THE AUTUMN OF THE I-BANKER

STRIPPED OF THEIR SUPERPOWERS, WALL STREET'S WOUNDED ACTION HEROES HAVE BEEN REDUCED TO WORKING FOR THE GOVERNMENT—OR NOT AT ALL. THE MERITOCRACY WASN'T SUPPOSED TO WORK THIS WAY.

BY **VANESSA GRIGORIADIS**

EVERY WEEKDAY morning during the past decade, this trader—blond, handsome, forties—would take the 6:15 A.M. bus from his spread in New Jersey to Manhattan, then hop a cab to his office at an investment bank in midtown. Eventually, he would own five cars, including a Mercedes, a Jeep, and a Porsche—he maintained the Porsche in top condition, driving it about 1,000 miles a year—but he still preferred the warm cocoon of the bus, to calm his mind before he went to war. For five years, he was the head of a subprime-mortgage trading desk at a major bank. By 2007, the bank was forced to take tens of billions in write-downs from this business, $300 million of which occurred directly under him. "You could say that my losses were a rounding error," he says, with a weak smile, over hot chocolate at Starbucks in a mall near his house. He is ambivalent about this career history. "I've started to take sleeping pills over the past year and a half," he says. "You know, if I don't take my pills, I don't sleep." He sips from the white paper cup. "But I take my pills, and I sleep fine."

He looks good. He has a fine head of blond hair that he wears in prep-school dishabille, a calm tone of voice, and a fit physique, the product of active hob-

Photographs by Antonin Kratochvil

bies—surfing, skiing, shooting guns, and golf—as well as taking some time off to recover mentally from racking up millions in losses. He used to receive a bonus of $2 million a year ("In fact, you could argue, on the basis of my P&L, I was underpaid," he says), which isn't quite enough to retire forever. At least, he does not feel that way. "I've been poor, and trust me, I'm no fun to be around when I'm poor," he says. "At first, I wanted to make twice my age as a salary, then five times, then ten times. Then it started to turn into a stupid conversation." He graduated from business school in 1991, living off double coupons with his hometown sweetheart, and started at Salomon Brothers the following year, quickly working his way into the mortgage-finance group. Solly ruled the mortgage-backed securities market until the savings-and-loan scandal. In 1996, they wanted back in. They sent young bucks like him to Newport Beach, California, to package bonds from a new, dangerous beast: subprime-mortgage brokerage houses, which originated loans to consumers with bad credit. They were popping up throughout Orange County, in black-mirrored high-rises off highways in rapidly expanding suburbs, their parking lots starting to fill with the partners' Ferraris and Lamborghinis. In his early thirties, he was spending half of his time at the Four Seasons in Newport, reviewing loans for the bank. Then he'd fly back to New Jersey first class.

There are times over the past decade, surviving two mergers with Salomon, climbing the ranks to bid on loan packages at a billion a pop, that he felt like the scratch-and-dent mortgage market was a good thing: Washington had issued a mandate for increasing homeownership, and he helped us get there. "The subprime-mortgage industry is great for people who don't have access to credit or have lost their jobs," he says. "The idea was to have them consolidate debts, get back on their feet in a couple years, and then find better terms." There are other times when he knows that he didn't do the right thing. "I didn't know who any of the borrowers were, and I didn't want to know," he says darkly. "There are a lot of people in this country who should just rent." Mostly, he feels helpless. "One person can't change the world," he says, eyes searching mine. "I would've stopped it if I had the power to stop it, but the firm wanted to be in it. Maybe the guys on the board didn't know what was going on, but everyone else did. We're making millions of dollars, and my position is supposed to be 'I'm out'?"

After he was forced to fire his 60-person staff early this year, shortly before he was fired himself, he played with his toys for a couple of months—his cars, his boat, his collection of ten Les Paul guitars. "I just bought Slash's signature Les Paul guitar," he says, excitedly. "Look, I lost 50 grand on Lehman. I'm not going to deny myself a $3,000 guitar." In fact, he also recently bought a Piper plane. "The day after I was fired, I was like, 'Fuck it, I'm going to get a plane,'" he says. Then the government called. He'd been in touch with them before, when they would call him for market color. "The government understands a lot theoretically," he says. "They needed to understand what was going on in the real world."

