

THE  
**GREAT**

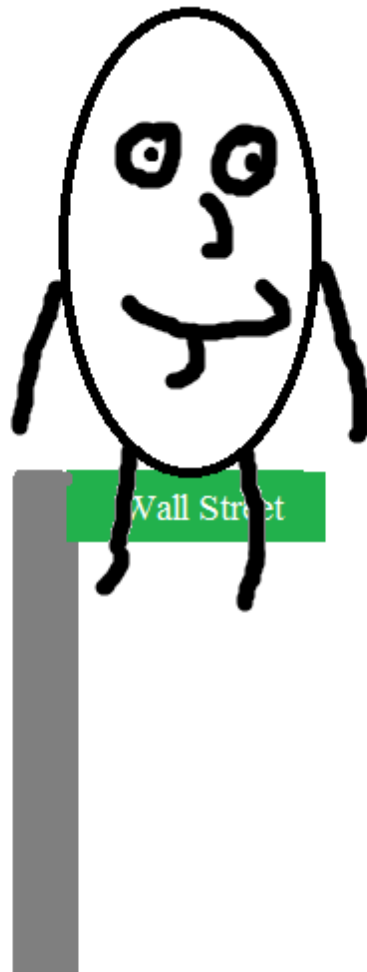


**FALL**

A tale of greed, corruption, and the  
recession of the 2008 economy

by Eitan Stern-Robbins

Humpty Dumpty sat  
on the Wall Street.



But as the old tale goes, Humpty  
Dumpty had a great fall, neat! But how  
did this fall occur? Why couldn't Mr.  
Dumpty stay as he were?

It all started why Humpty Dumpty went to visit the Federal Reserve Bank. He was excited to invest until he learned the interest rate sank. With no huge pay off in his future, Mr. Dumpty needed a way to invest his money.



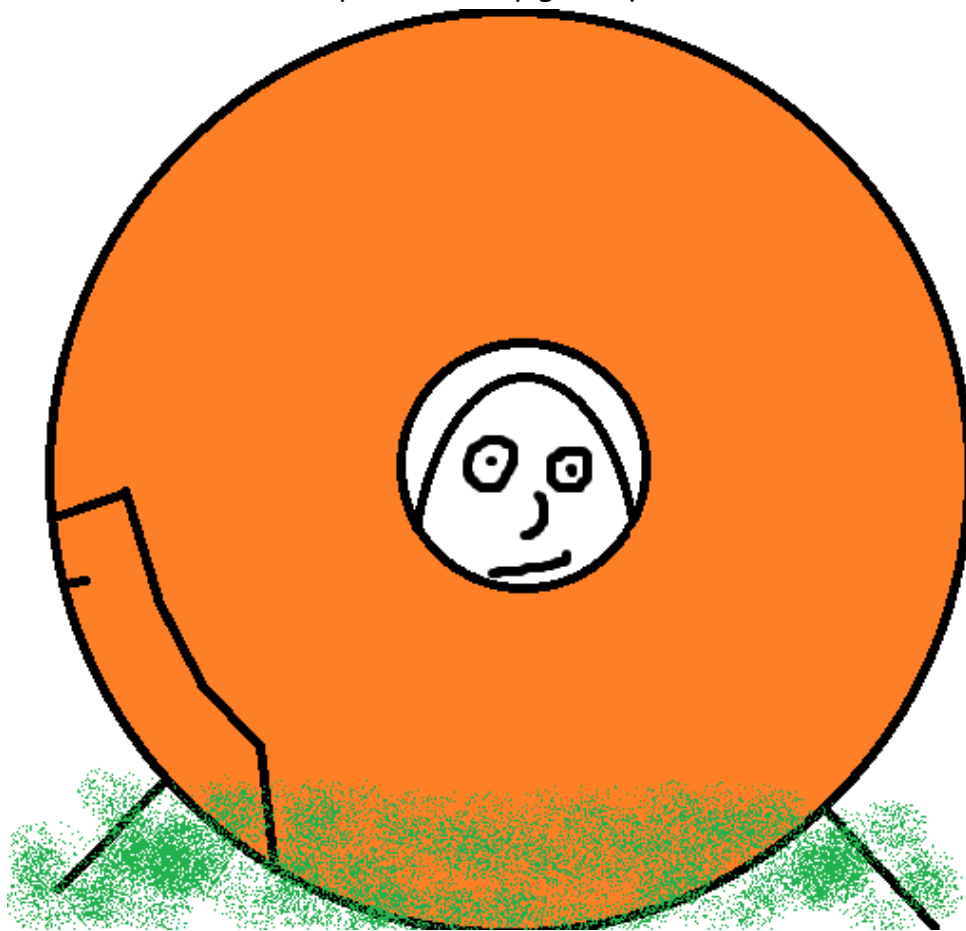
Sir Dumpty didn't know what to do, it wasn't even funny. So he took his cash and searched for a new form of investment. He needed his keen financial knowledge to find a large payoff and make his assessment.

