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Glossy magazines—and parties—for the shiny time before Wall Street's fall.

By Edward Kosner
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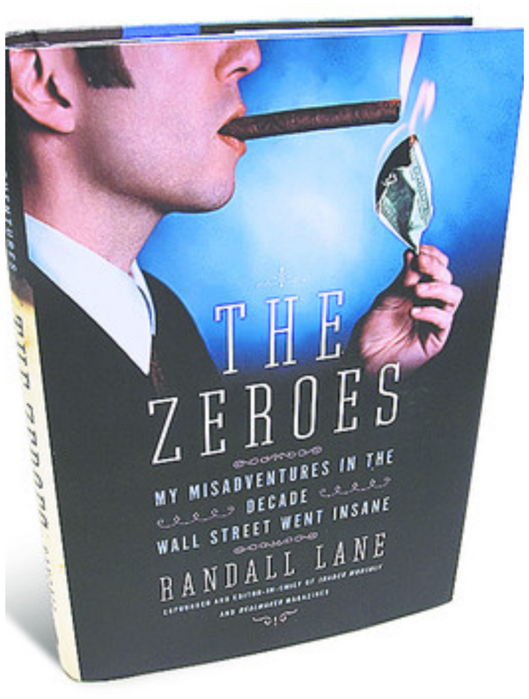
SAVE PRINT TEXT

If a hustling Candide had told the story of the Great Wall Street Meltdown, it might read something like this book—a not-so-innocent's chronicle of crafty charlatans and vulpine finaglers who left the hero dazed and diminished in the bankruptcy of his dreams.

Randall Lane's notion with "The Zeroes" is to use the sad tale of his slick-magazine enterprise, Doubledown Media, as a proxy for the now-familiar story of the financial collapse. Doubledown published giveaway titles aimed at the *nouveaux riches* spawned by the big bubble. The publications had names like Trader Monthly, Dealmaker, Private Air, Corporate Leader and Cigar Report. The idea was to use other people's money to leverage them into an international, multi-media publishing colossus that would make the founders as rich as their target readers.

"The Zeroes" was embargoed—until today—by the publisher in a marketing ploy meant to suggest that the sizzling content had to be safeguarded against leaks. But the book's hot stuff turns out to be mostly lukewarm. The big news: The juiced ex-Mets baseball player-turned-stock-picker Lenny Dykstra supposedly traded access to Jim Cramer, CNBC's screaming "Mad Money" man, for $250,000 in penny stock; the psychedelic-art hack Peter Max is a wily operator; and Wall Street sharks made even more money and behaved even worse than you imagined as the markets careened toward disaster in the first decade—the Zeroes—of the new century.

Mr. Lane, who started out in journalism helping compile Forbes magazine's billionaire scorecards, is an ingenuous narrator who likes to remind the reader that he was essentially a schlump living in a fourth-floor walkup while his glossies burnished the egos and tweaked the appetites of Wall Street's new wildcatters.



THE ZEROES

By Randall Lane
Porfolio, 359 pages, $27.95

As the boom inflates, Mr. Lane teams up with a London-based publishing wizard in 2004 to launch Trader Monthly. Its pitch-perfect slogan: "See it. Make it. Spend it." Over the next few years, they add editions in London and Dubai and acquire or start other titles. Soon the pair comes under the spell of a business-mag vet named Jim Dunning, who pumps his own millions into the enterprise and spins a vision of tiny Doubledown quadrupling down in a bid to become an international marketing machine stalking the new "working wealthy."

The hunt for money to grow on puts Lane & Co. on a treadmill to oblivion. Mr. Lane meets with a grotesque assortment of bankers, venture capitalists, merger partners, potential acquirers and other scalawags. Black books and deal sheets are exchanged. Credit lines are dangled and jerked away. At one point his venture is valued at $25 million; at another, $17 million.

Such healthy valuations were strange because as "The Zeroes" goes along it becomes obvious that, while Mr. Lane's company is churning out a half-million free copies a month, it is really in the business of staging parties. Advertisers and potential advertisers pay Doubledown for the privilege of pouring the latest designer vodka down the gullets of Wall Street's new aristocracy, peddling $10,000 watches on the wrists of arm-candy models and enticing rich marks into $300,000 Maybach luxury sedans and time-share condos in Las Vegas.

Mr. Lane's commercial bacchanals are tame compared with the blasts staged by others. One trader tells him of a golf outing where each twosome was assigned its own stripper. "The women would dangle on the back of the cart from hole to hole," Mr. Lane writes, "and then prostrate themselves, legs open, on the putting greens, providing the traders a target."

It isn't until page 171 that the reader learns that all of Mr. Lane's frenetic activity produced $3 million in annual losses for Doubledown in 2005, 2006 and 2007. The party addiction was so strong that on Sept. 16, 2008—the day the feds took over AIG, 24 hours after Lehman Brothers cratered—Dealmaker magazine gave a party for a thousand shell-shocked Wall Streeters.

Many sketchy types cross our hero's path, but none can match Lenny Dykstra. The ballplayer nicknamed "Nails" had somehow morphed into Jim Cramer's stock-handicapping protégé. Mr. Dykstra had just sold his West Coast car-wash business for $25 million and bought Wayne Gretzky's L.A. mansion; he drove a Maybach, flew in his own jets and had an investment scheme for rich pro athletes called "The Players Club." As portrayed in "The Zeroes," Mr. Dykstra (who piggybacked on a pro's stock tips) seems seriously demented. Among other tics, he likes to stay up for four or five days at a stretch before crashing. He freely admits to Mr. Lane that he used steroids while playing ball. Despite everything, Mr. Lane goes into business with him; it all ends in tears and surreal litigation.

Mr. Lane gets involved with a host of other characters: Henry Hill, the real-life "Goodfellas" turncoat booted from the federal witness-protection program; Jacob the Jeweler, the money launderer for Detroit's Black Mafia drug gang; a thieving Caribbean prime minister; and Peter Max. The artist signs on to peddle paintings of the Wall Street icons celebrated in Mr. Lane's magazines. Mr. Max's ingenious "One-Plus-Three" gimmick is to do his supposedly single portraits as inseparable tetraptychs—and charge the subjects four times his usual rate.

All of this was as doomed as the credit-default-swap lunacy of those days. Despite his familiarity with money culture, Mr. Lane breaks the sacred code: He dumps $283,000 of his own—and $115,000 of his mother's!— into the sinking ship and spends another $130,000 redeeming his personal pledge for the office lease. Doubledown winds up in Chapter 7 bankruptcy, its titles, contents and lists fetching $50,000 from a newsletter publisher.

He muses that, as in the old days of Wall Street partnerships, he had risked his own stake in his business. He'd lost half a million dollars but bought peace of mind. "Maybe, in that example," he suggests, "there was a lesson for Wall Street." Nope. After the bailout, bankers' and traders' bonuses for 2009 set a record. "The game played on, timeless and unabated," Mr. Lane concedes, sadder and inescapably wiser.

Mr. Kosner is the author of "It's News to Me," a memoir of his career as editor of Newsweek, New York magazine, Esquire and the New York Daily News.

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