Now he works part-time in D.C. for the Treasury Department, as a mortgage-banking specialist. "It sounds corny, but it's my chance to right a lot of wrongs and help them clean up the mess that I helped to create," he says. "I like the people I work with a lot. They're really not so bad." He hasn't looked at a paycheck for a zillion years—what's it going to say? A year's salary now is equivalent to what he made in two weeks last year. Recently, the government gave him a bonus. He didn't even notice until his boss asked him if he saw it, and he double-checked his bank statements. "It was really nice of them," he says. "They didn't have to do that."

He shakes his head. "It's so weird," he says. "I've spent my whole life going around the system. Now I'm part of it."

THIS IS NUTS—working for the government? The enemy of free markets everywhere? Could anyone have imagined a worse outcome for a Jerseyite Master of the Universe? The natural order of things has been upended. The meek have indeed inherited the Earth. For Wall Street predators, the top of the food chain, this has been the hardest thing to swallow.

Before Bear and Lehman went down, and UBS announced major cutbacks, and Citi looked like it was going to nail a lot of people—before every single bank, except for highly focused boutiques concentrating on M&A, had started to fail—it seemed that to work at one was to be at a pinnacle, looking down. These are people who thought that they were the smartest guys in the city, and the world, smarter than government drones, naturally, and smarter than the guys they went to college with, because they used their impressive IQs for the only wised-up purpose: making money. Everyone else seemed to be missing the point. A lot of them, especially the traders, come from the sticks, from Kentucky or other heartland places, young people who had risen to the top through no other reason than their talent and ambition. Pure products of the meritocracy. Then they were molded by the Street. The first two friends they make in New York are the guy on the right and on the left in orientation. Their office has a cafeteria, gym, and dry-cleaners. The boss takes him to Joe's dive bar, and he loves it, and then he takes him to Marquee, and he can't believe it, and then he meets clients, who love him because he's a young guy who will talk to girls for them at the club. Suddenly, all his friends are traders, and his clients come to his wedding, and he's wrapped into Morgan Stanley six different ways.

From the beginning of their careers, there was nothing but money. "In 2006, during my first year out of Harvard, with course work in theoretical physics, literature classes, and nothing at all market-related, my total compensation was $140,000," says Hadan Esperidiao, a former Goldman analyst. That's a $60,000 salary and an $80,000 bonus—plus the $7,500 they gave him for showing up to a summer internship the year before, and the $10,000 signing bonus. (Unlike others interviewed for this article, Esperidiao does not plan to pursue a career in banking; those who remain employed or wish to be hired in the future withheld their names, as required by firms' nondisclosure agreements and sector etiquette.) "Goldman would tell us all the time that we were the most intelligent people in the world," he says. "You're not drinking the Kool-Aid—they're hooking it up in needles and injecting it. I stood in front of a minimum of six computer monitors for fourteen hours a day, looking at brokerage exchanges for complex instruments like credit default swaps—which I like to call 'Cold Dog Shit'—so that we could get the computers saying these trades made sense, and then charge the client for how long it took us to figure it out. We kept hearing from higher-ups that we had it right this time and it was never going to end. It felt like the market was telling us we were the greatest minds on Earth. Within three years, I was going to be making $500,000 a year." He laughs bitterly. "How could anybody work any other job?"

A tenet of life on the Street was that this natural order contained benefits for everyone. Making money is a virtue. Someone needs to shoulder the burden of wealth. Someone needs to have three kids at Horace Mann, a five-bedroom house in Water Mill, and a few SLKs. "No one wants to bail out Wall Street, but the river flows down from the mountain," says an ex-Bear trader. "Not only are we going to see the i-banks cut a

large percentage of jobs, but then the boss will say, 'Guys, no more Town Cars—how about you walk or pay for a cab instead?' And then your driver can't pay his mortgage. If you want to have a job downstream, you've got to address upstream first."

