

# The Washington Post

## Market Driven; Can joining a fantasy league help a financial neophyte revive his real-life stock portfolio?

The Washington Post - Washington, D.C. Author: TM Shine Date: Jul 19, 2009

Start Page: W.10 Section: MAGAZINE Text Word Count: 4096

The energy in this closeted room is palpable. A main computer terminal is humming, and two laptops sit at my feet, teetering on milk crates. The jagged, knife-edged lines of charts and graphs glow off the screens like violent doodles on nuclear Etch A Sketches. I am buying, selling, covering, scalping. My fingers are flying across the computer keys with the classical virtuosity of all five of the 5 Browns. Every time I stretch my arms, sparks snap, crackle and pop off the fuzzy, static-ridden sweater I just took out of the dryer. I am kinetic, frenetic and apathetic about anything but the next stock trade.

The market opened only seconds ago, but I'm already knocking off picks I'd scribbled on the back of outdated Arby's coupons in the big, bold acronyms of the stock ticker. I am creating a portfolio as diversified as the passengers on a midnight bus heading to Atlantic City. WMI -- Buy! XOM -- Buy! CXW -- Buy! I knock down one trade after the other. I've got pharmaceuticals for both humans (MRK) and animals (PETS). I'm jumping from the light side, TUP (Tupperware), to the dark, (HAL) Halliburton.

This week's scary headlines are last week's scary headlines: "U.S. stocks tumble as retail sales report shows sharp decline." "The Worst Is Yet to Come." Experts talk about Black Wednesday, last Sept. 15, as the turning point -- the beginning of the downward spiral -- but the moment I keep fixating on was a few months earlier, a late afternoon in June when the entire stock market came to a standstill as the brokers stopped cold to watch the sudden death playoff hole between golfers Tiger Woods and Rocco Mediate. After that, we could no longer say we had no warning that the individuals in charge of swapping, throwing around and watching over our life savings were not the men and women of great focus we

# The Washington Post

deserved. That, and the time the stock exchange had Jessica Simpson ring the opening bell. But I'm beyond my weak reliance on the "experts." No more, my friends. I'm pure instinct now, and it's giving me the strength to buy. Pass the Jack Daniel's (BF-A), and plug in the Guitar Hero (ATVI). I could easily envision "Mad Money's" Jim Cramer slapping my picks up on his diversity board, rolling up his sweaty sleeves and shouting at the TV audience, "Terry, fantastic job!"

Thank you, Jimbo. But I don't need the props this time out. Hunched over on a buying spree, I have become cash on a long leash. My silhouette in the morning light is the undeniable shape of the dollar sign -- my posture telegraphing flexibility, daring and bravado. The shackles are off. The waiting to get back in the stock market is over. I am all in!

"Whoa! Buddy, what are you doing?" a message flashes on my screen. "Why are you long this market? Why aren't you shorting?"

Uh-oh. It's a fellow trader who calls himself BWS, and he can get a little..."Buddy! Short selling is just like buying low and selling high. This time round it's about selling high and buying back at a low price to profit from the difference." I didn't understand a word he was saying.

I better admit right now: I'm a player only in my imagination. I'm in a stock market fantasy league, WallStreetSurvivor.com, and one of its most savvy and popular participants, BWS, is dragging me back to reality.

I know, I know, "not another fantasy game." But don't mock it yet. Hear me out. This one is different. "I've been overheard mumbling about how much I've lost in a day's trade and discovered people really thought I had lost thousands in real life," says fellow player AnnieC. If you mumble about your fantasy football losses, nobody thinks you're Dan Snyder. But this fantasy league drills down deep into our current national nightmare. The game seamlessly allows you to play the stock market in real time and create a portfolio without the harsh risk of losing

# The Washington Post

your own nest egg, but with something close to the thrill of the hunt. It might very well be the gateway drug we all need to meander back to the real thing. On our own terms this time.

