THE BIG SHORT

Adaptation by

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Rewriting
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Based on The Big Short by Michael Lewis

QUOTE: 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 just a bit sleazy. 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: 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.

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. CONFERENCE ROOM - 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 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 revenue goes up times a thousand 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 balanced 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
Lewis is a fucking genius.

FUND MANAGER
Uhm, what exactly is the risk rating? All my pension fund cares about is A rated risk.

Lewis shows another slide of the bond split up into different levels of risk like a cross section of lasagna.

LEWIS RANIERI
It depends. Each bond has a bunch of different risk levels you can buy into. You want no risk? I've got a AAA rated level of bundled mortgages. You wanna roll the dice? I've got higher pay off, higher risk subprime B, BBs, BBBs. You tell me. And even the higher risk mortgages are still mortgages so odds are they'll be fine.

BOND TRADER
Cause who the hell doesn't pay their mortgage?

FUND MANAGER
This is exactly what the Michigan State pension fund has been looking for. I'll buy the AAA level and...

BOND TRADER #2
Come on live a little!

FUND MANAGER
(living a little)
And the single A level.

LEWIS RANIERI
Then let's break out the paper work!

MUSIC: BOOGIE OOGIE OOGIE by A TASTE OF HONEY

INT. STRIP CLUB - 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. Within a decade stocks and savings were almost inconsequential to the big banks. They were doing 25, 50, 100 billion in mortgage bonds and 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... 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 it's 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. 2) AND THEN A LONG LINE OF APPLICANTS AT A MCDONALD'S JOB FAIR. 3) IMAGES OF THE DOW DROPPING.

1010 WINS ANCR (V.O.)
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 almost collapsed the whole world economy. And none of the experts or leaders had a clue it was coming.

WE FADE TO BLACK.

MODERN TRADER (V.O.)
But there were some who knew... Outsiders, weirdos. Not me, 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 us suckers never thought to do: they looked...

TITLE: **THE BIG SHORT**

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 on a boat with some old college associates.

EXT. DOCK - 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, engaged with neither.

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

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.

INT. MICHAEL BURRY'S FUND OFFICE - DAY

Michael is seated behind his desk in a polo shirt, shorts and flip flops talking to an unseen person.

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

784 days until the crash

YOUNG ANALYST
That seems healthy.

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

YOUNG ANALYST
What? No. I uh, paid someone.

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)
Did you find it strange-

YOUNG ANALYST
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 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
But 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: BLOOD THUNDER by MASTADON

A bearded ANALYST walks by Burry’s office window and LOOKS AT CAMERA.

BEARDED ANALYST
I was Michael’s actual assistant for 2 years. I know what you’re thinking, a hedge fund manager with a glass eye who unwinds by listening to Mastodon, come on. But he really did do that.

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

MUSIC: STRING QUARTET #4 (COMPANY) BY KRONOS QUARTET

CU 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... These higher risk B rated levels are full of high risk adjustable rate mortgages.... Do people really understand how an adjustable rate mortgage works?... They need the teaser rate because they don’t have the money to buy the house... 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

DAVID
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.)
30 days late, teaser rate adjusts in two years... foreclosed... Big banks are selling 600 billion of these mortgage bonds a year.... It was 50 billion ten years ago...

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.)
90 days late... 30 days late... teaser rate adjusts in two years... 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... These mortgage bonds might fail... No one thinks they can fail... 30 days late, rate will adjust next year... 60 days late... These bonds are full of garbage...These bonds <u>will</u> 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 smoothie and coffee cups everywhere. Michael dry brushes his teeth while talking and gargling with coffee.

MICHAEL BURRY
Jeffrey. I found something really interesting.

JEFFREY GOLDBLATT (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. GOTHAM CAPITAL - JEFFREY GOLDBLATT'S OFFICE - SAME TIME

JOEL GOLDBLATT'S office is the opposite of Michael's. It's lavish with Manhattan views as is he.

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

Goldblatt motions to his Assistant through the open door.

JEFFREY GOLDBLATT (CONT'D)
Tell them I'll be there in a minute...

MICHAEL BURRY
Greenspan's wrong.

JEFFREY GOLDBLATT
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 ideological to see the reality. I don't know how else you want me to say that.

Burry spits out his coffee gargle into the garbage.

JEFFREY GOLDBLATT
Look, Gotham Capital backed you two 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 whereever it can be found Joel. And the fact is: mortgage backed securities are built on triple B rated tranches of subprime adjustable rate loans. Once the majority of adjustable rates kick in 07' they will begin to fail and when they fail above 8% 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 uses 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 Johanson under a water falls to explain...

EXT. SMALL WATERFALL - DAY

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

SCARLETT JOHANSON
Basically Lewis Ranieri's Mortgage bonds were amazingly profitable for the big banks. 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 filling the bonds with riskier and riskier mortgages from people with really bad credit. These mortgages are called subprime. Anytime you hear subprime, think shit. The only problem, no one really reads what's in these bonds so when they started to be filled with these crap subprime loans everyone kept treating them like they were as good as the old Lewis Ranieri bonds. Michael Burry found out they were shit, so now he's going to "short" the bonds, which means to "bet against." Got it? Good.

INT. MICHAEL BURRY'S FUND OFFICE - CONTINUOUS

Back to the scene which kicks back in.

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

JEFFREY GOLDBLATT
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.

JEFFREY GOLDBLATT
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.

JEFFREY GOLDBLATT
Through what instrument Michael? There are no insurance swaps 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 it.

CUT TO:

EXT. GOLDMAN SACHS - MANHATTAN - DAY

We push in on Goldman Sachs. We see FINANCIAL NEWS on a monitor outside playing Jim Kramer’s Mad Money show.

JIM KRAMER
Folks, this market aint 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, an INDIAN NUMBERS GUY, and a FEMALE SALES REP 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.

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

THE FEMALE SALES REP
You want to bet against the housing market?

MIKE
Yes.

AN INDIAN QUANT
Why buy insurance that Americans won't pay their mortgages? They always have. If you'll excuse me Dr. Burry, it seems like a foolish investment.

MIKE
Based on prevailing sentiment of the market, the big banks and popular culture, yes, it's a foolish investment. But I think 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.

MIKE
My one concern is that if the bonds fail I want to be certain that you pay what I'm owed on the credit default swaps.

They are shocked.

FEMALE 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 <u>we</u> won't pay <u>you</u>?

MIKE
Yes. That's correct.

The Goldman people whisper amongst themselves for a beat.

AN INDIAN QUANT
We could work out a pay as we go structure that would pay out in the event of mass foreclosures. 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.

MIKE
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.

AN INDIAN QUANT
These should be fine.

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

MIKE
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 hesitate, is he hurt? But then pushes on.

MUSIC: GOLD DIGGER by KANYE WEST

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

INT. DEUTSCHE BANK - THE NEXT DAY

Michael is now across from SALES REPS from Deutshe 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. Absolutely we can do that.

MIKE
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 at Bank of America, Bear Stearns, Morgan Stanley, Credit Suisse etc.

INT. PANERA - DAY

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

INT. MANHATTAN NIGHT CLUB - NIGHT

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

We focus in on the DEUTSCHE SALES REPS 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 made 200 million today on credit swaps for mortgage bonds! Some fund manager from California! Fucking crazy right?

DEUTSCHE 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 Trades steps over to another table and taps a guy on the shoulder.

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

GREG LIPPMAN, 32, TURNS AROUND. He's smart yet slick with a slight Jheri curl and wears a sharp Armani suit. HE'S OUR NARRATOR.

GREG LIPPMANN
Randall's a foot soldier. It must be a shit deal.

GRAPHIC: **GREG LIPPMANN**

DEUTSCHE TRADER
No, it's for real.

Greg LOOKS AT CAMERA.

GREG LIPPMANN
I told you I'd come in later.

DEUTSCHE TRADER
Apparently this guy wanted 200 mill in credit default swaps on mortgage bonds! Randall made the sale. Can you believe it?!

GREG LIPPMANN
Someone shorted mortgage bonds for 200 mill?

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

GREG LIPPMANN
How much total?

INT. MICHAEL BURRY'S FUND OFFICE - DAY

Michael Burry is on the phone with Jeffrey Goldblatt.

MICHAEL BURRY
1.3 billion.

JEFFREY GOLDBLATT
What?! That's pretty much all of Scion's liquidity! Michael this is highly distressing.

INT. ACADEMY GALLERIA - FLORENCE

Jeffrey Goldblatt is in Florence with the David behind him. He steps away to continue the conversation.

MICHAEL BURRY
It shouldn't be Jeffrey. This bet is a certainty. I've never seen anything like it.