And an assessment he made. Mortgages were where money wouldn't fade. Humpty Dumpty invested in the mortgages of the people from all over. He liked to be risky so he invested in unrated Collateralized Debt Obligations (CDO) with the help of his four leaf clover. CDOs are the mortgages that the investment banks categorize into safe, ok, and risky. The rating agencies then rate these AAA, BBB, and unrated respectively. Investment bankers borrow money to gain leverage in order to buy mortgages from mortgage lenders. The banks then make money directly from the homeowners creating profits for investors like Dr. Dumpty so he can buy new suspenders. Since the banks don't actually own the mortgages but they control them, they represent managerial capitalism in full effect. The economy used to be run by shareholder capitalism which was somewhat more direct.



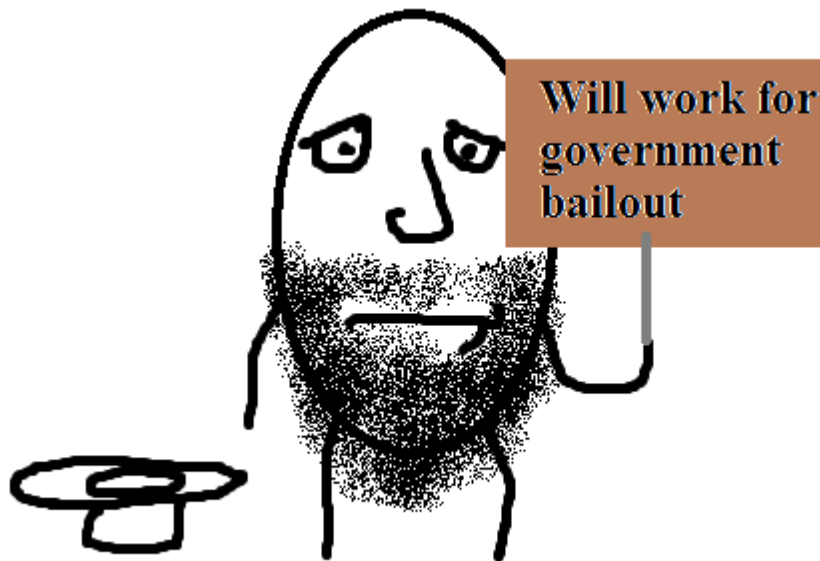
All seemed well for quite some time. But nothing gold last forever for whatever reason or rhyme.

As more and more mortgages became CDOs, the housing market continued to increase. But what happens when there are no more good mortgages to hand out, you may speak? That's where sub-prime mortgages come in silly. When a family defaults on their mortgage (they can't pay it), the bank comes and forecloses it all willy nilly. Since the bank owns the mortgage, and the government didn't regulate them, they can give it to under qualified buyers by creating more risk. So now even the rich-but-makes-poor-financial-decisions Mister Dumpty can get a mortgage for a home shaped like a disk. This may seem great but this is what was known as the Housing Bubble. Soon all of this money would turn into mere rubble. Since there were so many sub-prime mortgages, a lot of people defaulted. The banks put these houses back on the market but business soon halted. With so many houses for sale, there was too much supply. This caused the bubble to burst, causing high house prices to say goodbye.



What was Col. Dumpty to do? He was going to lose his house, his suspenders too. His frugal neighbors next door deserted their house because their mortgage was higher than the value of their home. But Dumpty was not the only one going through this, no he was not alone.

What is our hero to do? How will he was such a recession, if only he knew. Humpty Dumpty faced unemployment. Humpty Dumpty had full unenjoyment. By October of 2009, the US unemployment rate increased to 10.1 percent. Many Americans were full of dissent.



