The Tim Ferriss Show Transcripts
Episode 29: Brendan Moynihan
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Tim Ferris: Welcome to another edition of The Tim Ferris Show, Ladies and Gentleman. I would like to start this very special episode with two things. First, a quote, and that is, "Be who you are and say what you feel because those who mind that matter, and those who matter don't mind." From, none other than, Dr. Seuss. Love that quote. Second, just a little bit of trivia since the co-author of *What I Learned Losing a Million Dollars* is our guest today, I thought I would look at the number one million, the denomination one million.

It's a big deal in the U.S. in a lot of western culture. But perhaps you didn't know that the number 10,000 is a very big deal in, for instance, Japan, and when they say, "[Speaking Foreign Language," and they throw their arms up in the air, that is [Speaking Foreign Language]," or like [Speaking Foreign Language] 10,000 years – [Speaking Foreign Language], 10,000 years, 10,000 years. So there you have it, a quote and a random piece of trivium that you can play with.

This episode, we have Brendan Moynihan with us. Brendan Moynihan is a managing director at Market Field Asset Management, which has $20 billion or so of assets under management. He's also the senior advisor to the editor in chief of *Bloomberg News*. He an adjunct professor at Vanderbilt University where he teaches both international finance and investment analysis, and previous to all of that, he spent more than 20 years on Wall Street as a trader and a risk manager.

He's written a whole slew of books, mostly on finance and investing. But the one I want to highlight today is *What I Learned Losing a Million Dollars*, and as you'll hear in the interview, this is one of the few books in existence that has been praised by Nassim Taleb who is author of *The Black Swam*, among others. It was labeled by him one of the rare non charlatanic books in finance. What does that mean? Well, I chased down this book when it wasn't in print and read it and had a huge impact on me.

So much so that it is one of the few books in the Tim Ferris Book Club. It is the newest book in the Tim Ferris Book Club, and there are a million and one ways to make money, and as a result, there are a million and one ways to publish books about varying methods of success making money and so on. As it turns out, it's, perhaps, a much smarter approach to look at the few ways in which people consistently lose money, constantly make big trading mistakes, investment mistakes, business mistakes, that cost them money. So if you can identify the principle ways that people lose money – and in this case, the other co-author, Jim Paul, has a really dramatic story of losing more than $1 million – that you can then define rules for yourself that allow you to be a better investor, a better business person, and, in general, succeed better in life. Pretty fascinating stuff. So Brendan is our guest today.

I hope you enjoy it. As always, this podcast is supported by you guys. If you like these podcasts, both the short in between episodes, the longer interviews, please take a look at the Time Ferris Book Club. Just go to fourhourworkweek.com – all spelled out – fourhourworkweek.com/books. You'll find about a half dozen books that have a had a huge impact on my life, including this book, *What I Learned Losing a Million Dollars*, and if you click on those, it'll take you through to Amazon, and that keeps this podcast going because it does take a lot of time and some capital to put together. So without further ado, I introduce you to Brendan Moynihan. Enjoy.

Welcome, everyone, to another episode of the Tim Ferris Show, and I am very excited to have Brendan Moynihan with us today. Brendan, how are you?

Brendan Moynihan: I'm doing well. And yourself?

Tim Ferris: Doing extremely well, and I am thrilled to be chatting with you because, of course, I was introduced to your work first through *What I learned Losing a Million Dollars*, and I remember being introduced to it by [inaudible] Taleb or Nassim Taleb who wrote, of course, *Antifragile*, then before that, *The Black Swan*, and then *Fooled by Randomness*.

And one of the lines that stuck out in his most recent book about *What I Learned Losing a Million Dollars* was that it was one of the rare non charlatanic, if that's the correct pronunciation, books in finance, and I was hoping, before we jump into all sorts of other questions that I'd like to ask, why do you think he said that? Why do you think he used that particular adjective?

Brendan Moynihan: I don't know. I had never met him when he put the title of my book in *The Black Swan*, and that time, he said it was the best non charlatanic finance book he's ever read.

And it was actually that mention that caused a little bit of a stir with e-mail for me to reprint the book. So I reprinted the book based on what happened in the black swan. And then a few years later, he was at an interview with a dozen or so journalists at *Bloomberg News*, and I happened to be a consultant there at the time, and they invited me to sit in on the lunch, and he recognized my name when I was introduced just because he had put it in his book. So I never really queried him about – I was thankful that he did it because he's not known for handing out compliments, so I was just happy to have had it, and I wasn't going to jinx it.

But we had a very interesting discussion while we were in that room, and it turns out that he's read a lot of the same things that I've read, and so it was sort of a dialogue between him and me while the reporters were taking notes, which was very interesting. So I don't know why he did that, but I think it's because it was an opposite tact and that there's so many books out there on how I made $1 million in the stock market last year before breakfast. And in the $1 million book that I wrote, I even go back to try to find out, how old is this?

There's a book from like 1881 by James Brisken called *The Beech Bonanza, How to Get Rich on the Planes.* The ones in the stock market – I guess it was a live stock market. But people had been forever like, "I'm going to tell you my secrets of how I got rich." I don't understand that, so I titled this book, *What I Learned Losing a Million Dollars,* with my co-author. Again, Jim lost the money; not me. I want to be clear about that. But why would somebody reveal their secrets to making it? Why don't we examine what goes wrong, and then if somebody's willing to bear their soul about that and share the mistakes, then as a parable, it might have more resonance with people about what not to do rather than what to do. And I think there's a – I'll get to it later – real premise to why it's essential to know the downside rather than all the different ways to make it on the upside.

Tim Ferris: Well, I think that we should, of course, explore that, and I think that it's funny when you point out, even the getting rich on the planes with the Beech Bonanza, which I can imagine, for every given market, there's probably an equivalent book. I'd imagine if you'd go back to Venice or if you go to the –

Brendan Moynihan: There's probably one for the tulip mania.

Tim Ferris: Right, the tulip mania. I was just going to bring up the tulip mania. There's probably some type of handbook that people were selling at the time. What does that indicate as a problem or deficiency with those guides? What makes them charlatans in some cases – not in all cases – but in some cases? What do you think the problems are –

Brendan Moynihan: Well, Taleb put the label on there, so I don't necessarily want to speak to what his view or perspective was on that, but from what I understand, the people are holding themselves out as experts with some sort of specialized knowledge or insight that, as a high priest class, only they can impart to other people, and there were people who made livelihoods throughout history by being hucksters or tricksters or charlatans. I think that, from my understanding of reading Taleb's work that he thinks that there's a large cottage industry – in the financial services industry – that does that.

