



WALKING AWAY FROM WALL STREET

From Corporate Bull\$\$\$\$ to
Building a Business

MAX VISHNEV

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This book is dedicated to my mother, who reminds me daily to eat my fruits and vegetables, to my grandmother, who instilled in me the love of reading, and to my grandfather, who taught me how to play chess when I was a boy. All three uprooted their lives to bring me to the greatest city in the world twenty years ago, and for that I am forever grateful.

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Preface

My name is Max. I am not part of the 1%. I don't summer in the Hamptons. I am not a management guru or a business pundit. I don't have a PhD in science or history, and I'm not a Nobel Laureate. You won't see my picture on the cover of a best-seller in an airport book store.

So who am I? Well, I am a lot like you. I like a hot cup of coffee in the morning. I enjoy a good book. I like to travel, take photos, run in the summer and ski in the winter, try out new restaurants, and hang out with friends. I love New York and proudly call it home. Like many of you, I once had a corporate job I didn't like. The key term here is "once had." You see, in the summer of 2009, I quit my job on a Morgan Stanley trading desk and went to study and live in Barcelona for a few months. Then, after coming back to New York, I started my own business. Two years have passed, and I am a different person with a new life.

I decided to write this book because I wanted you to know that a life change doesn't have to be a pipe dream. Change is around the corner if you have the will power and the drive to bring it about, and sometimes all you need is a little kick in the butt.

Over the last two years, I have gone from being a struggling first-time entrepreneur dabbling in iPhone app development and email newsletters to an owner and operator of a successful tour business in a very competitive market with no prior relevant experience, no outside funding, and no full-time employees. It wasn't easy. I made a lot of mistakes along the way and took some sizable risks, but after some costly stumbles and disappointments, I've set my company up for healthy growth in the years to come, and if I can do this, so can you. There is no better time to try something new than now.

My story may be about leaving a job at a large investment bank and launching a travel startup, but the fundamental issues and the lessons learned can be applied to most fields. So if you feel like you are stuck in a job you dislike or in a career path or industry that's not right for you, and you simply need an extra nudge to pursue that one thing you've always wanted to do, then I hope this book will help you kick-start your plans.

A quick note about the book:

I have told my story in chronological order to the best extent possible. The story wasn't meant to be all-encompassing, but I included certain personal anecdotes throughout because I felt that the different chapters in my life were all inter-connected and led me to my current path. The first part of the book is focused on my past life: The immigrant experience, the corporate grind, and my decision to quit my Wall Street job. The second part is about my foray into entrepreneurship and my early experiments and stumbles. The last part includes a lot of specific recommendations and key takeaways, which I hope other aspiring entrepreneurs will find useful.

Introduction

In hindsight, I could not have timed my Wall Street exit better. I have had nearly three years to reflect on my previous career and the floundering finance industry, and I do not regret my decision to leave one bit. In fact, it is all the more clear to me now that the business was not a good fit for me and had I stayed, my prospects would have been very limited indeed.

I feel that the subject matter of this book is very pertinent to what's going on around us today, not just in the U.S. but globally. We are living in very challenging times with over six million people unemployed in the States alone and many fewer prospects available to young people. I have friends who have been looking for work for a while, and I have friends who are holding onto jobs they hate because they have to pay the bills and see no alternative. Others are sweating the next round of corporate layoffs which these days, always seems to be just around the corner.

Even traditionally lucrative and respected occupations no longer seem as coveted as they once were. Take medicine and law for example--two professions the parent or grandparent of any immigrant child would have given a pinky to proudly announce to their friends and neighbors in generations past that their progeny had entered. The medical profession is at a crossroads today with doctors struggling with increasing amounts of paperwork, decreasing insurance reimbursements, and a rapidly shifting regulatory landscape. Many are forced to spend less time with each patient just so they can see more patients per day. Who can blame them? Doctors have high fixed costs including office expenses, medical school loan payments, and malpractice insurance premiums. Law-school graduates are not faring much better these days. With \$150,000 or more in school debt, these legal graduates are faced with the grim prospect of working until midnight a couple of times a week to meet their "billing" quotas in increasingly hard to find \$160,000 per year positions at big-name firms, or suffer the "shame" of settling for an annual income of \$60,000 per year with a lighter work load but in a permanent associate-level track.