According to the Office of the Comptroller, 35,000 bankers and brokers may be laid off in New York City in the next two years, far more than initially forecast, with investment-banking fees falling 23 percent globally. (As of now, employment has remained relatively steady, for a total of 345,000 finance and insurance jobs in the city.) The Bear guys watched their company die. The Lehman troops are still in shock. The Merrill folks still have their jobs, but they're angry because they're at the mercy of Bank of America, and in the Wall Street hierarchy commercial bankers had always been the losers and investment bankers the kings. At least, that's the way it used to be, until all the pure investment banks vanished. JPMorgan even saw fit to organize a retreat to ease tensions between their employees and Bear traders, according to one ex-Bear employee, with trust-falls and motivational games. Mostly, they're angry about money. "No one is getting paid this year," says a mid-level Goldman guy. I point out that he does indeed get a base salary. "A hundred-and-fifty grand is irrelevant," he says.

As the ship sinks, the scramble to get into the lifeboats has been heated. But only the most illustrious travelers are assured of a place—and if you're in steerage, forget it. At Lehman eight key employees may have gotten as much as $25 million a year (25 sticks) when Barclay's bought their stock at $25, and the secretaries got nothing. For the rank and file, getting fired early turns out to have been a good thing. Early in the crisis, traders at Goldman were expelled from the mother ship with a full year bonus, but now that banks are cut to the bone, all that's available is token severance. The irony is that the longer the bosses kept you around, the more likely you were to be essential, but the less likely you are to get a good package when you leave. As Lehman plummeted, some of their traders, having nothing to lose, went long, in a kind of financial Hail Mary. If Lehman got bailed out and the market rebounded, maybe they'd get rich. If not? Hey, it wasn't their money. And meanwhile, the guys like the subprime head in Jersey have landed just fine, for the most part (except almost everyone else on the mortgage desks are gone). At Bear alone, a firm considered to be the expert in securitization, five top managers in nontraditional mortgages blew out of JPMorgan within a matter of months—off to Goldman, RBS Greenwich Capital, UBS, and Cerberus. While CEOs get held accountable and paraded before Congress, banks are paying these guys fat guarantees, on the order of 10 to 20 sticks over two or three years. Here's the logic: If they lost so much money, they must know something. "The heads of banks are so predictable," says a trader. "They only care about winning against their peers. Ultimately, it's all about them."

"IN THE MIDST OF THE CRISIS, WHAT WE'RE ALL REALLY TRYING TO DO IS KILL EACH OTHER," SAYS A TRADER.

ON ONE OF the many days when the Dow dropped a gazillion points, I'm at the most glamorous office I've ever seen, at a friend's hedge fund. There's pain across a broad spectrum of financial jobs, and hedge funds risk extinction once redemptions start rolling in at the end of the year. This office seems to be set in a cloud over-looking the puffy tree canopies of Central Park, the desks and monitors floating on perfect, white chocolate–colored carpet, which doesn't make a sound as one crosses the room. Everyone's skin is smooth and clear, like they've just popped out for a facial. They wear well-cut tan slacks that definitely aren't Dockers, crisp shirts from Thomas Pink's winter-fall collection, and hefty watches. They live in Tribeca and summer in the Hamptons. They look like they would be a really good time, if they weren't terrified about the potential decimation of their culture.

"This is a shit show," my friend keeps saying. "An absolute shit show!"

The last fourteen months have been brutal, but they didn't see this coming. Ten percent down for the year … 15 percent down … 20 percent, *oy gevalt* … Their fund would be finished, this magical money machine that moves billions to the Netherlands and India and other far corners of the world. Two billion dollars is usually what the fund is worth, so if hedgies made a 20 percent return, say, and 20 percent of $2 billion is $400 million, and they took 20 percent of that profit, that would be $80 million, plus another $40 million management fee—that's what they could take home this year if they hit their numbers. They're all staring at computer screens that are a sea of red. Everyone is puking up stocks, and they're no different. "Things are becoming increasingly unmanageable from a co-specific standpoint," is the way my friend puts it. "No matter what style, position, or investment you're in, basically everybody has been taken out back and shot." Not only do they have their own skin in the fund, but they might not get paid for a couple of years—if they have a business.