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

MICHAEL BURRY
The language of our agreement was very clear. I have full autonomy when it comes to investment strategy.

JEFFREY GOLDBLATT
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.

JEFFREY GOLDBLATT
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.

JEFFREY GOLDBLATT
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.

JEFFREY GOLDBLATT
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 Joel.

He hangs up. His computer and phone are dinging.

QUICK CUTS OF EMAILS FROM MICHAEL BURRY'S INVESTORS:

!. "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:

"<u>A LOT OF PEOPLE IN NEW YORK ARE TALKING ABOUT WITHDRAWING THEIR MONEY FROM YOUR FUND</u>."

CUT TO:

INT. BEDROOM - DAY

A LATINA NANNY is sleeping on a bed. She starts to turn over in SLO MO as we CUT TO....

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-

STEVE EISMAN, 35, moppish hair, rumpled suit, will always say what he thinks, busts into the room.

STEVE EISMAN
I'm so sorry I'm late! No cabs!

He sits down and starts right away.

STEVE EISMAN (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
Steve-

STEVE EISMAN
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
Steve, we've talked about this numerous times. You can't come in late and hijack the entire session.

STEVE EISMAN
I didn't hijack the session.
(to another businessman)
Did I hijack the session.

BUSINESSMAN #2
Yes.

STEVE EISMAN
What'd you do?

BUSINESSMAN #2
I'm in commodities.

STEVE EISMAN
Of course you are.

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

STEVE EISMAN
I don't talk about that. Hold on!

Steve's phone is buzzing.

STEVE EISMAN (CONT'D)
Oh shit. I have to take this. So sorry.

He answers and walks out.

STEVE EISMAN (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: **STEVE EISMAN**

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 Steve's walking while talking on his phone.

MUSIC: HIPS DON'T LIE by SHAKIRA plays on monitors in front of the Virgin Mega-Store

January 2006

684 days until the collapse

STEVE EISMAN
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?

MODERN TRADER (V.O.)
Steve Eisman had built a career on never assuming anyone or any company was legit without proving it. When he was a kid he excelled at the Torah. And the reason he told the Rabbi was because "he liked looking for inconsistencies in the word of God." I'm sure the Rabbi did a spit take when he heard that one. But then a tragedy happened to Steve that turned his world view dark and more than ready to believe the whole system was a lie.

STEVE EISMAN
(sees he's got another call)
I gotta go, it's Valerie. I'll be in the office in twenty minutes.

INTERCUT:

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

Steve's wife, VALERIE (35), lies on the couch. Their TWIN DAUGHTERS (7) are on the floor on matching laptops.

VALERIE
You're therapist called me. You did it again.

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

VALERIE
I worry about you Steve. You're on this crusade. Like you've got to right every wrong in the world.

STEVE EISMAN
Fine. I’m a rude guy. And I’m pissed off. But it’s a shit storm out here sweetie. You have no idea the crap people are pulling and the average person just walks around like they’re in a goddamn Enya video.

MUSIC: ENYA’S ONLY TIME

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

STEVE EISMAN (CONT’D)
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

VALERIE
I think you should try medication.

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

VALERIE
You hate your job. Maybe it's time to quit.

Steve is now trying to hail a cab.

STEVE
I love my job.

VALERIE
You hate your job.

STEVE
I love my job!

VALERIE
You're miserable!
(gets quieter)
Steve. I feel awful every day. Every day I cry. I know you must feel the same... But you never show it.

QUICK FLASH TO THE NANNY SLEEPING IN THE BED. She starts to roll over and we see there is A SLEEPING BABY NEXT TO HER.

WE CUT BACK TO STEVE before the Nanny fully rolls over.

There is silence for a beat before Valerie speaks.

VALERIE (CONT'D)
I just feel like you blame yourself or us... You're so distrustful of everything and everyone. You didn't used to be this way...

Steve is quiet. He's still unconsciously holding his arm up for a cab.

STEVE
Please don't. I really can't do this now Valerie.

A cab stops.

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

STEVE
I'll think about anything. I'll think about jumping into a volcano but I can tell you the answer is no.

VALERIE
Consider it. Please. I'm not talking about jumping into a volcano. We could just get of the treadmill and move to Vermont and open a B&B. It could be that easy.

STEVE
Fine, I'll consider it. But honestly, I'm okay Valerie. 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. Steve gets out of his cab while finishing a conversation with his cab driver.

STEVE
And remember, get out of that 401k you're in. They're going to rape you with fees!

He walks into the building and passes a Morgan Stanley higher up ZOE CRUZ who has a baby bump.

ZOE CRUZ
Hello Steve Eisman!

STEVE
Hey Zoe. You busted me. I had an afternoon personal thing.

ZOE CRUZ
I'm not your baby sitter. If your company makes Morgan Stanley money I'm happy!

INT. FRONTPOINT OFFICE - MORGAN STANLEY OFFICES NEW YORK - LATER

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

Steve enters, pushing open the door that reads "Front Point Partners."

STEVE
Hey! Valerie 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 Steve Eisman run a B&B. "Here's your steel cut oatmeal asshole!"

GREG LIPPMANN (V.O.)
After annoying half of Wall Street Steve Eisman had set up his own shop under Morgan Stanley's umbrella. His small team reflected Steve's distrust of the system.

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

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

GREG LIPPMANN (V.O.)
Vinny Daniel: Steve's numbers guy. Vinny lost his Father to violent crime when he was young. Just like Steve he didn't talk about it.

An athletic Wasp, PORTER COLLINS, 29. who wears a suit jacket and polo shirt covers his blue tooth to chime in.

PORTER COLLINS
Valerie doesn't mess around. She got me to stop eating red meat. You want me to check the residential real estate market in Vermont!?

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

STEVE
There's no way I'm moving to Vermont. Westchester maybe, but not Vermont...

DANNY MOSES (29) Southern, bookish, 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 Front Point. There's another Front Point in this same building that is bonds.

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

DANNY MOSES
Okay... No problem.

He hangs up.

DANNY
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 Front Point. He wanted the one of the eighth floor.

VINNY DANIEL
He wanted to short housing bonds? Who shorts housing?
(due diligence)
What's the ABX at?

PORTER
What's the ABX?

VINNY DANIEL
It tracks sub-prime mortgage value.

Danny checks his computer.

DANNY
It's down... Wow. That's weird. It's down five points since last year. I haven't heard a peep about that.

STEVE EISMAN
What was this guy's name again?

DANNY
Greg Lippmann. From Deutsche. He sounded pretty sketchy.

One of the ASSISTANTS LOOKS UP TO CAMERA.

ASSISTANT
This actually happened. I'm the assistant who answered the call for the real Steve Eisman. A wrong number led them to one of the biggest leads in investment history. I'm now a pharmaceutical rep in Daytona.

STEVE EISMAN
Fuck it. Call him back. Tell him we want to hear his presentation..

VINNY DANIEL
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?

STEVE EISMAN
Yeah. Why not?

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

STEVE EISMAN
Probably.

VINNY
Definitely.

INT. CONFERENCE ROOM - THE NEXT DAY

GREG LIPPMAN, his Chinese Quantitative Analyst, EUGENE XU and a Deutsche SALES REP stand in front of the room.

Steve, Porter, Vinny and Danny listen to the bond trader's spiel, which manages to be both solicitous and condescending.

The Deutsche Rep hands out hard copies.

GREG
Before we start, I want you to know you are the very first people I have talked to about this.

FAST CUTS: A DOZEN PEOPLE THAT HE TALKED TO PREVIOUSLY saying “No” “Get lost Greg” “You’re high” etc.

STEVE EISMAN
(thick sarcasm)
That is so thoughtful and sweet of you Greg.

GREG LIPPMANN
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.

GREG
This is a basic mortgage bond. It's made up of thousands of mortgages with the AAA highest rated getting paid first and the lowest, BBB getting paid last and taking on defaults first. Hey, they're risky, so sometimes they fail...

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

GREG (CONT'D)
But somewhere along the line these B level mortgages 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 B's are going to zero.

Greg chucks another BBB block in the garbage.

GREG (CONT'D)
And that, my friends, is an opportunity.

DANNY
You're sure of the math?

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

GREG
Xu 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.

XU turns to camera.

EUGENE XU
Actually I do speak English. Greg likes to say I don't because he thinks it makes me seem more authentic. And I finished second in the national math competition. Greg's a bit of a dick but he's good at his job.

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

GREG LIPPMANN
With something called a credit default swap. It's like insurance on the bond. And if it goes bust you make a 100 to 1 return. And it's already slowly going bust. But no one's paying attention cause they're all busy getting paid obscene amounts of money. 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 Greg's numbers.

DANNY
How can the underlying bonds be as bad as you say? They wouldn't be legal.