They forecast what the market's going to do or what the economy's going to do. They tell people what they should do with their money, they reveal inside secrets, and I think that if you try to do those or you try to follow those, you might get lucky for a while, but you have to understand that was luck. It was not some special secret formula that you had or got from this person to bring you to that state. Yeah, no, I think you're right. It happens in every industry.

Tim Ferris: I've found investing fascinating for so long, and when I say investing, it was generally – for most people listening to this that would be publically traded equities – for instance, stocks. I remember the very first stock I ever bought. I don't know if I've ever publically talked about this. This is my story, of course, not yours, and I want to talk about your background in a second. But the very first stock I bought was Pixar, and I was 15 or 16 years old, and it was –

Brendan Moynihan: Probably the early '90s –

[lk]

Tim Ferris: Yeah, it was '95, perhaps, '96 I wanna say.

Somewhere in that range roughly, and I was thoroughly convinced the stock would do well, and it ended up doing well, but I didn't have the emotional control to hold it, so I sold way too early. And what's funny about it is I then went and tried to develop very sophisticated approaches, while going to undergrad at Princeton and beyond, to investing, and I've come full circle to where what made me believe in Pixar is what, in some cases, enables me to pick startups that I believe in.

It's just funny how I tried to copy these models that seemed, to me, very sophisticated – and there are some sophisticated models, of course. But there's such a survivorship bias in finance where you had 100 people, perhaps, who roll the dice, and there are people who don't just roll the dice. But the 100 people who roll the dice, and you have the few who survive or the people you hear about, which is also true of, say, startup icons who end up on the covers of magazines after risking it all.

And it's a skewed data set. It's a really skewed data set. But I don't want to digress too far.

Brendan Moynihan: Well, you can say the same thing about the S&P 500, which everybody believes is a stock index we've had since 1928, but it's not true. It was created in 1957 on March 4th, and before that, it was a 90 stock index. Ten years ago, 40 percent of the stocks that are there now were not even in it. If you go back 20 years, like 80 percent of the stocks that are in it now weren't in it. Even the gauge by which people are measuring, one, how the market performs and then how managers perform against that is like an elastic measuring tool. It's a rubber band. It's not a fixed set.

Tim Ferris: Right, exactly, and I think that what's also very common – and then I want to come back and give some background on you for people who may not be familiar with your background and credentials. It's very common in the financial markets or any type of investing – I see this a lot in startups – where someone will, just as a haphazard scatter shot approach, invest in, say, 100 companies.

And they happen to hit the Google of that decade, and then they paint the bullseye after the arrow has hit. They attribute that to skill as opposed to luck, and then what's so ironic about that in the – in Silicon Valley, at least – is that they then get a reputation, assuming they can us PR and messaging well enough, for being a good investor, and they start to see better deals, which then becomes this self-perpetuating cycle until the huberous leads to something like massive over spending for a period of four or five years, but then they crater.

But they create another fund, and then it's back to square one, which I think also happens quite a bit in hedge funds. For those people who aren't familiar with your background, perhaps you could just tell us a little bit about your history and what led you up to *What I Learned Losing a Million Dollars* but also up to the current day.

Brendan Moynihan: Well, it's not an elaborate background. I was raised in Alabama, and I had the fortune to, one day in my senior year, have Jim Rogers, who had started [inaudible] –

Tim Ferris: Oh, wow, mm-hmm.

Brendan Moynihan: Fund. He's from Demopolis, Alabama. I was from Birmingham. He came and spoke to our senior class, I think, out of his [inaudible] toward the state and coming to the – and I was at the University of Alabama. He came and spoke, and after class, I went up and hollered at him and said, "Okay, you're a poor boy from Alabama and got to New York. How do I do it?" So he said, "Well, I'm in town tonight if you want to go to dinner." So I went and had dinner with Jim Rogers when I was still a senior in college. I was already sort of determined that this was the industry I was going to get into, but I thought, "I've got to take advantage of this guy being on the premises to talk to him." So I learned a little bit from him and struck up a bit of a dialogue.

And way back then, when there were wood burning computers and there was no world wide web, I wrote to him, and he wrote to me. Or I called him, and he called me. That kinda got me started. I interned, when I was in college, at a regional investment bank, and then I went to work for them for the first year after school. That was in Nashville, but I wanted to get to Chicago and New York, and I decided on Chicago for the Futures Market.

I went to Chicago. I spent four years there. I learned from a pretty smart guy there who had been around for a long time and continued my real world education rather than going to graduate school. I got married, had my first son, and wound up working for a guy named Jim Paul for the last year that I was in Chicago, and I had gotten recruited back to Nashville. It was at that lunch with Jim on my last day of working for him.

I was in the Futures research department at Dean Ritter, and the last day of my employ with him, he took me to lunch, and he told me a part of the story about how he had lost the money. He said, "Oh, I should write a book about it." I said, "Well, you know what.

I can do it. I can take your flowery story and marry it with my dry theory," and that was May 31, 1990, so that was sowing the seeds to do that book.

Tim Ferris: Now, you have an incredible – this is a side note – memory for dates. Has that always been the case? I think you may have mentioned this before, but do you just have a particularly acute memory for facts and figures and things of that type?

Brendan Moynihan: Yeah, I'm not so good with names, but for some reason, the ten digits aren't as much of a challenge and their combinations. I don't know. Just some dates I can remember certain things or certain things strike me as important, and so I remember them. There are other things that go in one ear and out the other.

Tim Ferris: You had that meeting with Jim and proposed that you could make this book a reality. How did the book then get written? What did that look like?

Brendan Moynihan: Because it was a lunch, so it was an hour, right? He just told me some of the highlights and said, "Somebody should write a book." I said, "Well, I can do that." I said, "If you will tell the story to someone who hasn't heard it before so that you will be animated and full of inflection and just tape record it, send me the tapes, and then I will transcribe it, and I will match it in with my theory."

I told him what my theory was. I'd worked for him, so he was a little bit familiar with what my approach was. That was May 31st, and then the beginning of November, he calls me and says, "I can't do it. I tried. I can't talk to anybody. So I'm going to mail you a plane ticket, and you're going to fly up here and stay with me for a weekend, and I'm going to tell you a story."

I'm like, "All right, great." So the weekend before Thanksgiving in 1990, on a Friday, I flew up to Chicago. He picked me up at the airport. We went to the house. Got there at, I don't know, 5:00, 6:00 or something, and his wife said, "Gentleman, I lived this once. I'm not going to live through it again. I'm going to my sister's. I will see you on Sunday," and she left. So then Jim turns on a Kentucky basketball game or something, and I don't really follow sports, so I was like, "Okay, I'm going to burn two hours here doing nothing. I don't really care about this."