The once-venerable world of high finance isn't a safe bet anymore either. The industry has gone through a seismic shift over the last few years and the prospects look bleak, at least in the short term. In 2008, banks reeled in the aftermath of the burst subprime housing bubble. Previously “unsinkable” brands like Lehman Brothers, Bear Stearns, and Merrill Lynch either went under or were hastily acquired by other banks just to survive. Countless hedge fund managers around the world lost their shirts and shuttered their doors. More than three years later, the industry is still not out of the woods and is now reeling from the bursting of yet another bubble--that of European sovereign debt. What's worse, the public perception of this industry has taken a nightmarish turn. Bankers and traders, once the envy of capitalist societies, are now reviled enemies of the state – lambasted by the mass media and protested against by disenchanted youths around the world. And the drum beat doesn't seem to be tapering off. Outrageous year-end bonuses have mostly gone the way of subprime mortgage securitization. Wall Street employees now face the harsh reality of shrinking bonus pools and tenuous job security, as big banks continue to struggle with asset writedowns and limited business prospects.

So what's the point of all this? The point is that we are living through a period of such uncertainty and fundamental changes in so many important industries that there is no better time to break out of the mold, experiment, and take risks than now. My fumbles, pivots, takeaways, and accomplishments will be relevant to most people looking to pursue their passions. And hey, I am just one example. There are countless other New Yorkers I've met or heard about who have either been laid off or quit their corporate jobs to start coffee shops, mobile bakeries, tech startups, web businesses, and a myriad of other enterprises. It's no longer about societal standards or even parental expectations but about how we, as individuals, capitalize on this period of tremendous uncertainty to pursue our dreams and passions, and set ourselves up for the recovery that will eventually come.

When we do emerge from this period of turmoil, as we have done in the past, do you still want to find yourself in the same job you hate now, adding crumbs to your keyboard, in a role that deprives you of sleep, fulfillment, and joy? Or do you see yourself making a good living doing something totally different, whether it's something you have always

wanted to do, or something that may be grey and unclear, but certainly isn't what you are doing now?

If so, please read on. Allow me to share with you my personal story. Then, go forth and conquer.

Part I

A Room Full of Noise

In 2006, Morgan Stanley's then-CEO, John Mack, created a proprietary trading desk in an effort to raise the Firm's risk tolerance and trading revenues. The Firm staffed the newly minted desk with alleged financial wunderkinds, wizards, and "Green Berets" of high finance. The "cool" kids moved up to Prop (10th floor), while the rest remained on the "client facing" side (2nd floor). I was tapped to move out of the Trade Support group I was in to manage the operations for the client-facing trading desk that I had supported for the last year. Me! A kid that came from Kiev via Baruch College on a Morgan Stanley trading desk? I was psyched! Longer hours be damned!

I suddenly found myself in the middle of a busy trading floor with long wooden tables, expensive ergonomic chairs, and the constant cacophony of phones ringing and people shouting. Traders' banter included such memorable nuggets as:

- "I got lifted at 90." Translation: "That sucker bought that crappy bond at my high offer price".
- "He smacked my bid." Translation: "Man, that guy was eager to sell!".
- "I ripped his face off!" This one is particularly popular with the "big-swinging-dick" male traders. It's essentially a more violent and visually graphic way of saying you just ripped someone off.

I was surrounded by lots of interesting characters. There was the young hotshot from Princeton with a big mouth, an even bigger head, and an uneven temper, who would slam his phone receiver down into the metal holder attached to his desk once in a while, just to prove he was capable of getting very, very angry.

Then, there was the much shorter, stockier loud-mouth trader hailing from upstate NY via Carnegie Mellon's Business School who was obsequious to his bosses, but always

seemed to find the time to exercise his Napoleonic demons anytime a first or second-year analyst passed by his desk. As this particular trader gained experience and seniority, his “Desk Villain” costume became filled with an increasing amount of hot air, at least in my eyes.

The favorite piñata of the desk had to be the socially awkward and sometimes outright goofy kid from Yale. His boss frequently insulted and disparaged him in front of the others on the desk – all in clean, good fun, of course! He just smiled sheepishly and shook his head. I figured he liked the attention, even the bad kind.

Then there was the low-talking, eccentric trader from Israel of petite proportions who probably had a hard time hearing *himself* speak. He was brought in to focus on trading esoteric derivatives linked to subprime mortgages. This “specialist” would spend a good chunk of his day pitching “bespoke” (highly customized and illiquid) deals to various institutional clients (hedge funds, pension funds, foreign banks), whispering so hard into the phone that it looked like he was about to swallow the receiver.

In contrast to the low-talker, we certainly had our share of loud-talkers. Phone slamming was popular as was yelling at salespeople across the floor or via the speakerbus system. In my operations-centric role on the trading desk, I had a front row seat to this theatrical enterprise, replete with both the comedic and tragic elements.