GREG LIPPMANN
No one knows what's in these bonds. I've seen some that are 95 percent subprime.

VINNY
Get the fuck out of here!

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

EUGENE XU
I discovered it. But that's fine. He's on a roll.

GREG LIPPMANN
...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.

STEVE
A what?

Greg takes a bunch of the BBB rated blocks and makes a precarious NEW tower.

GREG
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 give it a perfect AAA rating. No questions asked.

FREEZE: Steve, leaning forward completely engaged.

GREG LIPPMAN (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.

BACK TO THE SCENE

STEVE
Wait, wait, so the mortgage bonds are dog shit but the CDOs are dog shit wrapped in garbage? And they're rated AAA?!

GREG
I know CDOs that are money good, as solid as T-bills, and I promise you they're going to zero! You'll see defaults every category.

DANNY
That can't be right. There were 500 billion in housing bonds sold last year alone. The banks, the ratings agencies, the government... They wouldn't let this happen.

GREG LIPPMANN
They would and they did. And once this thing starts snow balling it will infect the whole market...

He starts pulling blocks out and throwing them in the garbage.

GREG
Double B's? Zero. B's? Zero. A's? Zero. Double A's? Zero. Triple A's? Zero.

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

GREG (CONT'D)
Then that happens.

STEVE
What's <u>that</u>?

GREG
<u>That</u> is this nation's economy.

INT. FRONTPOINT OFFICE - NIGHT

Vinny, Danny and Porter cluster unhappily at their desk.

They watch Steve 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.

STEVE
No. No, I don't think so. I'm not sure why.
(a beat)
What if he's right?

VINNY
You want him to be right!

STEVE
Yes, I do. When a bank offers a loan, people take it. Why? Because they assume banks know more about money than they do. 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 by somebody with an algorithm and a famous logo. That's my humble view. 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.

VINNY
We're inside Morgan Stanley! A bank owns us!

STEVE
They don't "own" us! They have a stake in our fund. A majority stake. Fine. But Zoe doesn't care so long as we stay in the black.

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

STEVE
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.

STEVE
I can't hate him. He's so transparent in his sleaziness 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?

Steve's team can't resist him when he's in adventure mode.

DANNY
Yeah, okay. Fine.

PORTER
Sure.

Vinny *pfiffs* his concession.

STEVE
And let's move fast. If Lippmann'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 MANHATTAN CLUB - NIGHT

MUSIC: GRILLZ by NELLY

JAMIE MAI, 30, good looking but tentative and CHARLIE LEDLEY, 31, very smart, neurotic and pale 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! My buddy Jamie and I have our own fund! We just moved into a loft in Julian Schnabel's building!

THOSE LADIES THEN LEAVE THE DANCE FLOOR COMPLETELY. Pretty soon Jamie and Charlie are alone on the dance floor and just stop.

CHARLIE (CONT'D)
You gotta stop with the weird elbow move.

JAMIE
Really? I thought it had a casual hip hop vibe.

CHARLIE
You dance like you learned from a book.

JAMIE
I did. "Feeling the Groove." You gave it to me!

GRAPHIC: **CHARLIE LEDLEY AND JAMIE MAI**

INT. LOBBY WAITING AREA - GOLDMAN SACHS - NEW YORK - DAY

Charlie and Jamie sit nervous under massive Richter works.

CHARLIE
Goldman goddamn Sachs. Can you believe it?

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

Finally, they hear...

YOUNG MAN'S VOICE
Cornwall Capital?

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
Oh. I'm Charlie. Charlie Ledley.

JAMIE
Jamie Mai. We’re really excited to start working with you. We’re very interested in the long term options.

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 Berkeley.

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

CHARLIE
(sheepish)
Cornwall is all our own money.

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

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

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

CHARLIE
Um... What’s an ISDA agreement?

YOUNG BANKER
It’s the agreement with institutional banks that lets you trade in long term options, derivatives, high value bonds...

CHARLIE
Does it make us look bad that I didn't know what an ISDA was?

YOUNG BANKER
It's not great.

JAMIE
How much do we need for an ISDA?

YOUNG BANKER
Two billion.

Charlie and Jamie flinch.

INT. HIGH END MANHATTAN CLUB - NIGHT

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

MUSIC: GRILLZ by NELLY kicks back in.

CHARLIE
(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'm so sick of all the games so I'll just be straight. The truth is, we've very successful and single. 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.

INT. BANK OF AMERICA - DAY

Charlie and Jamie wait in the lobby while a TALL ASSISTANT walks the long stretch of hallway from the elevators to past security.

CHARLIE
It's B of A. I've got a good feeling.

JAMIE
If we don't get our ISDA here we're out of banks. Even Wachovia told us to get lost.

TALL ASSISTANT
You must be Jamie and Charlie. I'm Paula. My boss said he doesn't know who Cornhole Capital is and to stop calling him.

JAMIE
Cornwall. Cornwall Capital.

TALL ASSISTANT
Have a good day gentlemen.

CHARLIE
Okay. Thank you for your time. I'm sorry, we didn't get your name?

She's already leaving.

CHARLIE (CONT'D)
I knew it. Who schedules a meeting for 4:50?

JAMIE
No one will see us. 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 Greg Lippman'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 Greg Lippman's housing bubble pitch in the lobby of a bank that rejected us. The truth is, a friend told Charlie about it. But this is more fun.

CHARLIE
This guy says there are 100 to 1 returns on credit default swaps on mortgage backed securities. And he says they whole housing market will collapse...

Freeze.

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

EXT. NORTHERN CALIFORNIA - GARAGE - DAY

A CRAPPY GARAGE with computer paper on the wall reading "Cornwall Capital" It's hot as Jamie and Charlie work on their lap tops. Jamie pours water over his head.

GREG LIPPMAN (V.O.)
They had started working out of Jamie's garage with 110 thousand Jamie had saved delivering boats up and down the east coast. Their strategy was simple: the market never imagines really bad things happening and so will sell you options very cheaply. Within a year they had turned their money into 30 million. But then it was time to go to NYC. And so far, it wasn't going well.

INT. BANK OF AMERICA 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.

FREEZE: WE CUT TO BEN HOCKET, 36 and the most neurotic person we've met so far, walking his dog with Jamie on A RESIDENTIAL STREET.

GREG LIPPMANN (V.O.)
Ben Hocket was a former trader in Japan for Deutsche. He happened to be Jamie's neighbor when they were in Berkley. But Ben was dark. He didn't just think the whole system would fail, he thought the whole world was going down.

INT. RESTAURANT - NIGHT

Ben, Jamie and Charlie have dinner.

BEN HOCKET
I'm telling you, global warming will change everything we know about finance, politics, religion. And it may already be irreversible.

CHARLIE
Can you pass the scallops?

BEN HOCKET
Come on! How can you not care?!

FREEZE

GREG LIPPMANN (V.O.)
Ben had real experience in a big bank. Jamie and Charlie had never even been in a Manhattan bank bathroom.

INT. BANK OF AMERICA LOBBY - CONTINUOUS

JAMIE
Look, there really could be something here. I just want to run the numbers before we call Ben.

CHARLIE
Of course, we always run the numbers.

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 he 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

Quaint streets await houses.

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. He 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.

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?!

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

Wonder 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 <u>10 FOOT ALLIGATOR emerge and submerge</u>.

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 Steve, 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.

DAVID
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.

Jeffrey Goldblatt (51) and JOHN BLAINE 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. Goldblatt. Mr. Blaine. Hey, there.

They enter Mike's office, shut the door.

ANALYST #2
Was that Jeffrey Goldblatt? Holy shit.

INT. MIKE'S OFFICE - DAY

Jeffrey sits. John stands. They're angry. Yet, Mike, in T-shirt with no shoes, doesn't seem to even register there's any emotion here at all.

JEFFREY GOLDBLATT
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.

JEFFREY GOLDBLATT
Actually, no one can see a bubble... that's what makes it a bubble.

MIKE
That's dumb, Jeffrey. 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.

JOHN BLAINE
So, Mike Burry of San Jose, a guy with one eye and no shoes, knows more than Alan Greenspan and Hank Paulson?

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

JEFFREY GOLDBLATT
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. Jeffrey changes tack.

JEFFREY GOLDBLATT
How big's your short position?
Right now?

MIKE
It's 1.3 billion.

JEFFREY GOLDBLATT
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.

JOHN BLAINE
It's the same thing!

Jeffrey raises a finger to ask his partner for restraint.

JEFFREY GOLDBLATT
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.

JOHN BLAINE
Says you.

JEFFREY GOLDBLATT
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.

JEFFREY GOLDBLATT
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--

JOHN 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 <u>very clear.</u>

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

JEFFREY GOLDBLATT
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!

