell your 200 million in Bear stock?

BRUCE MILLER
When we're done here, I'll probably buy more.

THE HOST
For the opposing view, Mr. Baum.

MARK
I gotta stand for this.
Wholly uninvited, Mark takes his mic to the podium.
MARK (CONT'D)
Okay, hi, so my firm's thesis is simple: Wall Street took a good idea, Lewis Ranieri’s Mortgage Bond and turned it into an atomic bomb of fraud and stupidity that is on its way to decimating the world economy.

BRUCE MILLER
How do you really feel?

The crowd laughs.

MARK
I’m glad you still have a sense of humor. I wouldn’t if I were you.
(back to the crowd)
Now, anyone who knows me knows I have no problem telling someone they’re wrong. Hell, it’s my passion.
(beat)
Well for the first time in my life, it’s not so enjoyable.

Arriving late, Porter slips in the last row behind Danny.

PORTER
(whispers)
Bear Stearns issued a press release denying rumors of liquidity problems.

DANNY
(whispers)
They said they had liquidity?! That always means they don’t.

MARK
We’re living in an era of fraud in America. Not just in banking. But in government, education, food, religion, journalism, prisons, baseball... Somehow, American values became fuck it, let’s grab what we can for now and the hell with tomorrow.

Danny gets a quote, curses, types, Here we go! Bear at 47!
MARK (CONT’D)
And what bothers me isn’t that fraud is “not nice” or “mean.” It’s that for fifteen thousand years fraud and short sighted thinking has never, ever worked. Not once. How the hell did we all forget that?

Vinny gets a text... **Bear at 35 last!**

MARK (CONT’D)
I thought we were all better than this... I really did. And the fact that we’re not doesn’t make me feel superior and right... It makes me feel sad...

In the back, a man hurries out holding on his cell phone.

MARK (CONT’D)
And as fun as it is seeing pompous dumb Wall Streeters be wildly wrong,
(turns to the Bull)
and you are wrong sir.
(back to his wrap up)
I just know that at the end of the day regular people are going to pay for all of this. Because they always, always do.

Danny's just typed **Bear at 29 last!!!** as he hears this.

MARK (CONT'D)
That's my two cents. Thank you.

Mark pats Bruce Miller on the back as he takes his seat.

THE HOST
Does our bull have a response?

BRUCE MILLER
Only that in the history of Wall Street, no investment bank has ever failed except when caught in criminal activities. So I stand by my Bear Stearns optimism.

A YOUNG BANKER stands, unwilling to wait for the Q & A.

YOUNG BANKER
Mr. Miller! Sorry. Quick Question.
(re: his Blackberry)
(MORE)
From the time you guys started talking, Bear Stearns stock has fallen more than 38 percent. Would you buy more now?

BRUCE MILLER
(unsure)
Sure. Yeah. I'd buy more. Why not?

Awkward silence.

Mark whispers into his mic...

MARK
Boom.

Mark watches the whole room scramble for the aisles.

A PR PERSON leads ALAN GREENSPAN (never fully seen) and his entourage toward an auditorium door.

PR PERSON
This way Mr. Greenspan. We are so honored to have you here today...

The PR Person leads Greenspan and entourage in up front. THERE ARE ONLY SIX AUDIENCE MEMBERS in the vast hall.

PR PERSON
What the hell?

CUT TO:

Empty. The SCROLL is dead.

Suddenly, it flickers and kicks to life as if re-booted.

The first message says it all...

Lehman bankruptcy leaves country in turmoil.
EXT. PLAZA - LEHMAN BROTHERS HQ - DAY

A beautiful day. Charlie stands on a bench watching LEHMAN EMPLOYEES with effects boxes exit through a PRESS gauntlet.

September 15, 2008

Jamie ends a call below him.

JAMIE
That was Ben. The Dow has dropped 1800 points in the last three days. He thinks the price of gold could go higher than the Dow. Up is now officially down.

Charlie is still watching the chaos at Lehman.

CHARLIE
I want to see inside.

JAMIE
How?

EXT. WEST 49TH STREET - DAY

His box already in a taxi, a LEHMAN GUY looks from Jamie and Charlie’s expectant faces to the building. Fuck it.

The Guy takes off his ID tag and hands it over.

CHARLIE
Which floor’s fixed income?

INT. FRONTPOINT OFFICE - LATER THAT DAY

Vinny is on the phone. Danny and Porter work quietly if feverishly at their desks that are covered in screens.

VINNY
Mark! Answer your phone! We have to sell! This whole thing’s blowing up!

DANNY
Prices are moving... I can't get a fix!

Danny's panicked.
DANNY (CONT’D)
We have like 70 positions...I can't...I don't know what's happening to anything!
Morgan's lost a third of it's value.

Vinny and Porter exchange a worried glance.

VINNY
Is it a run?

DANNY
I don't know.

VINNY
Danny, is there a run on Morgan Stanley?!

DANNY
I don't know!

Danny squints at his screens; something's wrong with his vision. He's soaking wet. Looks down at his chest.

DANNY (CONT'D)
I think I'm having a heart attack.

PORTER
No, you're not.