## Schmoes Like Me

Like most of you, the only real investment I've considered making since last September is purchasing a \$14 portable battery-operated shredder. I'd carry it out to the mailbox and mulch my 401(k) statements into poor man's cat litter the second it arrives. I have to smack myself now for never even questioning what was actually in those pie charts my benefits company kept sending every quarter. Give 'em a three-colored Retirement Fund Pie to stare at, and they'll be mesmerized. Dazzled, even.

"I, myself, lost a bunch of money in the real market," admits WSS founder and CEO Rory Olson. "And it was all blue chip -- very conservative. My quarterly statement was getting pounded, and I'm thinking, 'What am I involved in!? How do we decipher what is in this black box we call the stock market?'" Olson is suggesting something here, but it's his marketing director, Mark Berger, who spells it out: "Unlike something like fantasy baseball, this does have real-life application," he says. "One in a million is actually ever going to have Theo Epstein's job as general manager of the Boston Red Sox, but everybody has a shot at managing their own money."

When the game was founded two years ago, the market was bullish and the "Survivor" tag simply a play on the popular reality television series. All that changed when financial institutions started unraveling and the market tanked. "By October of last year, it truly became about real survival, something we never intended," Berger says. "When things started going south with the economy, that's when our traffic spiked."

# The Washington Post

Even in crisis, people want to be where the action is. Thousands are riveted to the WSS site every day, honing their skills, testing their mettle. Because if any of us ever does have money again (I'm not making any promises), we are going to have to take charge and full responsibility for the fate of our hard-earned savings.

There are plenty of novice players like me operating behind silly monikers on the WSS site and socializing as if we're a recipe-exchanging club -- Brydens Mom is more interested in trading baby photos than stock tips -- but there is also a fair share of the opposite: serious investors and pros willing to help out schmoes like me. "They like to mentor. The world of trading can be very lonely," Berger says.

BWS is one of the pros, a J.P. Morgan analyst based in London who has been using the game to test an arbitrage trading system. So it takes him about a 10th of a second to see I don't know what the heck I'm doing.

But I am eager to learn. The days of accepting the pie chart in the mail are over. I'm out to rip into the black box and become a student of the system. Message to financial advisers: You may have abused your authority and drunk my milkshake, but in the near future, I intend to eat your pie chart, lick the tin and throw it back in your fat face. I'm tired of operating as if everyone knows better than I do, even if they do. I'm taking charge. I'm going rogue.

Oooo, Money

Immediately after logging into WSS -- which is free -- there is, virtually, \$100,000 at your disposal. In the beginning, I just wanted to stare at the balance, bask in the glow of "My Dashboard," the personal page on the Web site that flashes the current state of your portfolio. Smitten with all the zeros, my first instinct was to leave it the heck alone.

# The Washington Post

"It really depends on the personality type," Berger says. "One person will go, 'I've got 100 grand. Whoa, I can buy anything I want.' Another will be like, 'Oooo, \$100,000. I don't want to lose it. Ever.' "

How much is money on my mind these days? It's like a pudding skin on my brain. It is the first thing my thought process comes in contact with. There is no getting around it, no avoiding it. Example: This morning my eyeglasses flipped out of my pocket, and I stepped right on top of them -- squash. A year ago the first words out of my mouth would have been -- "Ahh, my freaking glasses!!! It's going to take 10 days to have a new pair made and..." Today: "I will never see the world in focus again."

If I'm going to avoid standing on the sidewalk with a tin cup for the rest of my days, what little real money I do have left is going to have to grow substantially. So this game is serious for me. I look at it as training, prepping, mastering the skills to survive in the financial marketplace.

Over the years, we've all been enamored by a stock or two, right? Man, if I just had an extra chunk of change, I'd buy 100 shares of that company that makes the ShamWow! Several years ago, Sirius and XM radio got me going. I wanted in. I envisioned every car rolling off the assembly line with a satellite radio as a standard feature. Two things held me back: 1) It was hard to choose between the two, and 2) Nobody had recently died and left me money.

My inaction turns out to have been a sign of financial genius. As I write this, XM's and Sirius's combined stock is at something south of 15 cents a share, and no cars are rolling off assembly lines anywhere. But I can't let that dissuade me from going with my gut -- one thing I have plenty of.