JOHN BLAINE
What?

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

JEFFREY GOLDBLATT
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

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

MUSIC: 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.

Steve'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.

STEVE
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.

EXT. PARKING LOT - REAL ESTATE OFFICE - DAY

Everyone climbs out of the SUV.

STEVE
A lot of homeowners seem pretty motivated.

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

STEVE
Let me talk to my wife.

YOUNGER AGENT
This market won't last.

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

INT. HOTEL BAR - SOUTH BEACH - DAY

A HIP YOUNG MAN
Bitch better like me, I sent her to Cabo.

The bar's empty save Steve, 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 finance companies. We're here trying to understand the residential mortgage business.

The brokers just nod, glad to be part of the conversation.

STEVE
How many loans do you write each month?

BLACK
It's about 60.

Maroon nods. *Me, too. Almost.*

STEVE
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.

STEVE
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 NINA loans. No Income. No Assets. 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
It's a liar's loan. 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."

STEVE
Your companies don't verify?

BLACK
If I write a loan on Friday afternoon, it's securitized by Monday lunch.

STEVE
Can you two hold on a second?

INT. HOTEL LOBBY - SECONDS LATER

Eyeing the brokers, Steve whispers with Porter and Danny.

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

DANNY
That's not confessing.

PORTER
They're bragging.

INT. HOTEL BAR - DAY

Steve takes an ottoman right in front of the brokers.

STEVE
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.

Steve starts to say something, then turns to Black.

STEVE
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 Steve consider punching this punk. The last thing they expect is...

STEVE
Can you introduce us?

INT. ALCOVE - VIP ROOM - STRIP CLUB - NIGHT

MUSIC: SEXYBACK by JUSTIN TIMBERLAKE

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

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

STEVE
You tell the mortgage company what you do?

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

STEVE
Always?

DANCER
Only in the VIP.

STEVE
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.

STEVE
But prices have leveled off.

DANCER
Yeah, there's a gully.

STEVE
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.

STEVE
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 50 or 60 percent!

DANCER
Kevin says I can always refinance.

STEVE
He's lying. Actually, in this particular case, Kevin's probably just wrong.

DANCER
Sixty percent? On all my loans?

STEVE
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, Steve strides ahead of Porter and Danny.

STEVE
Get the mortgage exposure and leverage ratio of every large cap financial institution--
(into his phone)
--Hey, there's a bubble.

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

STEVE
Trust me. Call Lippmann. Buy 50 million in swaps on the CDO...

Danny holds out the offering doc.

STEVE (CONT'D)
...Monterey IV. Triple B.

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

STEVE
Yeah. It's time to call bullshit.

VINNY (O.S.)
Bullshit on what?

STEVE
Everything.

INT. PRIVATE JET - DAY

Greg and Two Colleagues are parked on a tarmac and play Playstation on the plane’s gargantuan TV.

GREG
(on his cell)
Is this America's angriest hedge fund?

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

GREG
Starting to believe my own hype.

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

INT. TRADING DESK - FRONTPOINT OFFICE - DAY

Vinny on the phone.

VINNY
How are you fucking us?

Greg cackles.

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

GREG (O.S.)
Hold on.

EXT. TARMAC - MOUNTAIN AIRPORT - SWITZERLAND - DAY

It's beautiful. Greg steps off a G-V to speak privately.

GREG
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.

GREG
Anytime.
(then)
What's it gonna be? You wanna make a market?

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

He disconnects, punches air. His casual pose evaporates.

MUSIC: FEEL GOOD INC by GORILLAZ plays us into the next scene.

INT. KENNEDY AIRPORT TERMINAL - DAY

BEN HOCKETT (36) rides the walkalator wearing a flu mask.

APRIL 2006

464 days until the collapse

BEN (O.S.)
I lie awake every night afraid. With a shot-gun under my bed. I have eight water barrels in my garage, left over from Y2K, which my wife wants to sell on eBay. I won't let her.

He passes an Asian man also wearing a flu mask, salutes his comrade-in-fear. The man stares back confused.

BEN (O.S.) (CONT'D)
I keep a spread sheet with every danger my home could conceivably face...

INT. CORNWALL OFFICE - GREENWICH VILLAGE - DAY

A brick loft. Two desks. A sad courtyard.

BEN (CONT'D)
...even I didn't imagine this.

Ben holds a bootleg copy of GREG'S PRESENTATION. Charlie and Jamie wait anxiously for his verdict.

CHARLIE
So this guy Lippman's not wrong?

BEN
No.

CHARLIE
Yes!

JAMIE
How about the mortgage bonds we picked to short?

There are offering documents scattered all over the table.

BEN
Brilliant. Worthless. They're all shit.

CHARLIE
Jamie Mai, Ladies and Gentlemen.

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

CHARLIE
Sue me, I'm Jewish. We just looked for CDO's with a high percentage of subprime bonds.

JAMIE
That's our favorite. Pine Mountain.

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
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)

JAMIE (CONT'D)
Let’s get grotesquely rich. Come on, it’ll be fun.

BEN HOCKET
Oh this won’t be fun.

Ben's tone is less than definite, he's clearly tempted.

BEN
I'll call Deutsche Bank.

Charlie and Jamie share a covert high five.

CHARLIE
Thank you.

A beat. They all ponder the tantalizing offering docs.

CHARLIE (CONT'D)
Bear has some reprehensible product.

BEN
Okay. Bear will trade with anybody.

Silent air pumps.

INT. LOBBY - DEUTSCHE BANK - DAY

Charlie and Jamie sign an ISDA CONTRACT in the lobby.

Ben waits over them. Noah takes the contract.

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

BEN
Thanks, Noah. Thank Greg for us.

Charlie and Jamie stand. Noah goes. The boys exchange an unsure look. *What now?* Ben gestures to the exit.

JAMIE
You know, just once in my life, I'd like to see the <u>inside</u> of an investment bank.

CHARLIE
Now what’d we do?

Ben doesn’t break stride.

BEN HOCKET
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. TIMES SQUARE - MORGAN STANLEY BUILDING - DAY

An electronic scroll on the side of Morgan Stanley reads:

Mortgage Delinquencies Hit New High

January 11, 2007

375 days 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....

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

STEVE
Hello! Vinny Daniel please!

A CAB STOPS, he gets in.

STEVE (CONT’D)
The Morgan Stanley building. Fast.

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

STEVE
Vinny! Did you see?

INT. FRONTPOINT OFFICE - DAY

Vinny is walking through the Front Point offices. Danny, Porter and the rest of the staff are on the phones.

STEVE (V.O.)
Mortgage defaults are at 4.67 percent! Is anybody jumping off buildings?

VINNY
Why would they? Subprime bond prices are up.

STEVE (V.O.)
What?!

Porter turns over his shoulder from his desk.

PORTER
Lippmann is asking for more collateral on our swaps!

STEVE (V.O.)
What the hell's going on?!

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

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

VINNY
They want another 2 million by market close.

STEVE (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.

INT. CAB - SAME TIME

STEVE
Motherfuckers!

The West African CAB DRIVER looks over his shoulder.

CAB DRIVER
Is everything okay sir?

STEVE
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 DANIEL (V.O.)
That’s not all Steve...

INT. TINY SIDE OFFICE - FRONTPOINT - DAY

Vinny peers into their Conference Room, where there are TWO RISK MANAGERS. Standing at the head of the table is a very pregnant, Zoe Cruz.

VINNY
The Morgan risk guys are here. They
called in Zoe Cruz. They're trying
to convince her to make us to sell
our swaps.

He leans over the desk of their DELIGHTED BOOKKEEPER.

VINNY (CONT'D)
Apparently, tying up 6
years of insurance payments in
hopes of housing Armageddon is not
good investing.

STEVE (O.S.)
What'd Zoe say?

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

INT. CAB - DAY

Steve on the phone.

STEVE
When she leaves, go back in and
very calmly, very politely, tell
the risk assessors to fuck off.
(MORE)

STEVE (CONT'D)
Then meet me over at Standard and Poors. Let's go talk to Ernestine Warner. She still likes me from our Oppenheimer days.

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!

STEVE
You want a job?

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

He drives crazy fast through traffic.

INT. CONFERENCE ROOM - DAY

Vinny enters. The risk managers go silent.

VINNY
(calmly, politely)
Steve 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 six working analysts. The rest of the desks are empty.

Michael walks into his office closes the door and yells.

MICHAEL BURRY
Fuuuuuuuck!!!!!

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

WIFE (V.O.)
Michael?

INT. MICHAEL BURRY'S HOME - DUSK

Michael is watching Business News on the TV while his WIFE, pretty and direct, tries to talk to him. It's a SUBPRIME LOAN COMPANY CEO being interviewed.