Around 2pm, the most junior member of the desk, usually the first-year analyst from one of the Ivy League schools Morgan Stanley targeted for Sales & Trading analyst programs, would walk around the desk asking people for their Starbucks orders. One of the most critical aspects of the job of a first-year was to not screw up anyone’s order and to become adept at carrying six to ten extremely hot beverages through a couple of doors, up the elevator, and across the crowded trading floor. This was a rite of passage of sorts - don’t mess up the traders’ coffee orders and maybe they’ll let you start trading bonds soon. There was no shortage of Starbucks to fill the orders, of course. There was one right in the building on the corner of Broadway and 47th. There was another one down the street at 8th and 47th, and a third one the other way at 7th and 49th. In no time, the analyst would have everyone’s orders memorized and would just walk through the rows of desks confirming the usual iced, skim lattes, caramel macchiato, and soy something-or-others.

For me, the timing of my internal move was perfect. I was in a great position to learn about the inner workings of the securitization and derivatives markets while they were hot, and to gain experience that I could never have gained had I stayed in the Operations department. The industry was changing rapidly. We were in the midst of a virtuous cycle of low rates, rising property values, and an ever-increasing volume of mortgage originations. This, combined with the innovation and increasing popularity of securitized products and credit derivatives, and the insatiable demand of financial institutions around the world to get a piece of America's real estate bonanza, meant that trading desks at every major firm were "all hands on deck" in trying to finagle the best and quickest way to generate trading revenue and bolster the year-end bonus pool. When a big trade closed, we would celebrate with expensive steak lunches from Bobby Van's or equally expensive sushi samplers, all on the boss's generous tab of course!

Since a lot of this stuff was brand new, there was really no infrastructure to handle the booking, marking, and processing of these trades, so that's where I came in. The sales guys baited the fish, the traders pulled them in, and I had to do the dirty job of gutting it and prepping it for the meal. That first year, I was thoroughly challenged, highly motivated, and was learning a whole lot about the business. I became the "nuts and bolts" guy on the desk.

A couple of months after I made the jump from Ops to the Trading Desk, I began my MBA at New York University's Stern School of Business, attending classes in the evenings, twice a week. I was very busy, to say the least - up at 6am, at work by 7:30, then out by 6pm on school days to get to class by 6:30. I would often show up late to class because I could never seem to leave work early enough. I'd sit through the lecture until 9pm, but because my brain was so fried by the time I got to class, I would usually zone out within about twenty minutes. But what did I care? Morgan Stanley was footing the bill and I would have an MBA from NYU on my resume in three short years. Life was good.

A Kid from Kiev

Allow me to rewind the clock a bit. Years before I ended up working at Morgan Stanley, I was just a happy kid growing up in Kiev, Ukraine in the 80s. I lived with my family in a Khrushchev-era building complex and spent most of my free time outside kicking a soccer ball, climbing trees, or cooking potatoes in a bonfire with friends. Each morning, I woke up to the sound of the Soviet National Anthem playing on the radio, brushed my teeth, ate a slice of bread with butter and jam, put on my school uniform and went off to school. My great-grandfather, meanwhile, rose at the break of dawn for another reason. He had to get to the stores before they ran out of bread and milk. We had plenty of potatoes in Ukraine in the 1980's, but a shortage of almost everything else. Bananas were a delicacy. We might see them in stores once or twice a year, and on the rare occasion I got one of these tropical wonders, I would go outside and peel it slowly and proudly, extending the tantalizing pleasure of eating this delightful fruit for as long as possible.

My simple but happy childhood in Kiev ended a couple of years after the Soviet Union fell apart. In late March of 1992, we caught a direct flight from Kiev to Queens and like thousands of other Russian-speaking immigrant families, we settled in Brooklyn, near Brighton Beach, also known as "Little Russia by the Sea."

My love of bananas came to haunt me shortly after we arrived. I couldn't believe that we could step into any grocery store and get all the bananas we wanted. So one day, I devoured an entire batch in less than an hour, after which, I spent a good amount of time thinking about my binge on the toilet.

During our first few months in Brooklyn, Sunday nights were extra special! Since Monday morning was a garbage pickup day, the prior evening afforded us the opportunity for sidewalk "browsing." We'd walk around our neighborhood inspecting all the things that had been discarded by the more established residents. The guy down the block just bought a new TV and got rid of the old one? Well, let's bring it home and see if it still works. Voila! All we need now is an antenna. An old fashioned kitchen table,

some rickety chairs, and an ugly entertainment set up for grabs? Refugees can't be choosers. Our lack of resources made us "green" long before it was cool to be "green."

Our first apartment in the neighborhood of Gravesend, about a mile north of Brighton Beach and Coney Island, was almost entirely outfitted with discarded used furniture. We just couldn't believe the things people threw out.

Uprooting one's life and diving into a new culture and society is never easy, even for a ten-year-old kid. The first big traumatic event for me was my first day at Public School 153. It was April of 1992, and the fifth grade class I was placed into had about thirty kids. These ten and eleven year-olds had spent almost the entire school year together and here I was, the new kid in town, joining their ranks. My English vocabulary was limited to such nuggets as "Tomorrow, tomorrow, I love you, tomorrow" and vital nouns like "a bat," "a cat," "a dog," and "a hat."