CNBC plays in the background, a running commentary on "America at the brink." One of the partners waves his hand back and forth like a metronome. "Fear and greed, fear and greed, the Street always goes back and forth," he says. "And we're as close to fear as we've been in the past twenty years."

He stares at the screens again: *An absolute shit show.*

"Just look at the *Forbes*' list of billionaires—they're all screwed," says another partner. "Lakshmi's net worth, cut in half. Rupert, cut in half. Cooperman from Goldman—"

"I was surprised Cooperman was on that list," notes my friend.

From crisis comes opportunity, but the opportunities right now are heinous. So they're waiting—waiting for stupid prices, prices where a company's stock can trade for the cash it has on hand, prices that don't make sense in any economic environment.

The talking heads *(Continued on page 97)*

EMPTY CAB THEORY

A WALL STREET DRIVER AND THE TRICKLE-DOWN OF MISFORTUNE.

BY **JEFF COPLON**

PERVAIZ WARAICH is cruising lower Manhattan, stuck in the worst dry spell of his seventeen years as a yellow-cab driver. After starting his twelve-hour shift an hour early, at 4 P.M., he has grossed just $22 in 90 prime-time minutes. He's seen pedestrians on the streets, and a number of cars for hire, but the one group has no use for the other. No one is hailing.

"I believe that you came to me from God," he says, happy to find a fare at last at a taxi stand on Water and Fulton. Waraich is a silver-haired man in professorial spectacles and neat business attire: powder-blue dress shirt, black sweater vest, crisp khakis. Though he's lived nearly half of his 53 years here, he still sounds of his native Pakistan: liltingly inflected and slightly formal, as befits a college graduate with a degree in economics.

"Whenever I came here, I used to pick up a fare right away," Waraich says, nodding at the Goldman Sachs headquarters at 85 Broad, that circa-1983 monument to the era of the investment bank. "It was the best area." In the evening rush, the place would crawl with brokers headed uptown to their bull-market condos or, via Grand Central Terminal, their bonus-bloated Westport manses. Now whole brigades of golden boys are gone, and the survivors have apparently discovered mass transit. We turn east on Wall Street, past two limos loitering by the Deutsche Bank building, then south on Water—the same circle that Waraich traced twice, fruitlessly, just before I materialized. A constellation of medallion numbers whiz around us, alit and ignored. "You see the guy in front of me is empty," he points out. "The guy coming from the other way, he's empty; that guy is empty; another empty."

As we merge onto the FDR Drive, yet another vacant taxi speeds by on our right. Waraich almost shudders in empathy; he's made the same defeated trip himself, two or three times a week. "It's awful," he says. "That means he got no fare and he decided to go to midtown. He's burning gas for nothing." Cabbies make their money north and south. They count on fares from downtown to midtown (or farther) and back again, in a continuous loop. But now their money flow has been broken; it's the roadside version of a liquidity crunch. "You lose heart, and you go back to midtown," Waraich says. "If you don't get a fare there either, you get so upset. It can put you in depression."

One year ago, Waraich brought home up to a *(Continued on page 98)*

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Photograph by Christopher Anderson

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of CNBC prattle on in the background, interspersed with video of exhausted senators walking around the halls of the Capitol. "We should take pictures of the politicians who voted against the bailout and stick them on the Internet," declares a partner. "If they get killed, so what? Work it out."

He picks up a dainty silver die, with the sides marked BUY, SELL, and HOLD, and throws it on the desk. Then he picks it up, gingerly. "We got BUY," he says, putting it down, with a frown.

MY FRIEND HAS probably socked away $10 million in the past four years, so I don't feel too bad for him. He wouldn't tell me how much he's lost personally—no one will, except to make a vague reference to the percentage that their net worth is down, which doesn't quite clue you in to their underlying liquidity. (A source of much hilarity: dinner parties where half the table insists that they got out of "everything" in January.) No one seems to be on verge of starving. "The personal cutbacks by the wealthy, at least up until now, are so comical," says another friend. "It's ridiculous. This is Marie Antoinette." Scaling down from nine houses to six isn't a hardship, as long as you have a 30-acre backcountry spread in Greenwich. But you bought a private plane, planning to lease it yourself, and now no one wants a lease. There are huge interest rates each month, and the plane is stuck on the runway. Full-time pilots must be let go ... and the river flows down from the mountain ...