SUBPRIME CEO (SOT)
Yes, there's been an up tick in defaults but it's well within our models.

WIFE
Michael.

SUBPRIME CEO (SOT)
In fact, our profits this quarter are up 11%. 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.

NICHOLAS
(listing parts of the crane)
Hoist rope, lattice boom, upper sheave...

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!

Michael kisses Nicholas on the head.

INT. SMALL OFFICE - RATING AGENCY SURVEILLANCE DEPT - DAY

ERNESTINE
I can't see a damn thing.

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

ERNESTINE (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 Steve and Vinny wait.

ERNESTINE (CONT'D)
Alrighty. So. FrontPoint Capital 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.

ERNESTINE
Well, delinquency rates have people worried, but they're actually within our models.

STEVE
Models provided by the issuers?

ERNESTINE
These are very large banks that care a great deal about their reputations.

STEVE
They care a lot more about their bonuses.

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

STEVE
You're wrong.

ERNESTINE
Then they'll go bankrupt. The marketplace is ruthlessly efficient. <u>It</u> is never wrong.

Steve considers this old saw a moment.

STEVE
The CDO bonds rated triple A, you're absolutely convinced they're safe, money good?

ERNESTINE
That's our opinion, yes.

STEVE
Here's what I don't understand: if there's no risk, why are people getting rich? In credit markets, high yield means high risk? Market prices say these bonds are risky, but your ratings say they're safe. Who's wrong this time? The market? Or you?

She's inscrutable behind her sunshades. But the fact she doesn't argue tells us he's shaken her confidence.

ERNESTINE
We believe our ratings will prove accurate.

STEVE
Have you checked? Have you cracked the tape, analyzed individual loans in the bonds?

ERNESTINE
We can't do that.

STEVE
Why not?!

ERNESTINE
The banks won't give them to us.

STEVE
Demand them! Who's in charge here?! You rate the bonds! Tell the damn banks to give you the goddamn tapes! Don't listen to their--

ERNESTINE
They'll go to Moody's.

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

ERNESTINE (CONT'D)
If we don't work with them, they'll go to our competitors. They ratings shop.

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

STEVE
You can afford to make less. Make less.

She takes her glasses off. Her eyes are watery, dilated.

ERNESTINE
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.

STEVE
(quietly)
That doesn't make me wrong.

ERNESTINE
No, it just makes you a hypocrite.

INT. SUBWAY - DAY

Vinny watches Steve as they ride back uptown in a crowd. He's rattled.

VINNY
(checks his blackberry)
Lippmann's coming to the office at 3.
(then)
You okay?

Steve nods.

STEVE
Short the rating agencies.

INT. CORNWALL CAPITAL NYC LOFT - DAY

Charlie and Jamie are climbing the walls. Ben Hocket reads a book entitled "The Upcoming 6th Great Extinction."

JAMIE
It makes zero sense! Mortgage delinquencies go up yet the CDOs get more valuable?

CHARLIE
It's rigged. It's gotta be. We're screwed. We bought into a rigged game.

BEN HOCKET
Having fun yet?

Beat.

CHARLIE
I think we should buy more swaps.

JAMIE
What?!

BEN HOCKET
No way. <u>No</u>.

INT. FRONT POINT CAPITAL - SAME TIME

Greg Lippmann is seated in the conference room. Steve, 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.

GREG LIPPMANN
You guys done?

DANNY
Yeah. I think so.

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

GREG LIPPMANN
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 the toast is burning and you're surprised?

STEVE
This isn't stupidity, this is fraud.

GREG LIPPMANN
Hey, if you can tell me the difference between stupid and illegal I'll have my wife arrested.

Danny laughs. Everyone glares at him.

DANNY
I'm sorry. That was funny.

GREG LIPPMANN
I just don't think you guys realize how clueless the system is. 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 DANIEL
Not me.

GREG LIPPMANN
Okay, except Vinny.

INT. CORNWALL CAPITAL NYC LOFT - SAME TIME

Charlie is pleading to his case. Ben and Jamie are more than skeptical.

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 HOCKET
Sounds like we need to go to Vegas.

JAMIE
Vegas?

INT. FRONT POINT CAPITAL - SAME TIME

GREG LIPPMANN
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:

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

MUSIC: TOUCH IT OR NOT by CAM’RON kicks in as soon as the statues move.

INT. MAIN CASINO FLOOR OF THE VENETIAN - DAY

QUICK SERIES OF IMAGES: 1) Cash being exchanged for chips 2) A bank of security monitors with SECURITY TECHS watching the tables 3) A SEXY WAITRESS serving drinks with a tattoo of her baby daughter on her calf 4) A RETIRED MARINE pissing into a plastic bottle so as to not lose his slot machine.

INT. TRADE SHOW FLOOR - VENETIAN HOTEL - 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.

BEN HOCKET
And if a bond is “rich” it is...?

CHARLIE
Loaded with assets?

JAMIE
Loaded with high cost risk.
(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 get somebody to sell us a swap, before they all learn how obscene this deal is. Or for someone to tell us we’re wrong.

BEN
Yes. But try and fit in. Use the crazy jargon and don’t come off too excited. I got you a meeting with Bear Stearns.

JAMIE
Really? That’s great.

CHARLIE
Well alright. Where?

Steve, Vinny, Danny and Porter enter and cross past the Cornwall Guys.

STEVE EISMAN
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 DANIEL
It’s like someone hit a pinata filled with white people who suck at golf. Who are all these people?

STEVE EISMAN
This is who we’re betting against.

Lippmann approaches the group with his young assistant, Noah who hands out room keys.

GREG LIPPMANN
Hello gentlemen. Noah has your room keys. I trust your travel was uneventful?

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

GREG LIPPMANN
They'll be plenty of face time. But remember, we're here to gather info, not advertise our short position so there's no more deals to be made. Got it?

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

GREG LIPPMANN (CONT'D)
Seriously. Steve, you've got a very loud mouth. Can you muzzle it for a few days?

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

GREG LIPPMANN
Yes.

VINNY DANIEL
Don't worry. We'll be good little boys.

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

RICH GUYS 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... <u>awesome</u>!

RICH GUY
Reload, Cornwall. Ammo's on the bank.

CHARLIE
Hey can we talk to you about shorting more housing bonds?

RICH GUY
This is a work meeting. That means Bear Stearn’s pays for it. So we don’t talk about work!

The guy fires an AK-47 AT A BLACK ASSAILANT TARGET. SCREAMING WHILE DOING SO.

RICH GUY (CONT’D)
Get some! Hoo-rah!!

CHARLIE
(to Jamie)
I think this is useless.

Jamie checks his cell.

JAMIE
Let’s go. My friend from college who works at the SEC is in town. If we’re wrong she can tell me.

INT. GIANT BALLROOM - SAME TIME

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

DANNY
Option One is the mortgage company last year that took a pretty big loss on 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 DANIEL
Who takes a mortgage if they can't make the first payment?

STEVE
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%.

Steve raises his hand.

VINNY DANIEL
(whispers)
Hey Stevie, this isn't a Q and A...

Steve juts his hand up even higher.

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

STEVE
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.

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

STEVE
<u>Zero</u>! There is a zero percent chance your subprime losses stop at 5%!

His phone rings.

STEVE (CONT'D)
Excuse me, I have to take this!

He gets up and leaves while answering his phone.

STEVE (CONT'D)
Hey honey... You're just calling to say hi? Well that's so sweet.

Steve walks past Lippmann, patting him on the shoulder. Greg flips him off and then looks to camera.

GREG LIPPMANN
The fucker really did this.

CUT TO:

INT. SCION OFFICE - SAN JOSE - DAY

CU OF EMAILS:

"Withdrawing money end of the month"

"I want my money back"

"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? I have to sell off some more of our position to cover the premiums on our swaps.

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.

INT. CONVENTION FLOOR - DAY

Charlie is working the floor and having no success. He talks to a MERRIL REP at the Merril Lynch Booth.

CHARLIE
Can you make us a market on a single name double BB? If your marks aren't too rich with midprime?

MERRILL REP
You sure you know what you're doing buddy?

Ben steps in and pulls Charlie away.

BEN HOCKET
Let me do the talking.

The BEAR STEARNS BOOTH. Ben covertly speaks with the Rich Guy from the shooting gallery. A few meters away, Charlie jokes around with a SECOND BEAR REP.

RICH GUY/BEAR REP
Just because I got them an Isda, doesn't mean I'm ready to trade with them.

THIRD BEAR REP
Hey! It's the Cornhole gang!

His colleagues wave him off. *It's not their real name!*

CHARLIE
(hits him)
Oh. When people call us Cornhole it's not a mistake. It's an insult. Okay.