The teacher, Ms. Winderbaum, announced to the class that a new boy had arrived and asked me to come up to the front and introduce myself. I stood there facing the class, absolutely petrified in my multi-colored velvet sweater and my ugly, early 90s, acid-washed jeans. This was my best and only outfit, and one which my mom thought was fitting for my first day in a new school. I said, "Hello, my name is Maxim Vishnevetskiy," pronouncing it as I would say it in Russian (this was years before I legally shortened it). Instant laughter. I wanted to disappear, like Alice through the rabbit hole.

Over the next few days, my embarrassment subsided and I noticed that every morning, we had to go through the same little ritual. We were asked to get out of our seats, put our right hands on our chests, and recite something aloud while looking at the American flag hanging above and to the side of the blackboard. I had no idea what the kids were saying, but I played along by putting my right hand on my chest, looking at the flag, and moving my mouth. I was looking around for someone to mimic, and my gaze fell upon a scrawny blond kid with spiky hair. He stood in the back, a few rows away from me, and seemed to be well versed in this "pledge." I decided I needed to become friends with this kid so that he could teach me the words because the only part I had figured out on my own was, "...of the United States of America."

I soon discovered that he was just another immigrant kid from Ukraine who lived a few blocks away from me, and that he knew as little of the “pledge” as I did. He was just mouthing the words as well! We instantly became friends and have remained close for twenty years, although his hair isn’t spiky anymore, he stands 6 feet 3 inches tall, and has biceps that can crush walnuts.

My first exposure to work and capitalism came when I was 13 years old. I got my first job as a Daily News delivery boy. I would roll each paper into a tight cylinder, then tie it with a rubber band. I’d then wheel the papers around the neighborhood in a small red rickety shopping cart. Once a week, I would do my “collection run” and bring it to my Italian boss who ran the show out of his garage. He would give me my cut – about \$25 a week. Cash in my pocket felt great! I could play all the Street Fighter arcades I wanted at the local video store, without asking my mom for quarters. I could stuff my pockets full of Twix, Snickers, and Doublemint mints. I liked earning my own cash. I liked it a lot.

We lived about a mile north of Coney Island and its famous amusement park, which at the time was still called Astroland, but it wasn’t until I was 13 years old that I actually went on some of the rides. I remember riding the wooden Cyclone (circa 1927) for the first time. In Kiev, we called rollercoasters *Amerikanskiye Gorki*, or “American Hills,” and here I was finally riding one in America!

Going on the Cyclone took a lot of courage, not just because rollercoasters were scary, but because on this particular pre-Depression-era monstrosity, you ran the real risk of getting maimed or snapping a neck vertebra, or worse. The rattling noise the roller cars made on the wooden frame was truly terrifying and I remember my head bobbing around on the sharp turns. When the ride ended, I was so full of adrenaline I was ready to ride again.

Sometimes, my grandfather would take me and a couple of my friends to Brighton Beach in his 1984 Dodge Ram van. This van only had cargo space in the back, so we

would sit on wooden boards or on top of plastic milk crates and hold on for dear life onto whatever we could find.

The beach was filthy with pieces of glass and discarded cola and beer cans strewn all over the sand. The water was equally disgusting, with cellophane bags, used condoms, other household items, and the occasional jelly fish floating next to us, but we didn't care – it was our beach. The sun was hot, the water was cool, and there was always the breast stroke to get the garbage out of our faces as we swam.

In the winter months, when it snowed, my friends and I would walk around the neighborhood with shovels and ice picks, ringing every bell and offering our services to anyone who was willing to throw five bucks our way. We gritted our teeth and sweated inside our winter jackets trying to break the icy snow. At the end of the day, it felt great coming home, completely exhausted with frost-bitten fingers, but \$20 richer.

During my first eight years in America, my life was encapsulated within a two mile radius. My friends, all Russian-speaking immigrants, lived within walking distance. The public elementary, middle, and high schools I attended were a few blocks away from each other, all a mile or less from home, with Brighton Beach and Coney Island a mile to the south. Brooklyn was my life and I knew very little about it outside of my neighborhood. As for the rest of New York City, I was absolutely clueless. I could name the five boroughs, but can only recall going to Manhattan a few times during those seven or eight years. One of those times we went to the top of the Empire State Building, which was awe-inspiring, but to me, Manhattan was a foreign place, and a loud, dirty, crowded one at that. I felt a lot safer in my hood. Little did I know that in just a few years, I'd be working for one of the largest and most prestigious investment banks in the world and living on Manhattan's Upper West Side.

End of this sample Kindle book.

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