So Jim watches the basketball game [inaudible] okay great. I'm like, "Okay, I'm ready to get started." He goes, "Let's watch a movie." So he puts in this movie called Pretty Woman. I don't really watch movies. I'd never seen this thing. I didn't know what it was all about. So I sit there for like another – I don't know how long that was – two hours.

Another two hours of my life I was never going to get back. So we get to the end of the thing, and I turn – Jim is 50 years old at this time, and I turn and look, and the guy is sobbing. He has seen the movie before, and he's sobbing at the final scene of this thing where the guy shows up –

Tim Ferris: Richard Gere.

Brendan Moynihan: In the car – supposedly like he's riding a horse and carrying flowers and coming to get this girl or something. I don't know. It's like, "You've got to be kidding me." Anyway, I'm like, "Can we get started in the morning?" So we got started in the morning. I had the tape recorder. Had all the tapes. Had extra batteries. Ready to go. This is just a little Dictaphone. It's like the size of a business card – a little bit larger or whatever. And Jim goes to the pantry and pours himself a screwdriver. This is 8:00 in the morning. I'm like, "Well, I know Jim had mentioned –," when we went to lunch that day, he was like, "Oh, I think I'll have a drink."

And I'm like, "Okay, it's lunchtime, and you're going back to work." So Jim had a screwdriver then, and then Jim continued to drink screwdrivers and just talked into the tape recorder. Well, I asked a few questions here and there, but he basically was just doing a brain dump, and I was just going to transcribe it all later. So, I don't know, maybe 3:00 in the afternoon, I give in and say, "Okay, well, I'll have a beer."

So I go to the refrigerator, and I have a beer. I don't know, after about an hour and a half of drinking beer, and he's drinking I don't know what by then, I'm feeling a little woozy. I'm like, "You know what, you've been at this four eight hours. You probably need a little rest. You've been talking and drinking for eight hours, and I probably need to put my [inaudible]." This is not – me drinking beer in the middle of the afternoon is not something I really did. There was a guest room. So I go to the guest room.

About a half hour later, he comes in banging on the door and he goes, "Brendan, Brendan, we're in big trouble. We're supposed to meet Pat for dinner in 30 minutes, and we've got to leave right now if we're going to make it." I said, "No, no, no, you might be in big trouble, but I'm not in big trouble. I'm not going anywhere until this room stops spinning, and it's not going to be any time soon, so you go have dinner with Pat if you want, but I'm not leaving. That was it for the night. We got eight hours that day, and then we did probably another nine hours the next day. I wound up with 17 hours' worth of tape that I took back with me – all little micro cassettes.

And then I spent Thanksgiving Day, when I wasn't at the turkey dinner, in the office, which was closed, using the secretary's headphones and Dictaphone machine where you put the tapes in, and then you use foot pedals, and you fast forward and you rewind, and I started transcribing this thing. And then I started spending weekends transcribing it. I've never typed before in my life, so I basically used the Columbus method – hunt, seek, and land – to type this thing out.

Tim Ferris: My god, that sounds like a really long process.

Brendan Moynihan: It was, and it was on a UNIVAC's System. Again, they were wood burning computers. There were no desktop computers at this place. We're talking about 1990. I'm sure they existed somewhere, but they didn't exist at this place. Then, I took my stuff and started typing it out on the weekends, and then I started doing nights where I'd work all day, go home, have dinner, put the kids to bed, go back down to the office, work on the computer adding to it.

And it took the better – between the research and writing and the back and forth of figuring out how I was going to organize it, it took the me the better part of three years, four years to really get it all into shape. I don't know if you want to be bored with the details of – that was the writing side of it. The production side as a little interesting as well because we did it differently.

Tim Ferris: Well, let's talk about it, yeah. Tell me about it. As a side note, maybe you can answer this at the same time. That is a major undertaking, of course – taking three, four years to do that. I'd be curious, also, just to hear – and you don't have to do it right now – but perhaps somewhere in your answer, what was the drive to do it? Why did you want to do this book?

Brendan Moynihan: Well, I think I've learned since then because I've written several since that just sometimes it's like something gets into your head and you've got to get it out. I don't know if it's – I'm not an artist by any stretch. My mom was. I did a bit when I was younger. But I guess you get something in your head, and artists have to get it out. Each of the subsequent books that I did followed the same pattern where it's like I had this observation, I have something to say about it. I've got to figure out the best way to say it, and now I'm going to create a physical product out of it and try to sell it.

We were trying to make a fortune off of Jim's misfortune, and we didn't necessarily, but it's not a bad business card. We hand it out, and it works. But in the course of doing the book, I found out that the author really doesn't get that much money unless you're really [inaudible] and you get an advance and it's a great book and blah, blah, blah. There are a lot of middle men in between, from the publisher to the bookstore to whatever to the person who gets paid to do the indexing on the book – people getting as much as I was or something.

I'm like, "Really? I wrote the book." So I decided that we're going to self-publish it. I wrote a letter with a five-page synopsis of the book and a full copy of the manuscript in a self-addressed stamped envelope and sent it out to about 30 people of name in the industry, including Warrant Buffet who wrote back and said, "Sorry, Mr. Moynihan, too many requests, too little time, Warren Buffet," but I got his autograph if nothing else, right?

So we collected quite a few people. Ned Davis runs Ned Davis Research out of Florida, and Ned put his name on the back cover. Bob Prechter, from the Futures Industry, did [inaudible], chairman emeritus of the Chicago Mercantile Exchange. Ken Fischer out in your neck of the woods put a blurb on the back cover of the book. So we wound up with a pretty good list of eight or ten people of some name who were willing to read the book and put a blurb on it. Then we just got really lucky. I sent out maybe 20 or 30 made up press releases – I didn't even know what press release was, but I created one or looked at one and just made the same thing.

So I sent them off to some of the news organizations, and Mark Hulbert at *Forbes Magazine* picked up on it, and the day we self-published the book, October 5, 1994, it made a byline on the cover of *Forbes Magazine* above Jack Welch's head that says, "Biggest mistakes investors make. Are you guilty?" [Inaudible] we were done. We broke even in three months, and then we just had books to give away, and we sold the German rights, and then we were just off to the races

Tim Ferris: Germany's huge. Germany's a big market. And were you selling it at that point – I'm just trying to put a figure on a date.

Brendan Moynihan: 1-800-something book.

Tim Ferris: Oh, CEO read or –

Brendan Moynihan: I had PO Box 198038 in Nashville, Tennessee. People were sending in checks. I'd go down there every day, get the checks, go home, box up books, mail them out. It was insane. And then Jim would give speeches in the Futures Industry, and he'd take a box of books and sell them one by one. It was not our job, but we got all the money. It wasn't like there was a cut, but it was a hobby. I don't play golf or tennis, so this is what I do with my time.