EXT. POOL SIDE - SAME TIME

Jamie in polo shirt and shorts is talking to a bookish but pretty college friend who works at the SEC, EVIE, 32.

EVIE
I can't believe you got into finance Jamie. I always thought you'd... I don't know. Be a host at a restaurant or something.

JAMIE
Well, actually we're about to invest in housing bonds and I wanted to know if the SEC is 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.

JAMIE
But you're supposed to police those banks.

EVIE
Grow up Jamie. 90% of the people at the SEC are just there to get better jobs.
(she sees someone)
(MORE)

EVIE (CONT'D)
Hey Brad!
(then to Jamie)
He’s at Goldman.

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

BRAD
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 won’t trade with us anymore. They call us Cornhole behind our backs.

BEN HOCKET
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 HOCKET
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 HOCKET
People wanted small government, they got it.

They eat for a beat, defeated.

CHARLIE
Wait a minute... We need a deal they can't refuse, right? What if we bet against the AAA rated bonds? Who wouldn't make that deal?

BEN HOCKET
Come on Charlie. AAA is so safe they don't 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 upper tranches are affected. We also know the ratings agencies and the SEC are asleep at the wheel. I bet those AAAs 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 on the AAA. With that kind of risk/reward we'd be fools not to do it.

Ben looks at the returns on AAA swaps.

BEN HOCKET
Just when I start thinking you guys are clowns you do something brilliant. No one on the planet is betting against AAA. 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 Eisman didn't imagine the AAAs could fail.

MUSIC: US v THEM by LCD SOUND SYSTEM

MONTAGE OF CHARLIE, JAMIE AND BEN MEETING DIFFERENT BANKS OVER DRINKS, DRIVING RANGE, LUNCH, BLACKJACK.

GOLDMAN REP
I don't understand, you want to bet against AAA?

BEAR STEARN REP
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 HOCKET
No angle. We want 10 million in swaps against AAA housing.

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.

As they get AROUND A CORNER, CHARLIE AND JAMIE SILENTLY CELEBRATE AND EVEN DANCE A BIT. But Ben tells them to cool it.

BEN HOCKET
Do you even know what you just did?

CHARLIE
Yeah, we made the deal of our careers.

BEN HOCKET
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...

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

JAMIE
We were just excited...

BEN HOCKET
Just don't fucking dance. Okay?

He walks off.

CHARLIE
I’m sorry.
(then to Jamie)
Jesus. I didn’t know it could be that bad for the country. I just got scared. Are you scared?

JAMIE
I’m always scared.

INT. OKADA RESTAURANT - WYNN HOTEL - NIGHT

MUSIC: Traditional Japanese string version of LIONEL RITCHIE’S EASY

A tranquil waterfall out of plate glass windows.

GREG LIPPMANN (V.O.)
No more bullshit Eisman. Just promise me. Or I call off the dinner. And trust me, this is the one person you want to talk to.

STEVE (V.O.)
Okay, okay. So who is this guy?

Steve sits at a teppanyaki island with a dedicated CHEF. His dining partner is MR. CHAU (50), Chinese-American, an expensive suit, albeit one designed for someone thinner.

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

Chau has the bored confidence of a bureaucrat. Steve sucks on an edamame he keeps poking in the communal soy sauce.

STEVE
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.

Steve glances through hibachi steam to see Greg... raising his beer. *Meet your counter-party. Meet the sucker.*

STEVE
I see. So... who's long on this stuff?

MR CHAU.
Dusseldorf. Pension and healthcare funds. Anyone required to make only triple A investments.

STEVE
And you represent investors or the bank?

MR. CHAU
The investors.

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

MR. CHAU
Naturally.

Steve can't tell if Mr. Chau is being naive or just arch.

STEVE
Are you worried about rising default rates?

MR. CHAU
I assume no risk for these products myself. The bank lends me the money to buy a piece.

STEVE
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.

STEVE
20 minutes away.

MR. CHAU
5 if we use a helicopter.

Across the restaurant... Vinny, Greg and Danny nervously watch Steve huddle with Mr. Chau. Steve's animated, speaking too loudly, causing a scene, forgetting his promise.

STEVE
Say that again! Say that again!

GREG LIPPMANN
Uh-oh. Your boss is about to explode.

VINNY DANIEL
He's too curious to explode.

Ignoring his food, Steve scribbles furiously on a napkin.

STEVE
CDO A has parts of CDO B and CDO B has parts CDO A, but then both get put inside CDO C?

MR. CHAU
That one's called a CDO Squared. It's made up of pieces of other CDOs and the opposite side of the bet you made with your swaps. We call them all synthetic CDOs.

STEVE
"Synthetic CDOs?"

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

Another paper napkin slaps the counter.

STEVE (CONT'D)
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?! Right now?! Tonight?!

MR. CHAU
A billion dollars.

STEVE
What?!

Mr. Chau shrugs.

STEVE (CONT'D)
How much bigger is the market for insuring mortgage bonds than actual mortgages?!

MR. CHAU
Twenty times?

Steve Eisman is dumbstruck.

We FREEZE on his disoriented expression.

GREG LIPPMANN (V.O.)
If the flawed bundled mortgage bonds that Michael Burry discovered were the match. And the CDOs Eisman and Ledley and Mai 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 Steve Eisman realized the whole world economy might collapse. And I'm sure you must be wondering one thing: what the hell is a "synthetic CDO?"

INT. CASINO FLOOR - NIGHT

BEYONCE SITS AT A BLACK JACK TABLE.

BEYONCE
Hey. I'm Beyonce. Here's how a synthetic CDO works. Let's say I make a bet of fifty million on a black jack hand... That's the initial mortgage bond.

She is dealt a Jack and an 8. The dealer shows a 7.

BEYONCE (CONT'D)
I have an 18 and the dealer is showing a 7. So the odds are very much in my favor.

DEALER
I'm a big fan by the way.

BEYONCE
Thank you.
(back to the explanation)
(MORE)

BEYONCE (CONT'D)
Now my husband likes my odds so he makes a bet with someone else that I will win. That bet is in a totally different CDO.

We see JAY Z standing behind her. He turns to a BUSINESS MAN.

JAY Z
Hey man. My wife has an 18 versus a seven showing for the dealer. I bet you 50 million she wins and I'll give you three to one odds.

BUSINESSMAN
You're Jay Z, so yes.

BEYONCE
Then someone behind him decides to bet on my husband's bet with someone else. That's 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 Jay Z wins that bet.

OLD WOMAN
He probably will so I want a great pay off.

GUY IN GAME JERSEY
How about 20 to 1.

OLD WOMAN
Deal.

BEYONCE
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...

We see a LONG LINE OF PAIRS OF PEOPLE making bets that stretches behind Beyonce at the table down the hall and around the corner and out of the casino.

BEYONCE (CONT'D)
And then the dealer plays.

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

JAY Z
Aw come on!

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!

BEYONCE
One bet and one loss leads to a billion other dollars being lost. And those losers? Lots and lots of banks that have your pension, 401K, mortgage, savings and that provide credit to businesses... where you work. Crazy shit, huh?

JAY Z
It's a hard knock life.

BEYONCE
Baby shh.

JAY Z
Okay.

INT. OKADA RESTAURANT - CONTINUOUS

UNFREEZE EISMAN AND MR. CHAU. All Steve can think to do is stand and collect his things.

STEVE
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. Not so. America is very simple, Mr. Eisman. We put a monetary figure on everything. You want to know who society truly values, look at their income. 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.

Steve looks straight in the face of everything he hates.

STEVE
I don't think you're a parasite, Mr
Chau.
(sincere)
I think you're an idiot.

Steve walks away and past Greg and the guys.

STEVE (CONT’D)
Short everything that guy has
touched.
(he walks away)
I want half a billion more in
swaps!

GREG
The collateral calls could bankrupt
you.

STEVE
Yup!

VINNY DANIEL
Stevie, where you going!

STEVE
To somewhere with a shred of
morality. The roulette wheel.

DISSOLVE TO:

EXT. VENETIAN HOTEL - THE NEXT MORNING

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.

MUSIC: METAMORPHOSIS TWO by PHILLIP GLASS

Charlie, Ben 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 Steve, Porter, Danny and Vinny walk out. Steve 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, Brad, leaving together. They kiss and then he gets in a Range Rover and she gets in a cab.

EXT. UPSCALE CLOTHING BOUTIQUE - "EDIT NEW YORK" - DAY

Steve struggles to pull his bag out of a taxi's trunk.

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

INT. BOUTIQUE - DAY

The Eisman's are in an elegant and isolated seating area in Valerie's upscale clothing boutique.