AND ALL THESE things you owned might not have been yours to begin with. Leverage was the superpower of these people. Now it's disappearing. Was it just a figment of their imagination? "What is leverage?" says a hedgie. "Leverage is nothing but greed and ego." Leverage says that the rules of quotidian life—*I must have $2,000 in my account, to pay my rent*—do not apply to you. It says that you are so right that you should place bets on whatever chip you happen to have in your hand, because you cannot fail. It makes living on the float feel good, not dirty and cheap the way it does for a supermarket clerk with fifteen credit cards. It says that whatever you currently own is irrelevant, because in the future you will have 30 times as much.

The future! The biggest heartbreak is looking toward the horizon and seeing your number recede. It might be $5 million, or maybe $10 million, but everybody has a number—the number at which you never have to work again and your family can still have everything in their dreams. In fact, you would be shocked at the number of bankers who have not even looked at their portfolios for the past month, preferring to remain in denial as long as possible. "I just need five more years," wails a Lehman higher-up. "Or maybe seven. Hopefully five. Then I can retire to my country house." She sighs. "On one hand, I'm happy that the company has been saved, but on the other, I just got robbed at gunpoint." (The blame, of course, lies with Dick Fuld: "We're talking about publicly executing him in the lobby of the building," she says. "Or we could hang him, or hire a firing squad, or draw and quarter him." She gives a spiteful laugh. "Or roll him on one of those barrels with the spikes in it—though for that, you really need a hill ...")

Now the clock is reset. Everyone must try to save their own skins, and if someone else has to lose theirs, so be it. You can kiss your boss's ass and remind him how much you contribute to his P&L, or you can try to take out the guy on the next rung above you and hope that you'll get his job when he's fired. "At most banks, there are no defined boundaries, and it's always been a bit of a civil war," says one banker. "Now, in the midst of the crisis, what we're all really trying to do is kill each other. I arrive at work every morning worried that someone else is going to be sitting in my seat. It's like sub-Saharan Africa, with everyone driving around in pickup trucks cutting each other's arms off." This week, a colleague is accusing him of mismarking his positions. "I'm going to shoot him dead," he says, merrily.

THROUGHOUT downtown Manhattan, men like him are braying for their money. His own portfolio is made up of sovereign and corporate debt, equities, and derivatives from the U.S. to Europe to Asia. He travels to check on his holdings on a regular basis, in between social trips to Paris for the weekend. "On British Airways, I'm one of the guys in first class to whom the stewardesses have to pay special attention," he says. "I deal with the fuckwits in these countries during the week, and steal weekends on both sides." He strides around the globe, taking note of the way people are living in each country, their dress, their choice of purchases, divining the truth about their economy's inflation. The demographics in these countries are on the side of growth—short Western Europe now!—and they want to live the good life. "There's massive concentrations of wealth embracing massive leverage, all chasing the new BMWs and iPhones," he thunders.

Now, the bosses are insisting that he sell his bonds, immediately. "Every day I get calls from investors begging, 'Please, can you buy this from me,' and normally I'm good for it, but when the shit hits the fan, I can't do that," he says. "So I'm like, 'Fuck no, I can't buy it. But hey, can I sell you more?' We are in the midst of mass confusion. The system is broken." It's a global margin call, with selling begetting more selling. The billion-dollar portfolio he has created for the bank is dwindling quickly. "In three years, this thing would be a gold mine!" he says, his broad, flat face turning hot, and his eyes blazing with furious resentment. "It's a massive empire." If he can only keep the barbarians at the gate ...

The streets of Soho are dark as he wanders home, past the design store Moss—"The margins on that stuff are just preposterous"—and several shops displaying kids' couture. "Two foot mannequins," he barks. "We should've known we were in trouble when Prince Street began to bring in two-foot mannequins."

His phone rings: it's a hotel where his girlfriend has been staying. "I just got a margin call from them," he says, slipping the phone into his pocket. "Per their new policy." He snorts. "Now, when your bill goes over a few thousand bucks, they're charging it to your card."