Tim Ferris: What did Jim look like? I'm trying to identify –

Brendan Moynihan: Jim was probably –

Tim Ferris: When he's sitting there having those screwdrivers, what is he wearing? What does he look like?

Brendan Moynihan: Jim was 6'1", 6'2", probably 170, 175 pounds, lean, angular. May have been blonde, started to go a little bit gray, fair complexion, and a gravel voice from yelling in the lumber pit for 10, 15 years or something. His voice sounded like gravel on the bottom of an empty coffee can is what it sounded like.

Tim Ferris: I felt like you did a good impersonation, at least based on my reading of the stores. That's the voice that I'm now going to have in my head when I reread it.

Brendan Moynihan: Yes, that's it.

Tim Ferris: What were some of the lessons that he learned or that you heard from his stories and so on that you weren't able to include in the book. Are there any other favorite Jim stories that just didn't make it into the narrative?

Brendan Moynihan: The stories were interesting. My view is that – what I presented as the three mistakes that investors and traders make was an overarching perspective from what goes on between your ears that can screw up anybody's specific methodology for how they go about trying to make money. So I didn't that that – I thought I captured it, and then I [inaudible] when I look up the word psychology in the dictionary and I found out there's a three-part definition that matches exactly the three parts that I just went through.

So I'm like, "Okay." The lightbulb went on over my head, and I just went full bore to get that all worked in. I don't know that Jim revealed anything to me that wasn't in there. I'll recount one thing that he said to me after I got him the manuscript and he read it. He goes, "[Inaudible] how you got all the story about me and [inaudible], but how do you know about all this law stuff and what goes on in your head." And I thought, "Gee—," I told him, "You're so vain. You think that you're the only person who [inaudible]. I've lost money, okay.

"If I lost $15,000.00 on a trade or over a series of trades or whatever, it's not as much as you lost, but it's the same thing. You're not the only person who's done this." "Okay, okay, I get it. I understand." I don't know that Jim was ever able to incorporate what I was saying into his approaches because every once in a while, over the course of the three and a half years that I was writing the book, he's call and he'd say, "Oh, I did it again. I was up. I was up, and then I lost $20,000.00." I'm like, "Okay, well, Jim, I have a book for you to read. It's in manuscript form right now, but I'll be happy to send it to you. It might help you with that problem because you've obviously not getting it."

I don't know that Jim ever really incorporated it into his psyche, and he may have been unable to. I don't know. He had some hilarious stories, and some of them are recounted in the book. Some could not be recounted –

Tim Ferris: Right, for family programming, right.

Brendan Moynihan: Well, yeah, and because the names would have to be changed to protect the innocent and all the rest. No, I think one of the funniest stories that I've ever heard came out of his mouth, and it was after he lost the money. He's on the board of governors at the mercantile exchange. He's on the executive committee. There are like six people making the decisions to the exchange, and he drops $1.6 million out of the $1.2 million that he has in 75 days. So they come in, liquidate the position, throw him off the board, and clear out his office. He's like, "Oops." So he goes downstairs to the same restaurant that he took me to have lunch in all those years, and he's like, "What am I going to do?"

And he says, "Well, the only way to make good on this is I've got about $1 million worth of life insurance, and the only to do that is for me to have a few drinks down here at the bar. Everybody knows I drink too much anyway. Then I'll take the Porsche, get out on the interstate out here, and heading home, I'll crank it up to about 100, and I'll aim the car at one of the concrete posts that holds up overhead bridges." So he goes downstairs, and he has his drinks, and he gets in the car, he gets out on the interstate, and looks in the rearview mirror and sees the blue lights flashing.

He's like, "Oh, god." So he pulls over, and the cop comes up the window and says, "License and registration, Mr. Paul. Do you have any idea how fast you were going?" He goes, "About 85, 95." He goes, "Try 18 miles an hour. Get out of the car." So he was stuck in first – he was a road hazard. That's why he got pulled over because he's in a car that looks like it's going fast when it's sitting still, and he's driving at 18 miles an hour in first gear.

So he said it probably saved his life, and for what it's worth, I got a book out of it as well. But that quickly passed from his perspective. He's like, "Okay, I got saved by a guardian angel. I'm never going to do that again." And then he went about trying to piece his life back together after that, but that was one of the funniest things I've heard from him.

Tim Ferris: Let me add another $15,000.00 of transmission damage to the amount of money I need to recoup.

Brendan Moynihan: Yeah, yeah.

Tim Ferris: On the three points that you mentioned, perhaps you could just give a brief mention of those three points, and, in general, I'd be curious to hear what you think makes a good investor.

Brendan Moynihan: Okay. Well, the three points – and again, I kind of backed into it because I had the three things that I was doing wrong. I thought I had it kind of sorted out, and then I wrote the book, and then I realized, "Okay, this is really about a light tree that's on the psychology of mistakes that we made." And I think, "Well, that does psychology really mean? [Inaudible] into the book.

So if you look it up in the dictionary, it says, "One of the mental process, behavior characteristics, and emotions of an individual or a group." So basically, the mental processes are that people internalize what should be an external loss. Like if you lose your keys, you don't go through the five stages of internal loss, which is denial, anger, bargaining, depression – right? You lost your keys. It's no big deal.

Tim Ferris: Right, right.

Brendan Moynihan: When you lose money, people tend to internalize that, and they tend to equate self-worth with net worth, and then they start going through this mental process. So being able to identify and capture that lets you know, "Okay, this is one of the mistakes that you could be making. You have now internalized something that should be external. Don't be doing this. This is a bad thing." I'm trying to abbreviate all this, obviously.

Tim Ferris: Of course. Yeah, of course.

Brendan Moynihan: So the other one's the behavioral characteristics of, again, an individual or group, and I think that people mistake the venue in which they participate in an activity with the type of activity they're engaged in.

In other words, I think there are five types of market participants. I think there are investors, speculators, traders, betters – people who bet – and gamblers. Depending on which one of those five you are is a function of how you're behaving in the environment. So there are people who can professionally gamble in Las Vegas, and they have a system and do whatever. So they're not really gambling. They've got some sort of system and methodology. I don't do that kind of stuff, but I've read enough about it to where there are people who do this.

And, oh, by the way, Edward Thorp, and academic, wrote a book called *Beat the Dealer*, made so much money that the Las Vegas Hotels and Resorts Association changed the rules of the game. So he went out and wrote a book called *Beat the Dealer* and sold five million copies. I'm like, "What is up with this?" This is like the Beech Bonanza again, right? They changed the rules, so they can't use this system, but five million bought his book? I'm raising my hand saying, "I've got a book over here." I'll just sell a million. I don't need five million. Just come buy a million of it.