He's extremely pale but doesn't walk from the desk, tries to regulate his breathing as Porter and Vinny watch.

PORTER (CONT’D)
You're not having a heart attack.
(no response)
You're not having a heart attack.
(no response)
You're not having a heart attack.

Danny looks as if he can't hear.

PORTER (CONT'D)
All right, maybe you are.

Vinny picks up the phone to call 911.

VINNY
Hello, we need an ambulance, now!
INT. LEHMAN ELEVATOR BANKS - DAY

A DIMINUTIVE EXEC is in the flow of departing Employees.

DIMINUTIVE EXEC
Go straight to your transportation!
Do not talk to the press! Go
straight to your transportation! Do
not talk to the press!

Jamie holds up the pass for a Guard, who hurriedly waves he
and Charlie through the turnstile, like two diplomats
slipping back in the embassy as Saigon falls.

INT. TRADING FLOOR - LEHMAN BROTHERS - DAY

Abandoned. A few EMPLOYEES pack. Loose paper's everywhere.

Charlie and Jamie walk through the destruction: plundered
desks; emptied picture frames; sad tchotkes.

On one desk, someone's made a pyramid of Red Bull cans.

On one wall, someone's painted a huge...LEH: 0.00.

CHARLIE
This isn't how I pictured it.

JAMIE
What'd you think we'd find?

Charlie considers this question a few seconds.

CHARLIE
The grown-ups.

EXT. ST. PATRICK'S CATHEDRAL - DAY

A BUSINESS CROWD passes.

On the church steps, Danny is now okay. He, Vinny and Porter
watch the crowd, rushing past, oblivious.

VINNY
You okay?

DANNY
Yeah... I think so. It’s
embarrassing. I really thought I
was having a heart attack.
PORTER
Let’s go to dinner tonight. I hear there’s a great new Cuban joint in the lower east side.

DANNY
Really? I’d like that.

Vinny paces. His Blackberry RINGS.

VINNY
Mark, finally!
(_answering_
Hey, it's a bloodbath up here.

147 EXT. UPPER EAST SIDE APARTMENT ROOF GARDEN – SAME TIME

Mark sits at a table with his laptop and a coffee, shell shocked staring off into the building around him.

Vinny's on Mark’s cell phone speaker.

VINNY (O.S.)
Word's out. Morgan's stock has lost half its value. Down to 23.10. Clients are wanting to talk to you about pulling their money.
(then)
It's now or never. We gotta sell Mark.
(silence)
Hello?
(nothing)
Mark?!

MARK
Yeah.

CLOSE on MARK. He's staring at nothing.

VINNY (O.S.)
At least tell me what you're thinking.

FADE TO BLACK:

MICHAEL BURRY (V.O.)
I met my wife on Match.com. My profile said, quote, I am a medical student with only one eye, an awkward social manner, and $145,000 in student loans, end quote.
(MORE)
She wrote back: you're just what I've been looking for. She meant honest. So, let me be honest...

INT. SCION OFFICE - DAY

Bare feet on corporate carpet.

MIKE (V.O.)
...making money is not like I thought it would be.

Mike's at the Assistant's Desk sorting through a stack of his mail. He's also listening to the VOICE MAIL on the phone's speaker, erasing most messages after they start.

VOICE MAIL MESSAGE
Oh, Mike, this is Kerry Mann down at Camelot Capital. Listen, we see you're jumping back in the equities market in a big way. In this environment, we're not sure that's a wise--

He hits ERASE. And keeps sorting.

MIKE (V.O.)
This business kills the part of life that is essential: the part that has nothing to do with business.

INT. MINI-MART - DAY

Burry's FORMER ASSISTANT is stocking Red Bulls in a convenience store.

EXT. UPSCALE MIAMI NEIGHBORHOOD - DAY

The neighborhood Baum toured with the real estate agent is now covered with foreclosure signs.

INT. SEMINAR ROOM - CORPORATE HOTEL - DAY

With two dozen others, Marlene and the Younger Agent are taking a seminar, “You Can Be a Real Estate Millionaire”.
SEMINAR LEADER #2
(again)
The housing crisis represents the greatest financial opportunity of your lifetime!
EXT. CONVENIENCE STORE - DAY

The Man with the Tattooed Head comes out of the store and hurries to his CAR, carrying food. When he gets in, we see his child, wife and their stuff. They now live in the car.

MIKE (V.O.)
For the past two years my insides have felt like they’re eating themselves. All the people I respected won’t talk to me anymore except through lawyers...

INT. BASKETBALL ARENA - MIAMI UNIVERSITY - DAY

A large JOB FAIR.

Maroon waits in a long line for his turn with an ADVISOR, one of many in a row of folding tables. He looks over to see his friend, Black, in another line. Nods. Hey. Hey.

MIKE (V.O.)
People want an authority to tell them how to value things. But they chose this authority not based on facts or results. They chose it because it seems authoritative and familiar. And I am not and never have been... “familiar.”

INT. CAB - DAY

The West African Cab Driver that drove Mark looks at his 401K. It says -43,540 dollars. Leaving only 46k.

INT. MIKE'S OFFICE - NIGHT

Mike types the email we’ve been hearing in VO throughout.