IN THIS MIDST of the esprit de corps of the Street, there's always been a nagging question—what do I do, exactly? "I don't make anything," says one trader. "I could go to cooking school in Thailand. Or I could become an artist. I want to do something real." These existential questions demand answers. They might not have made anything, and now there might not be anything left to be made. Get out your gold bars and duct tape, and let's take a conceptual-level trip—what is your $20 worth? It's only worth something if it buys a cab ride or a pack of smokes. A bank in California already screwed the depositors—'Oh, you want your $100,000 back?' they said. 'Well, here's a bagel.' "We're talking about, 'Want milk? Bring me a cow,'" says a hedgie. "We're talking about going to Costco and your AmEx doesn't work. We're talking, 'I'm not taking a check from that bank.'"

And whose fault is it, anyway? "The smartest people in the world built all these sophisticated products and convinced us there was no risk, and now it's like, 'What the hell happened?'" says a wealth investment adviser. "Well, they were wrong." His voice begins to rise. "So now they tell us, 'Sorry, I was wrong. I meant to replace your hip, and instead I took out your heart.' Can you imagine your doctor saying that?" He pauses. "If I say, 'Sorry, I was wrong,' the repercussions are dramatic—I get sued for everything I have! 'I know you were relying on me to invest for your future, but I decided to buy all one-penny stocks and not tell you. Whoops. Sorry, I was wrong.'"

Last Friday, the trader returned to Jersey from a few days in D.C. He lives in an elegant house on a quiet cul-de-sac, with a backyard of endless green and porch awnings trimmed in blue and white. We sat in his mauve-colored parlor room on formal yellow couches, embroidered with bluebirds. His wife, tall and blonde, strides by with his daughter, who is on her way to the spa. The house is paid off. "I still pay my mortgage on my vacation home," he says, a little uncomfortably. He's getting tattooed in the market, but he doesn't want to go short—he has a family, and he can't take on that kind of risk, plus he's an optimist. There's a part of him that doesn't take this drama too seriously. "I mean, one day I can tell my grandkids, 'Turn to page 68 in that history book, where it says that in 2008 the U.S. experienced the worst recession in history,'" he says with a sheepish grin. "And I'll say, 'What do you want to know? I know everything about it.'"

He's starting to hire low-to-mid-level managers, to help the Treasury Department with the bailout. "I get a ton of calls asking about what it's like to work for the government," he says. "I got a call from a guy in Florida earlier today, whom I worked with at Citi. He's done, and he wants to know if the government wants a consultant." He raises his palms. "Hey, it's a stable paycheck and a guarantee of benefits." There are some things he can't get used to about D.C., like having to move around to different hotels, according to whichever one has subsidized rooms at the government limit of $150 a day, or not having an expense account. "I just pay for whatever I want and eat the bill," he says. Then there's the way that everyone's office dimensions are based on their rank, and no one talks to each other. "You can go for days without talking to someone in that place," he marvels. He and his boss tore down the wall between them, and someone reported them. "People make careers out of looking into your personal life down there," he says. "On the street, you go after other guys' P&L, but you never go after them personally."

He drained a can of Coke, then his mind began to wander. He was stressed about being out of the flow, getting stale. His friends are raising hundreds of millions of dollars at new funds, to buy distressed loans and other vulnerable assets. They've told him to hang in D.C. as long as he can, that the next generation of whatever is going to generate fast cash hasn't been put together yet. But he was eager to figure out a way to reinvent himself. "If I'm totally honest with myself, I'm happiest when I'm making money," he says, lacing his hands together. "We're just built differently on the Street—we never give up." He looks out the window, at his freshly cut lawn. "If I had it to do all over again, you know what?" he says. "I would've lost more. I would've been bigger." ■

EMPTY CAB *(Continued from page 30)*

thousand dollars for a 60-plus-hour week to his wife and his college-bound daughter. This fall, his net income has plunged roughly a third, or about as much as the average large-blend mutual fund. (According to Bill Lindauer, campaigns coordinator for the New York Taxi Workers Alliance, the typical lease driver is down 20 to 30 percent.) Like his rent and utility bills in Old Bridge, New Jersey, Waraich's business expenses are fixed: the $775 for a seven-day lease of a medallion and Crown Victoria from a big fleet on Tenth Avenue; the $40 per shift it costs him for gas, even with oil prices easing; the $17.50 for each round-trip bus from home. He has no investments, no 401(k), but the crash is killing him too.