STEVE
Yeah.

VALERIE
What's wrong? What happened?

STEVE
Things are worse than I thought. I honestly think the economy might collapse.

VALERIE
Really?

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

VALERIE
Define fortune.

STEVE
It could be over 200 million, Val. Maybe more.

She had no idea. An ASSISTANT approaches, sees Val's busy and retreats. They lower their voices, lean closer.

VALERIE
On one trade?! How is that even possible?!

STEVE
Group think. Fraud. Legalized corruption. Stupidity.

VALERIE
And you're feeling guilty about it?

STEVE
Of course. Money warps people. It infects your kids. I've met some delusional and awful people lately.
(a beat)
I just don't want to lose who we are. I don't think I'm guilty Val. I'm scared.

She just listens.

STEVE (CONT'D)
There's also something... it's about Max.

He's asking permission; this is a very delicate topic.

VALERIE
Okay.

STEVE
Everybody in our world gets a night nurse. Especially if your child has a fever and the parents have to work. It's what responsible new parents do. 300 dollars a night? No problem. But 300 dollars is a lot of money for 99% of the world.
(it's coming out)
I sometimes think if our life was somewhere else, more modest maybe, he'd have been sleeping with one of his parents that night. And nothing bad would have happened to him. No one needs to be as rich as we are. It's wrong. And sometimes I feel like our child died because of it.

Silence.

STEVE (CONT'D)
Does it bother you, that I feel that way?

VALERIE
No. You can't name a recriminating scenario that doesn't play in my head every day
(a beat)
But I it bothers me that you're so certain you're right. Because you're not.

She looks right into his soul.

VALERIE (CONT'D)
You love to know more than other people. To be the virtuous one. You always have Steve. As though you're untainted and we're all the filthy masses clawing at Noah's arc. But the truth is... you're a banker. A banker who makes more than he should. A banker who along with his wife hired a nanny and then a terrible, terrible thing happened. 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. So stop trying to fix the world and just feel the feelings like all of us. Because they're there. And when you act like they're not it makes me want to scream.

Steve is speechless.

STEVE
(tears up)
He was just a little baby... There's no way something like that happens... Something has to be wrong...

VALERIE
There's nothing we could do.

They both sit there holding hands.

VALERIE (CONT'D)
Nothing.

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...atriculated 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?

INT. KITCHEN - 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...math...math...

Mike stops reading. Sweating. Thunderstruck.

<u>A strange truth settles over his face.</u>

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. December 15, 2006."

MUSIC: METALLICA'S EYE OF THE BEHOLDER fades in.

INT. 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.
(MORE)

MIKE (V.O.) (CONT'D)
So in order to shield our exciting short position, I've decided not to allow any fund withdrawals during the next two quarters. 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 Jeffrey Goldblatt. 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) CHARLIE SHEEN cracking a joke with a loud laugh track on TWO AND A HALF MEN.

CHARLIE
See, here's the thing. I don't clean windows. I look through them.

SFX: CANNED LAUGHTER

2) BARRY BONDS breaking Hank Aaron's home run record.

ANCR (V.O.)
Last night the record finally fell! Barry Bonds is the new home run king!

3) Bob Ley interviewing Lance Armstrong.

BOB LEY
You're the best in the world. What's next for Lance Armstrong?

LANCE ARMSTRONG
Excellence isn't about winning. It's about character and family and community.

INT. CORNWALL CAPITAL 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.

JAIMIE
Holy shit. Did you see that?

CHARLIE
See what?

JAIMIE
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
It's starting.

CHARLIE
I'm going to call my Mom.

INT. FRONTPOINT OFFICE - DAY

Vinny, Danny and Porter watch Zoe, thin again, yelling at Steve 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 DANIEL
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!

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

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

Steve emerges beaten, yet hardened.

VINNY DANIEL (CONT'D)
Well?

STEVE
Zoe wants us to dump our shorts.

PORTER
What else is new?

STEVE
She says Morgan Stanley will buy them.

DANNY
What?! Holy shit. Vinny's right, the big boys know they're screwed.

VINNY DANIEL
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 Zoe?

STEVE
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?

STEVE
Hold on.

INT. CORNWALL CAPITAL NYC LOFT - SAME TIME

Charlie is getting off the phone.

CHARLIE
Alright Mom. I just thought you and Dad should know.

He hangs up and turns to Jaimie who's just gotten off the phone.

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

JAIMIE
That was Bear Stearns. They claim the CDOs haven't moved.

CHARLIE
That's insane. They're crooks.
(looks panicked)
Jeez, I can't catch my breath. I think I'm having a panic attack.

Charlie is breathing hard.

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.

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.

CHARLIE
You consider the possibility. I'm going to lay on the cold bathroom floor.

He leaves.

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 Veronica Grinstein 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. Greenblatt's suit is very specific to files from the past year.

MICHAEL BURRY
Well then tell Joel I said hi.

Burry’s PHONE rings. The caller ID is **Grinstein/Private.**

MIKE
(answering)
You can't get back to me for a whole week?

VERONICA GRINSTEIN (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.

VERONICA GRINSTEIN (O.S.)
Huh. That's weird.

MIKE
I would call it improbable. Where do you have our position marked?

VERONICA GRINSTEIN (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?

VERONICA GRINSTEIN (O.S.)
They're not correlated. I know it sounds odd but these are very complicated products.

MIKE
They are correlated, and I can prove it.

VERONICA GRINSTEIN (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?

VERONICA GRINSTEIN (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 Salem, 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:

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**

Steve 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.

STEVE
Who got the remittance data early? I bet it's Goldman.

Steve punches a blinking light.

STEVE (CONT'D)
Greg, it's chaos over here. Where are we?

INT. TRADING FLOOR - DEUTSCHE BANK - DAY

GREG
The gods have spoken. No one's buying CDO or mortgage bonds anymore. No one. Our secret's out. Swaps are now the most valuable product on the street. It's gonna get bloody Stevie. Take cover.

Steve hangs up. Everyone's looking his direction.

VINNY
And?

STEVE
The market's turned.

A long, weird beat. No one speaks. No one celebrates.

For good reason...

RECEPTIONIST
Zoe's office is looking for you.

INT. TRADING FLOOR - MORGAN STANLEY

Steve strides for a corner office. A young woman passes in tears, carrying a personal effects box and crying, newly fired.

INT. ZOE CRUZ'S OFFICE - DAY

A BREAST-PUMP on a credenza.

Steve's waiting on Zoe. Considering her Spartan office, he realizes she has no personal effects, save the pump.

Zoe Cruz enters, frazzled, scared.

ZOE CRUZ
Thanks for coming so quickly, Steve. This is extremely confidential.

He nods. She sits.

STEVE
Congratulations.

ZOE CRUZ
What?

He points to the breast pump.

ZOE CRUZ (CONT'D)
Oh. Thanks. All right. Two years ago, Howie Kafler in Morgan’s bond department also started shorting subprime housing. 2 billion in triple B’s.

STEVE
Howie's smarter than I thought.

ZOE CRUZ
Not smart enough. The premiums on the swaps ate into his desk's profit. To cover his triple B shorts he sold a lot of triple A protection. A lot. He believed there was no way AAA could be affected.

STEVE
Tell me Morgan Stanley doesn’t hold those contracts.

She frowns. They held them.

STEVE (CONT'D)
What's your exposure. 3 billion? Please don't tell me it's over 4.

ZOE CRUZ
Our long exposure is 16 billion.

STEVE
Jesus Christ! Are you fucking kidding me?!

ZOE CRUZ
He kept saying defaults over 5 percent were impossible. There'd be a million homeless.

STEVE
Zoe, 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.

INT. DINER - TIMES SQUARE - LATE NIGHT

At a window table, Steve and Vinny sit across from Porter and Danny. Tourists stream by outside, inches away.

PORTER
But we have nothing to do with Morgan Stanley!

VINNY
Tell the bankruptcy court. Morgan fails, all our accounts go on their balance sheet.

DANNY
We're stuck with <u>their</u> gambling debts?!

VINNY
Yeah.

Steve's brooding dangerously.

PORTER
You're saying, we could do everything right, disciplined, smart, and still go broke?

STEVE
Yes.

PORTER
What do we do?

STEVE
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.

STEVE
They're worth three times that.

VINNY
When it will be too late to matter.

STEVE
Forget it. I'm not giving away lifeboats.

VINNY
If Morgan goes under, we end up with noth--

STEVE
Drop it! Christ, Vin. No. No. As long as the underlying loans continue to go bad, the swaps will go up. Don't pussy out now that--

WAITRESS
(approaching)
--you boys want--

STEVE
--we're talking! Excuse us.