My current buying spree glorifies my diversity, but what now? I have to shake things up. In the tiniest font I can find, I meekly write on BWS's message board:

# The Washington Post

"what does 'cover' mean? and can I do it, too?" "Buddy!! It's buying back your shorts to profit from the difference."

BWS sounds as if he wants to reach across the Atlantic from his London townhouse and slap me silly. And the two exclamation points scare me, even if he is 8,000 miles away. Word on the message boards is that he sometimes visits family in Boston.

"To me, no stocks are good," BWS says angrily. Not until they make him money.

## Short-Order Cook

I admire the rare individuals who can keep their total focus on the task at hand, whether it's reacting to a terrorist attack on the other side of the world or, something more personal, extinguishing a flaming croissant pizza in the kitchen (I'll deal with it when I finish this paragraph). WSS has produced two such paragons: Brad "GoMaxGo" Halvorsen and the more mysterious Dojimon. A top player, Dojimon took \$5,000 (real money!) in winnings. Other prizes -- varying from Amazon.com gift cards to resort stays -- are awarded to those with the greatest portfolio percentage gain in a given week or month. Dojimon bought a new six-monitor computer setup and said so long to the fantasy world. "Haven't heard from him since," Berger says.

Halvorsen, on the other hand, has won heaps of contest money due to his prescient picks but won't dare enter the real stock market. "No way. Not with my money," he says. "I'm not sure how I would behave with real money. When there's no personal risk, there's no hesitation. You add pressure, and it's a whole different feel."

It's the equivalent of the billiard player who's shooting lights out for two hours but the second someone puts five bucks on a game of Chicago, he turns into a jellyfish.

# The Washington Post

"People make dumb moves under duress," Halvorsen says. In real life, he does PR for a nonprofit and has no financial training whatsoever. Still, as a top player in the world of WSS, he's taken in about \$12,000 in cash and other prizes during the site's monthly contests.

So I bug Halvorsen with my ignorance in hopes his winning ways are catching. When I mention how the act of shorting a stock has me spinning in circles, Halvorsen jumps right in: "It's just borrowing the money so...and you can...without actually spending any money...and to profit you cover it...It really isn't easy to explain, is it?"

So, let's just do it. Halvorsen takes me through the steps one click at a time on my Dashboard. I navigate to the "Make A Trade" page, find "Short" on the action tab, and now we just have to scope out a stock on the downfall. "I've been playing against the airlines," he says matter-of-factly. A newshound, he's counting on current events to curb travel and fuel costs to rise again. And with all the teleconferencing and holograms, there's no need for business travel anymore. Flying is so over.

"They're already suffering, but I think it's going to get worse," Halvorsen says.

"Much worse," I agree.

I find the symbol for U.S. Airways (LCC), click on 100 shares, and a green check mark immediately certifies I'm in play. I am shorting. I don't know where the money is being borrowed from, but I feel a grand sense of giddiness in taking part in something that is certainly indecent and immoral and would probably be illegal if anyone could understand what it is. Now, all I have to do is wait for the stock to tank.

Mickey D's Is the New Google

# The Washington Post

I have always been guided by the false assurances of my own instincts. Why should fantasy be different than reality?

Early on, I decided I'd only invest in tangible things based on the five senses -- stocks I can see (FOX Searchlight), hear (Smith & Wesson), taste (Sweet Baby Ray's barbecue sauce), smell (Carlos Santana for Men), touch -- or sit in -- (Ikea furniture).

I want stocks that physically knock on your door -- FedEx, UPS -- and say, "Hello, is anybody home?" before throwing packages in the bushes and running back to the truck. On Wednesdays, when burgers at McDonald's (MCD) are 49 cents and you can feed a family of six for \$2.94, it doesn't get any more real or basic than that.

When McDonald's announced that it was going to take the double cheeseburger off its dollar menu and -- to top it off -- remove one slice of cheese, I couldn't wait to buy. How many things would you remove from your life -- Netflix? Caribou? Spouse? -- before you'd look down at the sandwich you were making and delete a slice of cheese. That's commitment.