Tim Ferris: Just to touch on those labels that you mentioned because I've found one of the many eye opening aspects of the book because I think you got into at least a handful of those in the book. How would you, in brief, distinguish those various classes – those five classes of market participants?

Brendan Moynihan: So investing, according to Adam Smith, is parting with capital with the expectation in return in the form of interest, rent, or dividends. Each of those three things are paid on a periodic basis – quarterly, monthly, semi-annually – whatever. You intend to be parted with that capital for an extended period of time. Traders are market makers, in my mind.

They buy at the bid and sell at the offer. That's all they do. They go home flat, and they are very short timeframe oriented – very different from the investor. Speculators buy and sell, go long or go short. They're not waiting for that dividend interest or rent. They are in for the short come looking for the price differential, the price change. So their timeframe is, again, different from the longer timeframe of the investor. Betters are interested in being right.

You and I can have – there's not really a politically correct term for this or updated term for this, but there's a thing called a gentleman's bet, right?

Tim Ferris: Right.

Brendan Moynihan: There's no money involved. This is bragging rights.

Tim Ferris: Like trading places.

Brendan Moynihan: I think this happened – or even bet a dollar, but if they took the dollar off the table, it'd be purely a gentleman's bet, right?

Tim Ferris: Right, right, right.

Brendan Moynihan: To where you get bragging rights. "I was right; you were wrong," and your chest puffs up, and you get to make fun of the guy or whatever, right?

Tim Ferris: Right.

Brendan Moynihan: Or pinky bets. You have a pinky bet. There's no money change, right?

Tim Ferris: Right.

Brendan Moynihan: They confuse the profit motive with the prophet motive – prophet, profit, right?

Tim Ferris: Right, got it.

Brendan Moynihan: They want to be right. It's not about the money, and in gamblers, that is a disease. There is something wrong there. It is a betting gone a much. Money is just a ticket to enter. They're there for the adrenaline rush. I don't pretend to be an authority on what that is, but it's the other end of the spectrum, but it is one of the categories, but you can gamble in the securities markets, you can gamble with commodities markets, and the [inaudible] whatever.

You don't have to be at a gambling casino to be gambling if you exhibit the behaviors. [Inaudible] behavior art so people can start to recognize and acknowledge what they're up against.

And then the last piece is, what are the emotions of a group or individual? And again, I'm not talking about being a psychologist or being trained in any of that, but I don't have to be trained in that to know that if your emotions become involved, what you have done is you have personalized something. You have now made this a matter of pride or embarrassment or shame, but emotions or neither good nor bad. They simply are. They just exist. We experience them. It doesn't matter. Making decisions based on emotions is bad and can be problematic.

In my research and reading, I just found this book from 1905 called *The Crowd* by a Frenchman, Gustave Le Bon, and he talks about *The Crowd* being the single entity that best exhibits emotional decision making. So I thought, "Well, if I can go through this and make this part of the construct to explain to people, if you're exhibiting these kinds of decisions or these kinds of processes, which is when a psychological crowd forms and what they do, then you'll be catching yourself and identifying that misbehavior and trying not to be making emotional decisions."

That's the *Reader's Digest* version of, what are the three things, and then sort of the beginning bullet points that fall down underneath each one.

Tim Ferris: *The Crowd* sounds a lot like Mr. Market that Warren Buffet talks about who comes into the office –

Brendan Moynihan: Yeah, and Jim [inaudible] too. Exactly, exactly.

Tim Ferris: Right, and what have you found among readers – or people in general – of course, you've had a lot of exposure to market participants, both when you've actively traded. But since the book came out, what have you found has been effective for people or distinguished people who have been able to develop and actually act on the information in the book? Like you pointed out – I'm endlessly fascinated by this, even with my own books, whether it's business or sports or for our body – whatever it might be.

There are some people who put the words into practice, and there are others who fail to, and I'd love for you to comment on how or why the readers who are successful in doing that are successful, if you have any thoughts.

Brendan Moynihan: I have spoken to a number of people. A lot of people have contacted me over the years. It's been a long stretch, but I think what I've found is – because what I try to do is just say, "Okay, here are the problems. But then, alright, now what to do about it?" What I lay out in the back half of the book or the back two chapters of the book is, one, having a plan that is developed when you are not in the market. You cannot have a position on when you develop this thing.

And whatever your methodology is – there's many ways to make money as there are participants. There are relatively few ways to lose it. I think I've just identified them. Form the checklist. Put that on the top half of a sheet of paper. On the bottom half of the sheet of paper, write out – because you have to have it objectified and down in black and white. Write down the if/then statements or scenarios under which you'll pull the trigger to get in a position or get out of a position so that it is now out of your hands.

Now, can you violate that and take the piece of paper and throw it away or tear it up or whatever? Absolutely. But until somebody goes, I think, and puts down a checklist and has something to look at and say, "Am I doing one of these three things," or the little bullet points that fall under each one of those three, "am I succumbing to this?" And with the pencil, start saying, "Okay," and then are you following the bullet points that you've now put on the bottom, which are the if/then scenarios under which you are going to act and pull the trigger on a position in the market. I think the ones that have gotten what I was saying, they have written it down.

The top half of the sheet of paper is basically – you print it out now. And the bottom half, your plan might not change from one day to the next, but some people print it out every day. Some people just print out the bottom half and say, "Okay, I'm changing the plan to do this. I'll check the checklist. Am I falling into these traps? Am I doing any of this stuff?" And again, it's the propensity for humans to delude themselves and cheat on that exists, and there's really not a lot I can do about that.

But in terms of translating 65,000 words into a single sheet of paper that you've then tried to instill it is the way that I've found people have [inaudible], and I did the same thing. I have a stack of legal pads, and I physically write the stuff out every day because then it's not being tapped out on the computer. I literally have to write it out in capital letters with a pen so that I know I'm doing what I'm supposed to be doing.

Tim Ferris: I do exactly the same thing, typically on a Post-it or an index card – something that's very physically limited in terms of real estate so that I can't have an unending, say, app full of to-do items. I feel like checklists are so undervalued, particularly when people feel that the decisions are simple enough to hold in their working memory because the first thing, of course, that happens – like you said, you can't really formulate a plan when you have a position, and if you have an emotional response to a position, that working memory is going to be rendered useless.

Brendan Moynihan: Right. There's a reason my telephone numbers are seven digits long, right?

There is a capacity that the brain cannot take in. This is actually going to be one of the sections of the book that I'm – I've already written it, but the book that I'm working on right now, which is basically the concept formation. So if you, in your mind's eye, if I put up three vertical lines just on a piece of paper, one inch long, you can just glance at that and tell me there are three. You don't need to count them, right? Now, a five year would have to count them because the five-year-old has not yet figured out how to grasp that much content at a glance and spit out what the answer is. But if I put 15 of those lines up there right next to each other, you would have to count them.