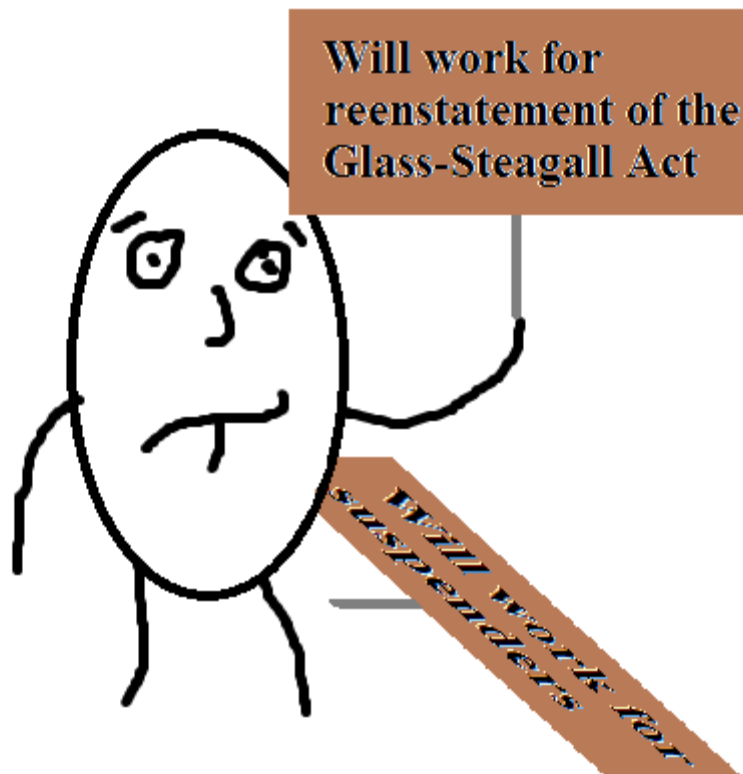
But besides the American people facing unemployment, large companies and banks were facing trouble as well. What happened to them you may ask; I will tell.

Investment banks were facing large sums of debt. They owed money for the mortgages they bought but didn't sell yet. Huge companies like AIG were going bankrupted so they asked the government for some help. The government was all like "Ok but spend this wisely" and AIG was all like "Sure thing man," they yelped. But it wasn't a sure thing and AIG issued a bunch of bonuses to their financial service workers. Tax payer money, including Humpty Dumpty's, funded their extra money with their hard earned dollars, dimes, and quarters.



Humpty, like everyone else, was ticked off. But he didn't do anything because on the inside he was soft.

But Dr. Dumpty is a hard working American and doesn't give up just like that. Even if he knew none of this would have happened without the repealing of the Glass-Steagall Act.



Humpty Dumpty was good with making signs. In a past life he must have been a pair of scissors that worked all the time.



Rev. Dumpty was so good with his sign making he eventually got noticed in 2010 by the Occupy Movement. Prof. Dumpty joined to start a protest-sign business but also out of his own amusement.