Waraich believes in the theory that his job is a barometer for the broader economy: "You can see from taxi business if it's good or not." Immediately after 9/11, the cabbies endured a period when much of downtown was either off-limits or uninhabited. But within two years, Waraich's income bounced back to normal. "This crisis, I would say it's more than 9/11," he says. "If the offices are closing, the businesses are closing, people are losing their jobs, and nobody is coming to Wall Street, who are we to pick up?"

He saw the first signs of a slowdown this summer, when he made a run down Fifth Avenue, from FAO Schwarz to 42nd Street, without a single fare—something that had never happened to him before. He began working fuller shifts on weekends, which meant a 5:30 A.M. bus back to New Jersey. He sacrificed the one great pleasure of his workdays, his mid-shift meal at a Pakistani restaurant on East 28th Street, which he likes for the grilled chicken tikka and fresh-baked naan and the lively conversation with his countrymen drivers. "I can't afford to take the time off," he says, holding up a sad plastic bag with a kebab sandwich. "I lose the money for the 40 minutes, plus I have to spend $10 over there."

By September, Waraich was feeling nostalgic for the time when Wall Streeters would fight for his cab, cursing and shoving. "Now we're fighting each other to pick up the fare," he says. There are 13,237 yellow cabs in New York, 1,500 more than twelve years ago, and the drivers have mouths to feed. Waraich regularly finds himself cut off by a rival swerving in from an outside lane. One day, on East 52nd Street, he saw a livery pull over for a pickup and get its front fender slammed by a poaching yellow cab. The crash went to illustrate a truism: that an empty taxi is more dangerous than a full one.

As Lehman Brothers went under, Waraich's earnings kept dropping along with the S&P 500. To compensate, he stopped taking a day off between seven-day leases. "It's hard without a break," he says. "That's why a lot of cabdrivers have physical problems. You're sitting in the cab ten or eleven hours, then after that you're sitting in the bus." He himself has struggled with diabetes, hepatitis C, atherosclerosis. Three weeks into his new schedule, he decided to stay home on Thursday, October 2, to honor Eid, the festival that marks the end of Ramadan. He planned to go to the mosque and have a special meal with his family. But after dropping off his cab late the night before, he collapsed while walking to Port Authority. He wound up in St. Luke's, where they opened two clogged arteries with balloon angioplasty.

Three days later, back behind the wheel, Waraich found business even worse. Tips were down by half or more—a far cry from the boom year of 2004, when he was everyone's "buddy" and one sleek-suited man tossed him $40 for a $2.90 fare. He could gauge the worst market days by his passengers' mood. When they climbed in cranky and brusque, and yelled or whined into their cell phones, he knew he'd be lucky to get an extra dollar. If traffic was slow, they grumbled at each 40-cent meter drop. On October 6, after the Dow greeted the federal bailout with a 367-point tumble and the fixed-income market seized up, he had an uneventful ride with a middle-aged business type. Upon exiting, the man slammed the door so hard, Waraich says, "I was thinking the glass would be broken." He feels for his Wall Street customers and doesn't blame the bankers for the crisis. In trying times, he says, there is "always a story behind the story. If someone is angry and upset, there is a reason."

The day after that, as the market fell another 508 points and Iceland teetered on the verge of bankruptcy, Waraich netted only $35 after six hours, his worst day ever. He found himself driving faster, more aggressively, trying to catch up—but what was the point? There were no passengers. At 11 P.M., for the first time he could remember, he knocked off in the middle of a shift.

"I don't think this economic crisis will end very soon," Waraich says. He doesn't trust the looming inauguration to make a difference, whichever way it goes. All he can do, he says, is show up for his next shift, "work hard and trust in God, and hope that this day will be better than yesterday." ■