Now, I could do a little shortcut, and I could do four of the lines vertical and then one diagonal through it, and you're old enough to know that means five. And I could put three of those, and you'd say, "Bang, 15," or I could put the number 15. Putting the digits one and five together is condensing a lot of perceptual data into a smaller mental unit that you can grasp immediately.

That's what your Post-it notes is doing with the list, in my mind, and that's what my one pager is doing in my mind is that the bullet points are taking this massive data that I have formed in my head – "What am I going to do? What am I not going to do?" And I'm boiling it down so that I can, at a glance, more readily, apprehend it and put it to work.

Tim Ferris: Definitely. There's a very good writer – also a very good doctor – named [inaudible]. I don't know if you've ever heard his name, but he's written for the New Yorker and wrote a book called *The Checklist Manifesto*, and it talked about how just incredibly profound the changes can be when a simple checklist is employed, for instance, for preventing bacterial line infections in hospitals. Of course, every doctor, every nurse feels like they don't need that type of assistance, but very simple mistakes with extreme consequences are made all the time in hospitals because people are rushed.

There are extenuating circumstances. The unpredictable or the unexpected happens, and that's when the obvious becomes not so obvious or it gets lost in the noise.

Brendan Moynihan: I would imagine that pilots –

Tim Ferris: Exactly, exactly.

Brendan Moynihan: Are perfect examples of why they are, maybe, forced to do that. I don't know that much about it, but –

Tim Ferris: No, that's a great example.

Brendan Moynihan: There's a reason why they call it a flight checklist, right?

Tim Ferris: Right. That's exactly right. And also, effectively forcing the checklist to be used because in the case of airlines, for instance, a lot of crashes, when you review the black box tapes, are caused by a resonance on the part of the co-pilot who's often times lower in the hierarchy than the actual primary pilot of speaking up when he or she notices various problems or skipping of the checklist. You can certainly see how that dynamic would play out if you have, let's say, a spouse who's nervous about a position or an employer who is somehow entered into the psychological dynamic. I want to come back to your current work and what you're working on, but before we get there, which investors have most impressed you or impress you?

Whether that's the Jim Rogers types or others. I'd just be curious to hear which investors have most impressed you over time?

Brendan Moynihan: Well, again, my history is largely from the trading environment, the bonds, currencies, and commodities for 25 years, and have only recently in the last couple of years moved into the equities markets as part of my profession. This is probably the same as plug or whatever, but I work for the two smartest guys I've ever met in my life, so I feel very comfortable and happy there. In terms of the other investors, I do think that in my early years, I do think I learned a lot from speaking with Jim Rogers. He said to me one time, he said, "Short soy beans and you'll learn more in one week than you will at two years at a business school."

Tim Ferris: Just by holding that position, regardless of the market.

Brendan Moynihan: Yeah, so I did, and by the end of the week – I did it for five days, and I lost $450.00, but it was the longest position I've ever held, but you know what? I learned a lot.

I was probably 24 years old, and I really began to – and I was on my own. I wasn't employed. I was doing my own thing. I was trying to make money doing that, and I learned more doing that. I did learn a lot from – again, these are going to be floor traders – a guy named Tom Baldwin in the bond pit in Chicago. I learned a lot from reading about and interviews with these people – Bruce Kodner. He was featured in *Market Wizards*.

Again, my bent was really more on the speculator side. I wasn't an investor in that capacity or looking at equities that way, so I think that my perspective and approach are probably a little bit different from what most people, maybe in the securities industry, kind of grew up and cut their teeth on.

Tim Ferris: What impresses you about a good trader? What, in your mind, makes a good trader? Just out of curiosity because I've never participated in the markets that way, but I've seen, for instance, bootleg copies of *The Trader*, which is about Paul Turner Jones, and it can appear very sexy. It's very exciting. I'm sure a lot of people get swept into it that way, but what makes a good trader in your mind?

Brendan Moynihan: Well, I think actively being able to take a loss. You might be in a position, and it's against you, and you have a stop further down in the market to get you out if it gets down there, but the ability to just turn and just say, "You know what, it's not acting right. I'm not going to mess with this. I'm not going to hope for it to go back up to break even. I'm just going to go ahead and get out," and be able to take that loss and just walk away from it and not relive it, not rehash it, not mull over it, not complain about it.

And it's difficult because I think that what happens is – and I point this out in the book, the million-dollar book that we've been talking about – that because we lost points for wrong answers on tests in school, when we lose money, we must think that we were wrong, and we really don't like to be wrong. No matter what it is we're talking about, none of us likes to be wrong.

So the ability to distinguish that and differentiate that and keep that money loss as an external thing rather than internalizing it, personalizing it, and equating loss with wrong and saying, "I lost some money." This is not about being right or wrong. Running a business is not about being right or wrong. It's about making judicious, risk management decisions in a condition of uncertainty trying to speculate – and I mean that with a capital S, running the business – what future demand is going to be, where supply is going to come from, a very dispassionate view of the decision making process, and, to some extent, a healthy disrespect for money.

Money is just a way of keeping score. It's become the be all end all. I've seen that get people into trouble. That [inaudible] the question you were asking. I've seen that get people into trouble, and I think some of the best traders I've seen, the money is not what it's about. It's not what they're doing, and they're not flashy. They're not going out and buying crazy things and –

Tim Ferris: Well, I've heard – maybe you can confirm or deny this, but I've heard from a number of people that there are – may not be hedge fund managers specifically – but traders who are playing with huge positions who, at numerous points in their careers, when they reach a height of anxiety, when they're having panic attacks and aren't able to sleep and so on, that their rule is to liquidate all of their positions and start from scratch, which would seem to reinforce the keeping track perspective of capital in this particular case.

I think I may have read that in a book called *More Money Than God* – a number of titans in the hedge fund industry, but that's something that I've struggled with, quite frankly, because, oddly enough, in the highly speculative startup market where I've been very fortunate to be involved with, whether it's Twitter, Facebook, Uber [inaudible] a lot of these companies, it's binary. Once I make a decision, for the most –

Brendan Moynihan: Yup, you're in an illiquid situation. Yeah, exactly.

Tim Ferris: Exactly. For the most part, you're in an illiquid situation. So I have to do all my due diligence, my homework, cross my fingers, and place a bet, and then I'm not asked by Mr. Market every morning, "Do you want to buy? Do you want to sell? Do you want to buy? Do you want to sell?"

Brendan Moynihan: Right, and you're an investor of the longest timeframe that Adam Smith was talking about when he scripted that out because the idea of you waiting for a dividend, whether that comes from going public or whatever, is a really long time. But, no, you're right, and I think that it is – I mean, it makes – you're an investor, and a lot of what I've been talking about and a lot of what the book was about and the specifics of the parable is speculators.