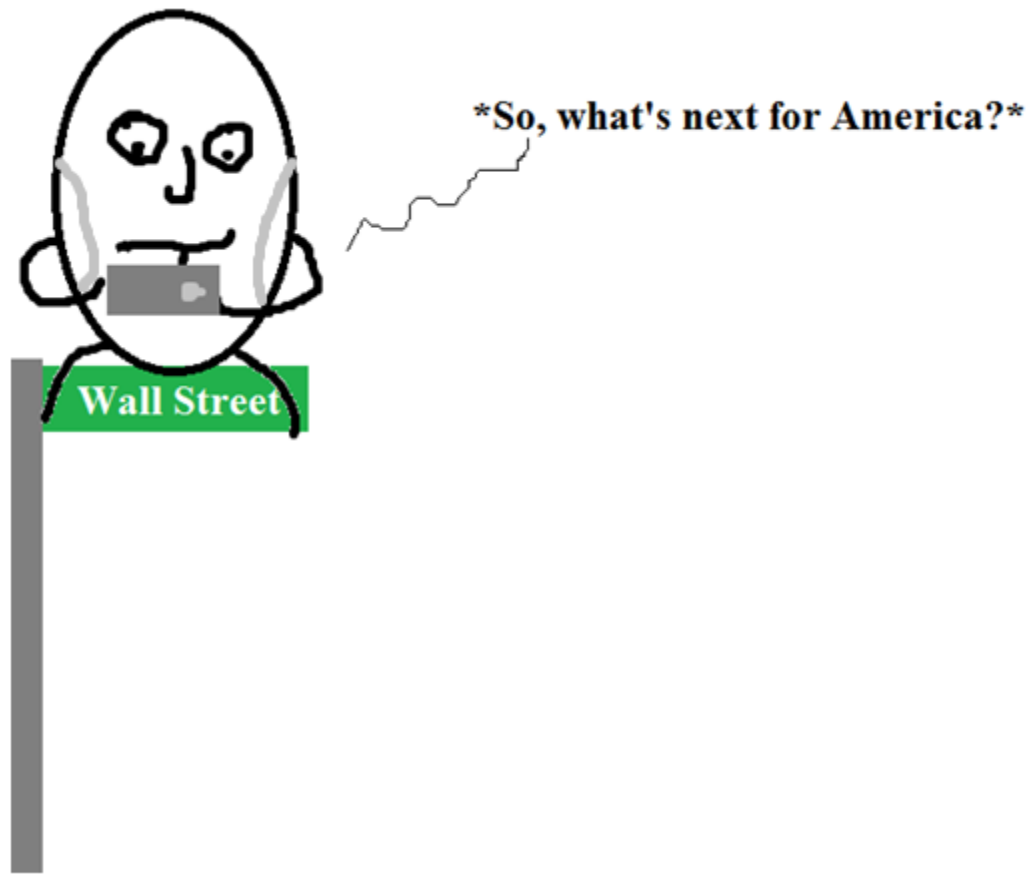
Humpty Dumpty worked tirelessly day and night. He even sold signs to people as weapons so they could fight. He wasn't proud of instigating violence but hey, everyone needs money. In fact, Mr. Dumpty had almost enough money to buy silver plated suspenders so he would no longer look crummy.

With his brand new suspenders and his new life, Humpty Dumpty started focusing more on the political situation. Debates over stimulus or austerity swept the nation. On the one hand, experts predicted that a stimulus package would help the economy by increasing government spending. On the other hand, experts predicted that austerity would help the economy lowering spending.



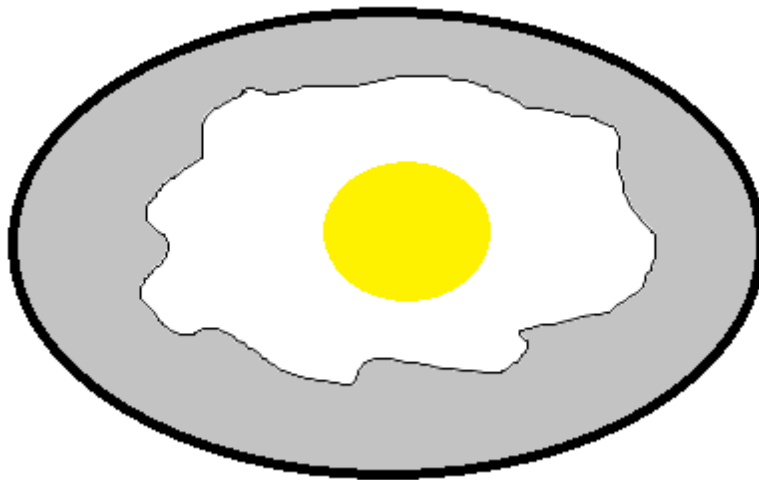
Coach Dumpty didn't know which to support; decided he could not. So he went on over to his favorite thinking spot.

Humpty Dumpty sat on a wall street sign. Humpty Dumpty recovered from a huge economic fall by capitalizing on the needs of outraged 99%ers, which was fine. But Master Dumpty was unsure of what was next. He sat and he pondered and Cha Cha he texted.



The answer came to him and he knew what he needed to do...

Humpty Dumpty sat on a Wall Street,  
Humpty Dumpty had a great fall of several feet.  
All the President's bubble cars and all the  
President's men  
Couldn't put Humpty together again.



So they made an omelet.

THE END

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# Derivatives

The purpose of this story is to find a simple way of describing the 2008 financial crisis without being too serious. I chose to use Humpty Dumpty because of how random he is. Randomness played a big role in the humor of this story and I hope you at least somewhat enjoyed it. I tried to put in all the required concepts and vocabulary in a way that would make sense with Pres. Dumpty's absurd story. I find that even serious issues like the financial crisis deserve a light hearted take in order to help people better understand the subject matter. Look out for the sequel: *The Great Wall (of China)*.