McDonald's is my Google. The Lehman boys can fold, Merrill Lynch get sucked up into the vortex and reinvented, GM disappear -- but Mickey D's? No way. Here to stay.

I am feeding off our survival instincts. I ran into a former neighbor at the grocery store the other day, and when I gave him the "What's up?" he half-jokingly responded, "Livin' on soup."

Bam! As soon as I returned home I snapped up 120 shares of Campbell's (CPB).

"No! It's what the market thinks that matters, not what you think," says John Lee, immediately criticizing my strategy.

# The Washington Post

Only 23 years old, Lee is a Bethesda-based investor who regularly contributes instructional articles to the WSS site. He bought his first stock at age 13 and has become a devotee of technical analysis, which, especially after reading one of Lee's articles, is geek to me.

"It's about the market's emotion. We're really trading fear and greed. As an investor you have to admit that," Lee says.

We've had so much of our lives destroyed by fear and greed, it would be nice if we could make a little money off the concept. I think I'm getting it. I like the idea of trading on emotion. I like to be passionate about a stock. "No, that's not good," Lee says.

When I first entered this financial netherworld, I checked out the info on what the organizers call Survivor University, which contains lots of two-minute video tutorials and frequently asked questions.

I was extremely pleased when I saw the first question was "What is a stock?" I felt like, "Yeah, I'm in the right place." But after a handful of starter questions, there was a big jump into complex charts and graphs. Lee, an expert in something called candlestick charting, has become a mentor to hundreds on the site. When I ask him for a sentence or two on what exactly "candlesticking" is, he starts by revealing that many people don't believe the candlestick technique even exists.

"Some people compare it to reading tea leaves. One person called it black magic," Lee says.

Lee's charts are awesome and riveting. The erratic lines on one in particular look like the results of a man going into cardiac arrest during a lie detector test. I have to grab the table to steady myself.

# The Washington Post

I admit to the great Lee that, in trying to comprehend some of his articles, I feel quite the imbecile.

"No," Lee says, "the great thing about technicals is you really don't have to be smart."

That makes me feel better.

"Really, you don't get bogged down in the fundamentals of financial statements. I can look at a chart for 10 seconds," he says. "Even a 5-year-old can identify basic stock patterns"

A 5-year-old? That's it. I'm tired of wearing my lameness like a DayGlo necklace at a Katy Perry concert. I labor through several examples Lee has laid out, and before you know it I'm a kid with my first Spirograph, trying to pick out nine different colors and scouring for "flags," "pennants" and "triangles" -- patterns of lines on the chart that may signal a stock's potential to break out in the next 48 hours. The charts, even if not fully comprehensible to a beginner, make you aware of how sensitive the market truly is. It's as emotional and anxiety-ridden as we are.

Lee advises me that, "if you possess strong psychological will, self-discipline, control, willingness to learn, never give up and have a sincere life-interest in trading, then you'll be a good trader."

How 'bout two out of six?

King of Common Sense

My five-sense strategy is evolving, and I'm about to add a sixth sense -- common sense.

I'm banking on having uncommon common sense.

# The Washington Post

To start, I'm buying up RadioShack and Arby's. I've discovered that both businesses are miraculously impervious to the ups and downs of the economy. I imagine their executives sit around the conference room studying the downfall of the middle class and collectively shrug, "We had no customers before so what's the difference now?" Bottom line: They know how to survive.

I also do my own study of which companies are still hiring. The thinking being, if anyone is actually hiring new employees, then I am investing in that company and filling out an application.

Research results: Sorry, no one is hiring, but some companies aren't laying off "that many people."

I'll go with that.

Common sense may have been a fool's commodity in yesterday's market, but I'm bringing it today. My Dashboard is lighting up and lifting off...\$116,000...\$117,000...While you're thinking about what movie to see and trying to decide whether to let your neighbor cut your hair for \$7, I'm up at six o'clock in the morning dealing in American Superconductor and a little thing called QQQQ. I mean it. I'm not like you anymore. I once had an obnoxious wealthy co-worker who, in anger, shouted at me, "I could buy and sell your whole family!" At the time my only reply was, "To whom?" but now I know the power he felt. I would sell my family in a second.