But even investors in the liquid securities market do have the ability to decide, "I do not want to be in the steel market anymore. I was in the steel business today. I don't want to be in there by Thursday, and I'm going to get out." So it's a contrast, and I've heard, anecdotally, about people liquidating all the way down to zero. But really, I've heard, and I've experienced myself, just liquidating down to the sleep level. So here's a great analogy.

There's a guy who I worked with at the investment back in Nashville. He's long since dead now, but he was around when the firm started in 1927. So he went through the crash and the depression working for that firm and was still there in the mid-1980s when I got there – May 13, 1985. He said, "Brendan, there are only two positions in the market, and it's not long and short," and I looked at him. He said, "It's too little and too much." So when the position's working for you, when the position's going your way, you don't have enough on. And when it's going against you, you've got too much on.

Would I liquidate down to a sleep level? Yeah, I've done that a number of times. I've gotten completely out when it's not going – something's wrong. I don't understand what's happening here. The volatility's too much or whatever. I've heard this one as well. These are little cliché's that come from the street, but it's better to be a coward and live to fight another day than to die on the battlefield. Jim was killing himself on the battlefield by losing that much money in that short of period of time.

But that's it. A trader will take the lump and just say, "Okay, so I lost the money, but I had to stay liquid so I can come back and try this again if I think I have any skill at doing this. I can't make this a matter of being right or wrong and miss all the capital just because there's room to risk it."

Tim Ferris: One of the things that I really loved about *What I Learned Losing a Million Dollars*, which helped me tremendously, was looking at my internal state, my internal rules, the beliefs, behaviors, emotions, as forensically as possible, as objectively as possible, set rules in advance that would serve me so that I wouldn't misbehave and make capricious, impulse decisions that would be extremely harmful.

One of the things that that sparked in my mind at least is trying to diagnose those various aspects of your psychology so that you could identify the type of investing that you are best suited to. In my case, I realized that – and this happened after reading Lowenstein's, *The Making of an American Capitalist* about Warren Buffet where there's a story in that book that roughly – and I'm paraphrasing this, and I might've exaggerated it in my own mind.

Warren Buffet used to come home and then walk up to his office and continue reading annual reports. At one point, his son had fallen down the stairs was sprawled out on the staircase with some of injury, and he came home, looked at his son oddly, stepped over him, and walked up to his office, and then came down a few minutes later and asked him if he was okay. That, to me, just seemed perfectly appropriate for him because he's so – he is the Tiger Woods of emotional detachment from his investments.

It just struck me that perhaps, just like being able to jump from the foul line and slam dunk a basketball, that there are people who have these predispositions to be able to do things like that. I think that you can certainly develop a lot of those skill sets. For me, I realized that playing in a binary game, namely startups in this case – and there are exceptions, and you can sell or buy on the secondary, and there are fancy things you can do, but in very simple terms, preventing myself from looking at charts was a very, very good idea.

It really opened my eyes when reading about the parables and stories related to Jim, and then your analysis and dissection of, theoretically and practically, how you put that into the real world. What are your favorite other books on investing, if you had to pick, say, one to three books? If you're only going to read one book, two books, or three books on investing besides this one that I'm looking at right in front of me, what would you –

Brendan Moynihan: That's got to be No. 1 on the list.

Tim Ferris: Got to be No. 1. So what would the others be? And they don't necessarily have to be books that would be described as on investing.

Brendan Moynihan: Well, I think two books fashioned and got me interested me in this at a very early age. The first book I read on the markets was a book called *The Money Game* by the penname Adam Smith. His name is George Goodman.

It was probably written in 1967. It just happened to be on my parent's bookcase a long time ago, and I was probably 15 or 16 years old when I read that. Then I went to college, and I was studying finance. I was sort of already in the industry and getting going, and I came across another book called *Once in Golconda*. It's about the –

Tim Ferris: Oh, absolutely.

Brendan Moynihan: By James Brooks, yeah.

Tim Ferris: I've seen this book. Actually, a friend sent it to me as a gift.

Brendan Moynihan: Just in terms of the cycles of the markets and the economy, it has a broad scope, and so some of these things have happened before in similar ways, and not all identical, but to try to get some history and perspective that way. And I've already mentioned the other one, which is *The Crowd* by Le Bon. I think that it's a fascinating book for – he looks at how groups of people can get caught up in these mass manias and panics.

But what I observed was that those same traits can be exhibited and manifested in an individual in a decision making process and environment of uncertainty, whether you're in an office with people around you or whether you're sitting – I work in my office by myself and got a home office, and there's no one around, but looking at screens and being inundated with information and news or whatever, that an individual can exhibit those same traits and characteristics that make a group of people lose their individual sense of self-preservation.

For example, after your team loses a sport event, do you go out with a whole bunch of people and set the town on fire, right? Really? You would never do that on your own, but in the group, it happens. They take actions that are obviously contrary to their individual interests, but they do it because they are swept up in this mania or panic, and I think an individual can do that, particularly with decisions about money, particularly in liquid markets where you're getting constant feedback

Like you said, you wake up in the morning, you're not getting a check from Mr. Market on what those prices are. I don't mean a check; I mean checking the price or getting a reading on what those prices are. Whereas I'm getting thousands or price changes a day by looking at screens, and it's easy for somebody to fall into that. I think that that book does a really good job of providing the macro of what a micro can affect an individual.

Tim Ferris: I want to be, of course, cognizant of your time, but before we wrap up, I would love to hear you elaborate on what you're currently working on, whether that's the new book or other subject matter because I know we talked a bit, before I recorded, about the subject matter, and I found it extremely fascinating.

Brendan Moynihan: Okay. Well, so I'm working on two. One I've had to indefinitely shelve just because I'm too busy with primary working things, but I'm writing a book on grammar. I'm assuming you do not want to hear about that.

Tim Ferris: The other one, yeah.

Brendan Moynihan: Right, the other one. So I'm writing a book. The working title is *Fooled by Similarity*, the art of risk or the art of risk management, and it's a look at how thousands of years ago, societies, whether they were tribes or clans or whatever, they looked out for each other. If one guy's crop failed or got eaten by animals or whatever, they all would take the numerator, the denominator and divide that loss and keep that family alive so that nothing bad would happen to them. So there's a pretty easy pooling of risk that took place. As time marched on, you get into around the 1600s – 1660 – basically, you've got the early stages of understanding the science and the math of probability.

This came about because of a different kind of risk. Most risk prior to that was all seen as downsize. If something bad happens, that's risk. It's going to go down, right? But what they started is with games of chance, you now had a manmade environment where something good could happen or something bad could happen. And so the development of probability in that was an exercise in math, and it was purely predictive. It is purely predictive.