MIKE (V.O.)
So, I’ve come to the sullen realization that I must close down the fund.

INT. SCION OFFICE - NIGHT

It's the night Mike erased the WHITE BOARD in the empty office.

This time, we watch him write his fund's growth...+489%.
MIKE (V.O.)
I am writing this to inform you
that earlier today I sold off all
positions for Scion Fund.

He circles it. Then walks out.

156 INT. OFFICE - DEUTSCHE BANK - DAY

Inscrutable, Jared Vennett considers a BONUS LETTER on his
desk. He talks to camera.

JARED
(to camera)
I can’t really say it to anyone
else, but I’ll say it to you: I was
right. I took a rash of shit for
the past two years but I was right.

His bonus for 2008 is $47,000,000.

JARED (CONT’D)
Hey I never said I was the hero of
this story.

He kisses the check.

JARED (CONT’D)
I can feel you judging me...
Remember, I made this bank 20
billion. My two bosses lost 30
billion and still got fifty million
in bonuses. You didn’t see that on
your news did you?

157 EXT. UPPER EAST SIDE APARTMENT ROOF GARDEN - DAY

Mark as before, quiet, talking to Vinny via cell phone.

MUSIC: A piano piece like THE TWINS by MAX RICHTER fades in
slowly

VINNY (O.S.)
Mark!? At least tell me what you're
thinking.

MARK
Paulson and Bernanke just left the
White House. There's going to be a
bailout.

Mark’s voice is full of masked emotion, quiet, resigned.
VINNY (O.S.)
You're serious?!
MARK
Yeah... The whole time we were wondering how the big banks could be so stupid... They didn’t care. They knew the tax payers had to bail em out.

VINNY (V.O.)
Those fuckers.
(and then)
At least we’ll see some of them go to jail. And they’re going to have to break up the banks.

MARK
I don’t know Vinny. I bet in a few years we’ll be doing what people always do when the economy goes south: blaming immigrants and poor people.

JARED (V.O.)
But Mark was wrong. In the years that followed 100’s of bankers and rating’s agency executives went to jail. The SEC was completely overhauled.

158 MONTAGE OF REFORM IMAGERY: 1. HEARINGS AT CONGRESS. 2. THE DODD/FRANK BANKING REFORM BEING SIGNED, 3. BANKERS BEING PERP WALKED IN HANDCUFFS.

JARED (V.O.)
And Congress had no choice but to break up the big banks and regulate the mortgage and derivatives industries.
(Beat)
Just kidding.

159 SMASH TO: VT. OF 1) PEOPLE SCREAMING AT IMMIGRANT CHILDREN ON THE BORDER. 2) GOVERNORS AND TALK SHOW HOSTS BLAMING TEACHERS 3) CONGRESS VOTING DOWN SERIOUS BANKING REFORM.

JARED (V.O.)
The banks took the money the American people gave them and used it to lobby the Congress to kill big reform. And then America blamed immigrants and poor people. And this time... even teachers.
(MORE)
And when all was said and done, only one single banker went to jail.

PICTURE OF THE ONE BANKER WHO WENT TO JAIL.

JARED (V.O.)
This poor schmuck. Kareem Serageldin from Credit Suisse. He hid a few billion in mortgage bond losses. Something most of the big banks do on a good day. I’m sure it didn’t hurt that he was of Egyptian decent...

EXT. UPPER EAST SIDE APARTMENT ROOF GARDEN - CONTINUOUS

Mark silently looks off into the distance, still on the phone with Vinny.

VINNY (V.O.)
Mark?
(beat)
Can we sell now? The fund’ll make almost a billion dollars... You’ll clear 200 mill Mark.

MARK
You know once we sell we’re just like all the rest...

VINNY (V.O.)
No we’re not Mark... We didn’t prey on people’s dreams of owning a home... They did. And now we can kick em in the teeth.

MARK
A billion dollars...

VINNY
That’s right. But we’ve got to sell or it could be zero. It’s now or never. It really is.

Long beat.

MARK
Okay... Sell it all.
"When the dust settled from the collapse 5 trillion dollars in pension money, real estate value, 401k, savings, and bonds had disappeared. 8 million people lost their jobs, six million lost their homes. And that was just in the USA."

"Charlie Geller and Jamie Shipley attempted to sue the ratings agencies but were laughed out of all law offices. Jamie still runs Brownfield with Ben Rickert but Charlie left New York to live in Charlotte and start a family. He did not go on Lithium."

"Cynthia says Mark Baum actually became gracious after the collapse and never said “I told you so” to anyone. But he did give large sums of his money to a charity that helps people escape from cults. Danny, Vinny and Porter all still run a fund together and are as terrified as ever."

"Michael Burry contacted the government several times to see if anyone wanted to interview him to find out how he knew the system would collapse years before anyone else. No one ever returned his calls. But he was audited four times and questioned by the FBI. The small investing he still does is all focused on one commodity: water."

After a beat...

"In 2015 several large banks began selling billions in something called a “bespoke tranche opportunity.” Which according to the Wall Street Journal is just another name for a CDO."

END.