I've completely stopped identifying with the mass population to the point where compassion never even enters my mind. I'm just watching all of you, grazing like a bunch of bloated cows, lining up for the super-superior resolution of Blu-ray discs even though you haven't had your eyeglass prescription renewed in eight years. Perhaps you'll evolve beyond morons some day, but probably not.

# The Washington Post

Listen to me, sitting here in my wife's flannel pajama bottoms ( I like the pattern), hunkering over a pile of fake cash with a mouth full of tycoon talk...and a little bit of an English muffin smeared with boysenberry jam. But I really can begin to see how those dastardly pie masters look at us.

## Crash Landing

Suddenly my common sense picks have turned radioactive. My Dashboard is dashed. I'm down in five-figure territory, having actually lost some of the imaginary money the good people at WSS had entrusted me with.

Halvorsen weighs in: "Well, I'm happy to see that the short pick I gave you has performed, losing 15 percent since then. Of course, just about every other stock has done the same."

I've reached that point in my life where the only good news is that the airlines are failing. The words "Manufacturing 'flat on its back,' " whisk across this morning's CNBC crawl, and commentator Bob Pisani says, "Don't drink and trade."

My posture still resembles the dollar sign, but now it's more akin to a begging dog. I want my savings back. I don't like this feeling.

Just two days ago, when my stocks ticked up substantially, I was shouting, "That's so magic!" over my shoulder to absolutely no one.

I'm starting to doubt all my previous reasoning. I'm also getting sloppy. Just now, I was trying to buy ice pops, but think I purchased a load of bilge pump stock instead. Have I lost my mind, or is this exactly how decisions were being made for us by the retirement fund managers? While financial institutions were crumbling, I never thought of the real deal as a game, but this is what they did, isn't it? This is exactly how it happened. Wall Street is a casino, and our money was as much play money in their hands as WSS's is in mine.

# The Washington Post

## Personal Responsibility

A fresh round of financial planning commercials is hitting our television airwaves, offering up their slogans and services -- Manage For Today, Plan For Tomorrow, Making Your Future Easier. They're banking on the fact that, as always, we'd rather let strangers manage our finances than spend our days and nights staring at our money. We want to go snowboarding. We want to put together flimsy entertainment centers and pray they can hold a 70-inch TV. We want to have late night intimate conversations with ex-lovers. We want to blog about our new shoes...whatever. Anything but stare at the money.

For people like Lee, the candlestick maker, watching the cash is a form of freestyling on a sweet board in the biggest terrain park in the universe. "My routine is the same every day," Lee says before laying out an outline that begins 1) Load up the platform...2) Check pre-market activity on any existing positions...4) Make note of all possible resistance areas...BWS's day starts at 6 a.m.: "I turn on my Bloomberg terminal to see what the futures markets are doing and..."

My day starts with letting the dog out, standing around the yard eating Apple Jacks out of the pouch of my sweat shirt and staring up at the sky to see if the moon is still visible in the dawn, trying not to think about the future.

But this morning the future is throbbing on my computer screen and almost impossible to ignore. I'm dipping under \$90,000 for the first time.

"You're definitely going to have losses, but you want to be responsible for it now," Lee tells me. "With a money manager, when you lose you don't really have a real psychological connection to the loss. You need that."

# The Washington Post

I know, I know. But, to be honest, I'm really not that confident in my skills. Half the time it's the Red Bull talking. "But we're in the process of changing things around so people like you can be spoon-fed," WSS CEO Olson says.

I don't know -- intravenous, maybe?

"It's going to be like beginners, intermediate and advanced," he says.

Sounds like the way my adult-ed piano class was set up.

And that didn't end well.

T.M. Shine is working on his first novel. He can be reached at [tmshine@msn.com](mailto:tmshine@msn.com).

Reproduced with permission of the copyright owner. Further reproduction or distribution is prohibited without permission.