I don't have to take a deck of 52 cards and go through all the different combinations and permutations to find out that there are 2,598,980 different five-card poker hands, right? The math will tell me what it is, and it will tell me what the likelihood is of getting in one of those hands or going to the future. A numerator and a denominator, fine. Fast-forward 140 years. In 1880s, you start getting development of statistics, which I think that fooled by the similarity of there being a numerator and a denominator.

And they started saying, “Well, you know, something happened in the past. There seemed to be X number of fires in the city about every year, and so they start taking data from the past, numerator and denominator, examined outcome versus possible outcomes and said, “Well, you know, it’s happened that many times in the past. Therefore, it’s a probability that it will happen in the future,” and that’s where I think the problem breaks down is that, with probability, you’ve got class probability.

You have a uniquely defined set of population or possible outcomes, and they form a class. With statistics, you have cases. The word case is French and is, actually, the root for the word chance in English. So these are all chances, and, actually, that’s a funny story. Sidebar – in finance, particularly in investment business in the ‘50s as it became very scientific with Markowitz and the paper that he wrote and modern portfolio and so on. In the ‘40s, as they were trying to go through this stuff, two guys were doing work on modern stochastic analysis, and they couldn’t figure out whether they wanted to call it a chance variable or a random variable.

The word random popped in because of random brownie in motion with Einstein in 1905, and everybody was trying to – it makes [inaudible] economic sound scientific if you start using words from a physical scientist. So they’re trying to settle on, “Should we use chance variable, or random variable?” You know how they settled it

Tim Ferris: How’d they do that?

Brendan Moynihan: They flipped a coin.

Tim Ferris: That’s very appropriate.

Brendan Moynihan: So they wound up with random variable. My point is that in the social sciences, you have case probability. You do not have class probability. I don’t understand why baseball players have a single batting average. Shouldn’t they have one for every pitcher that they face? Shouldn’t they have a daytime one and a nighttime one? What are the odds of you getting struck my lighting? Somebody can tell me, but I would say, "Well, using statistics, the odds are none because, so far, I've never gotten hit by lighting. Therefore, there's 100 percent chance that I will not get hit by lightning." So there is some confusion that –

Tim Ferris: Well, it's like the turkey and the black swan.

Brendan Moynihan: It gets said every day. That's right. That's right.

Tim Ferris: Before Thanksgiving, exactly.

Brendan Moynihan: That's right. That's right, and let's use the White House turkey because he gets pardoned. So I think that people are fooled by the similarities between – but similarity is not [inaudible]. It is not the same thing to do statistical analysis and then try to fast forward that into the future and say, "Probabilistically, this is going to happen." So I have rings of examples – and I won't load the book with it.

I'll just do enough to get the point across – where here's a market phenomenon that has worked 100 percent in the past. It's happened X number of times, and 100 percent of the time, it has been profitable the next week. But then if you fast forward that through time, you see it break down, and it stops working, and now there's a whole new population that it's dealing with. That is not a deck of cards. That is not a roulette wheel. Where probability class, probability exists, you're dealing with case probability, and these things are indeterminate.

You do not have the prescribed possible universe of outcomes, and I think people, again, get a false sense of security by putting the math to it because there's a numerator and denominator like there is in probability, and I think that they actually have "odds in their favor" as though they could repeat that experiment 100 times in a laboratory. They can't. You can't replicate that social science phenomenon in a lab the way you can with the cards, the roulette wheel, or whatever. Everything's chance.

Tim Ferris: Right, which is also an issue in mass media where you see journalism – or say journalists – not all, but many who misinterpret, say, observational, scientific data and conflate it with experimental data where you can actually isolate variables and look at cause and effect.

But they take correlation and turn it into causal data, and it creates mass hysteria, which then gets put into Wikipedia because it's sited from magazine X, and it can become a huge disaster for public perception that can lead to things like dietary habits over the last several decades, which contradict – or I should say are contradicted by a lot of the supporting data. So, yeah, this is all extremely fascinating and, I think, extremely actionable when people are able to digest it in the right format and the right context. And like you said, I think stories and examples are extremely helpful in those cases. To shift gears, I have two more questions for you. Do you read fiction? Do you read any fiction books?

Brendan Moynihan: No, no.

Tim Ferris: You do not, okay.

Brendan Moynihan: The last piece of fiction I read was *Atlas Shrugged*, and I finished on October 18, 1987.

Tim Ferris: Okay, that's a perfect –

Brendan Moynihan: The day before the stock market crashed because I came back from my honeymoon the day the stock market crashed, and I got fired from my job.

Tim Ferris: Oh, wow.

Brendan Moynihan: Because the guy thought it was the end of the world, so he fired us all and closed the business.

Tim Ferris: Oh, man.

Brendan Moynihan: I came home and said, "Honey, I'm home, and I mean I'm really home. I'm not going anywhere. I got nowhere to go."

Tim Ferris: Why don't you read fiction? Why haven't you read fiction after that point? I'm just curious. I'm not saying you should or you shouldn't. I'm just –

Brendan Moynihan: I just like facts and figures, I guess. I don't know. I don't care about stories. I guess I watched Pretty Woman with Jim. I probably watched –

Tim Ferris: Do you not watch movies either?

Brendan Moynihan: No. Well, I don't have a TV. I know I went to movies with my kids when they were young, like to go with family, and it was a Disney

– like the Lion King or something, which I don't think that was intended for me.

Tim Ferris: No, that makes perfect sense. Last question. If you were to rewind the clock or if you were able to give your 18-year-old self or 20-year-old self one piece of advice, what would it be?

Brendan Moynihan: I would say wait a little bit later to make most of the major life decisions. I think I was probably a little too young when I made a number of them. So probably just wait, get a little bit more maturity before pulling the trigger. My father died when I was in college, so there wasn't really anybody saying, "Oh, you might want to hold off on that a little bit. You might want to think about doing this." I was just basically out on my own doing whatever I thought was the right thing to do, and I was probably a little bit too young and immature for making some of the decisions I made, but –

Tim Ferris: What types of decisions?

Brendan Moynihan: Oh, I did most of the major life decisions. I think in terms of moving to the city, how long do you stay at a job? When you get married, when you have kids, when you buy a house. I think some of those could've gone on a little bit longer, and I was probably a little bit quick to pull the trigger.

Tim Ferris: Got it. Well, let's wrap this up here, and perhaps, sometime we can have a part two, but this has been great fun. So thank you very much for taking the time.

Brendan Moynihan: Thanks for having me.

Tim Ferris: Alright, talk to you soon.

Brendan Moynihan: Thanks, Tim. Bye.

Tim Ferris: Thanks, bye-bye.