The Waitress is wounded. Goes. A brutal beat. No one can look at Steve.

STEVE (CONT'D)
(quiet)
I'll say when we sell.

EXT. STREETS OF CHELSEA - DAY

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.

INT. SPIN CLASS - SAME TIME

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
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!

INT. 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.

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:

EXT. THE POWDER MONKEY PUB - EXMOUTH, ENGLAND - DAY

A southern England old world pub on a wet street in a small country town.

BEN HOCKET (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...

INT. POWDER MONKEY PUB - EXMOUTH, ENGLAND - DAY

Ben has his Bloomberg terminal set up at a table, wears a fancy headset, rolls calls in sweatpants.

BEN HOCKET
This is Cornwall Capital...I'm trying to sell credit default swaps...20 double A tranches of mezzanine subprime CDOs ...Absolutely, they're all complete shit... Face value is 205 million dollars.

The PROPRIETRESS and THREE OLD ENGLISH MEN AT THE BAR pretend not to listen to the strangest conversation they've ever heard.

BEN HOCKET (CONT'D)
No, we're looking for at least 100 million.

PUB-GOER
100 million! Hey laddy, are you a drug dealer or a banker?! If you're a banker fuck off!

Everyone laughs in the pub. Now they're openly watching.

BEN HOCKET
Just give me your best number.

PUB-GOER #2
Have em throw in a million for me!

BEN HOCKET
Look, if you don't want this deal then hang up...
(they don't hang up)
That's what I thought...

EXT. CORNWALL OFFICE - EARLY MORNING

Charlie and Jamie stand around Charlie's SPEAKER PHONE.

CHARLIE
Okay. Eighty million. Okay. That's good.

JAMIE
Eighty's great, Ben.

BEN (O.S.)
Most of it went to UBS. You're very lucky. The largest bank in France froze customers money market accounts today.
(MORE)

BEN (O.S.) (CONT'D)
This thing's hitting Europe. I hope we can make it home.

CHARLIE
You will. Call us when you land.

They say good-bye and hang up. Charlie and Jamie aren't particularly happy, but they do seem relieved.

JAMIE
Eighty million in 6 months. From just 110 thousand 3 years ago. That's not bad.

CHARLIE
I want nothing more to do with these people.

JAMIE
Yeah. Yeah, me too.
(half beat)
But we have to short Bear Stearns.

CHARLIE
Of course.
(realizing)
Oh, crap, where are we gonna put the money we made?

DISSOLVE TO:

INT. AUDITORIUM - DEUTSCHE BANK HQ - DAY

Dark. Elegant. A well-heeled crowd of 200 INVESTORS.

March 14, 2008

GREG LIPPMANN (V.O.)
As the housing markets and banks continued to hemorrhage only one of the big shorts refused to sell: Steve Eisman. So it was beyond perfect when he was asked to speak at a conference opposite Bruce Miller, a well known bullish investor. After he and Steve had their debate, Alan Greenspan, one of the architects of the whole crisis was to speak. Everyone in Steve’s office showed up and even invited friends.... This was Ali versus Foreman of the financial world...
(MORE)

GREG LIPPMANN (V.O.) (CONT'D)
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 Steve Eisman.

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. Eisman.

STEVE
I gotta stand for this.

Wholly uninvited, Steve takes his mic to the podium.

STEVE (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 it’s way to decimating the world economy.

BRUCE MILLER
How do you really feel?

The crowd laughs.

STEVE
I’m glad you still have a sense of humor. I wouldn’t if I were you.
(back to the crowd)
(MORE)

STEVE (CONT'D)
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.

STEVE
We’re living in an era of fraud in America. Not just in banking. But in government, food, religion, journalism, prisons, baseball... Even for profit colleges are now ripping people off. 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!**

STEVE (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!**

STEVE (CONT’D)
I guess 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.

STEVE (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.

STEVE (CONT'D)
That's my two cents. Thank you.

Steve 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)
From the time you guys started talking, Bear Stearns stock has fallen more than 20 percent. Would you buy more now?

THE BULL
(unsure)
Sure. Yeah. I'd buy more. Why not?

Awkward silence.

Steve whispers into his mic...

STEVE
Boom.

<u>Steve watches the whole room scramble for the aisles.</u>

INT. BACK HALLWAY TO AUDITORIUM - DAY

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...

INT. AUDITORIUM - DAY

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:

EXT. TIMES SQUARE - PRE-DAWN

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 DANIEL
Steve! 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 DANIEL
Hello, we need an ambulance, now!

INT. LEHMAN LOBBY - 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 DANIEL
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
Steve, finally!
(answering)
Hey, it's a bloodbath up here.

INT. STEVE'S MERCEDES - WESTSIDE HIGHWAY- SAME TIME

Steve's vehicle is new yet a disaster, like his suits.

Vinny's on the CAR'S SPEAKER.

VINNY (O.S.)
Word's out. Morgan's stock has lost half its value. Down to 23.10.
(MORE)

VINNY (O.S.) (CONT'D)
Clients are wanting to talk to you about pulling their money.
(then)
It's now or never. We gotta sell Stevie.
(silence)
Hello?
(nothing)
Steve?!

STEVE
Yeah.

CLOSE on STEVE. 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. 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. 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.*

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
(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. TARGET DEPARTMENT STORE - DAY

The analyst David from Michael Burry’s office is stocking fans in a Target.

MIKE (V.O.)
Last week, I had to go to the hospital with elevated blood pressure. And my son is genuinely surprised to see me the rare times I’m home...

INT. QUEENS APARTMENT - NIGHT

The Nigerian Cab Driver that drove Steve looks at his 401K. It says -83,540 dollars. Leaving only 26k.

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 stock positions for Scion Fund.

He circles it. Then walks out.

INT. TRADING FLOOR - DEUTSCHE BANK - DAY

Inscrutable, Greg considers a BONUS LETTER on his desk. He talks to camera.

GREG LIPPMANN
(to camera)
Yeah Burry, Eisman, and the Cornhole gang made a ton of money. But they didn't care about the money. That's why they were able to see the crash before anyone else. Me, I just saw a great deal...

His bonus for 2008 is **$47,000,000.**

GREG LIPPMANN (CONT'D)
Hey I never said I was the hero of this story.

He kisses the check.

INT. STEVE'S CAR - DAY

Steve as before, quiet, talking to Vinny via CAR SPEAKER.

MUSIC: THE TWINS by MAX RICHTER fades in slowly

VINNY (O.S.)
Steve!? At least tell me what you're thinking.

STEVE
Paulson and Bernanke just left the White House. There's going to be a bailout.

Steve's voice is full of masked emotion, quiet, resigned.

VINNY (O.S.)
You're serious?!

STEVE
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.

STEVE
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.

GREG LIPPMANN (V.O.)
But Steve was wrong. In the years that followed 100's of bankers and rating's agency executives went to jail. The SEC was completely overhauled.

MONTAGE OF REFORM IMAGERY: 1. HEARINGS AT CONGRESS. 2. THE DODD/FRANK BANKING REFORM BEING SIGNED, 3. BANKERS BEING PERP WALKED IN HANDCUFFS.

GREG LIPPMANN (V.O.)
And Congress had no choice but to break up the big banks and regulate the mortgage and derivatives industries.
(Beat)
Just kidding.

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.

GREG LIPPMANN (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. And when all was said and done, only <u>one single banker went to jail</u>.

PICTURE OF THE ONE BANKER WHO WENT TO JAIL.

GREG LIPPMANN (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...

INT. STEVE'S CAR - CONTINUOUS

Steve silently looks out the window, still on the phone with Vinny.

VINNY DANIEL (V.O.)
Steve?
(beat)
Can we sell now? The fund'll make almost a billion dollars... You'll clear 200 mill Steve.

STEVE
You know once we sell we're just like all the rest...

VINNY DANIEL (V.O.)
No we're not Steve... We didn't prey on people's dreams of owning a home... They did. And now we can kick em in the teeth.

STEVE
A billion dollars...

VINNY DANIEL
That's right. But we've got to sell or it could be zero. It's now or never. It really is.

Long beat.

STEVE
Okay... Sell it all.

The Big Short

MUSIC: ORCHESTRAL THEME.

And then over black...

"Charlie Ledley and Jamie Mai attempted to sue the ratings agencies but were laughed out of all law offices. Jamie still runs Cornwall with Ben Hockett but Charlie left to pursue social causes."

"With the money he made Steve Eisman donated large sums to a charity dedicated to helping people leave the Orthodox religion. He wife Valerie says Steve actually became gracious after the collapse and never said "I told you so" to anyone."

"Michael Burry contacted the government several times to see if anyone wanted to interview him to find out how he knew that 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. He no longer invests other people's money."

END.