FRANCINE PROSE ON ROBERT FRANK'S AMERICANS

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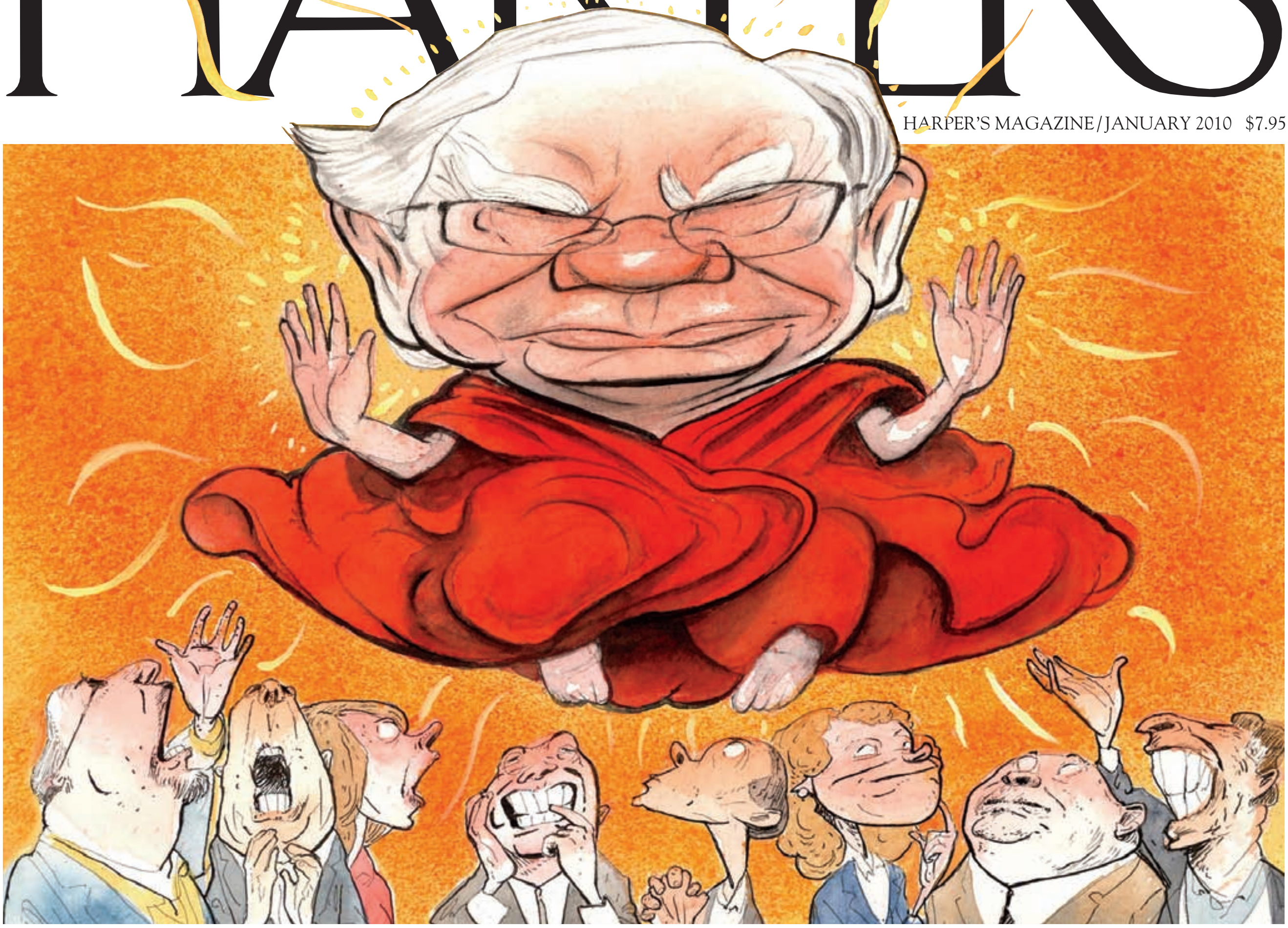

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The man sits alone in a room, on the fourteenth floor of a gray building. The man's suit, his hair, the sky through the window, and the rows of figures sliding across the abacus of his mind—these too are gray, though each gray is of a different value. Against the wall stand rows of files containing data from the fifty-odd years of solitary room-sitting. The man drinks cola. He reads the paper. Every so often the phone rings and the man answers. Usually the answer is "no." Long ago the man concluded that such quietude was optimal for making money. "Inactivity strikes us as intelligent behavior," he once wrote. By "intelligent," he meant "profitable."

Over time this intuition was confirmed. The man is the richest in the world, except for certain years when he is the second richest. "If I wanted to, I could hire 10,000 people to do nothing but paint my picture every day for the rest of my life," is the example he once gave of how much his money could buy, if what he wanted was money to spend. But the man would rather stay in his room and watch his heap of money

grow. The man visits the same restaurant and orders the same steak. He goes home to the same house. He plays bridge on the Internet. Every other week the man—his name is Warren Buffett—rides the elevator down to the basement of the gray building, where, in a tiny barbershop, he receives the same haircut. In lieu of the room on the fourteenth floor, now off-limits to most visitors, the barber chair where he sits has become a kind of shrine.

Access to the chair was particularly scarce the first weekend of last May, when 35,000 of the man's shareholder-partners came to Omaha for the annual meeting of the public company that warehouses his wealth, Berkshire Hathaway Inc. Among these pilgrims was R. J. Meurer Jr., senior vice president at Morgan Stanley, a man so devoted to Warren Buffett's tonsorial essence that he has a framed lock of Buffett's hair on the wall of his home office. This was to be R.J.'s tenth annual Berkshire Hathaway haircut. He blew across the threshold of the Kiewit Plaza Barber Shop leading a train of seven colleagues, immaculate in their poplins and khakis, to witness his enthronement.

But there, leaning back in the chair's forgiving contours, was an interloper, a Brazilian shareholder. Stan, the barber, was scraping the lather off his cheeks. Stan did not seem to be in any special hurry.

R.J. pointed at the man in the chair. "You," he said, with bluff authority. "You got to get out. We got this barbershop booked."

Stan looked up from his work and grinned wordlessly.

"Relax, R.J.," said one of his compan-

Mattathias Schwartz's last article for Harper's Magazine, *"The Golden Touch," appeared in the December 2008 issue.*

Illustrations by Andrew Zbihlyj

ions, Rudy Kluiber, a hedge-fund manager. R.J. seated himself among the synthetic plants and wood veneers.

"I'm having the time of my life!" he shouted.

Rudy laughed.

"No," said R.J. "I'm serious." To demonstrate, he turned abruptly to Stan, who was rubbing the Brazilian man's face with a cold towel. "When was he last down here?"

"Friday," said Stan.

"What was he reading?" asked R.J.

"You know . . . I don't know about that," said Stan. "The *Wall Street Journal*."

"If you see him reading an annual report, you got to call me," said R.J. "Hey, why don't you give him a call right now? Call him and tell him that eight of his most devoted partners are here. He needs to come down and say hello."

This time Stan did not look up.

"Relax, R.J.," said Rudy.

"I'm having a little fun, that's all," said R.J.

Stan ducked behind a partition in the back of the shop, then returned with two bottles of wine. "Do any of you fellas know how to open these?" he asked.

"Sure," I said.

"There's cups over there," said Stan. He pointed to some Styrofoam cups.

"Come on," R.J. said, as I fumbled with the corkscrew. "I thought you were a bartender. Let's get the party going here."

Soon the Brazilian man left and R.J. ascended to the barber chair. To complete the holiday atmosphere, Stan put a hoedown jangle on the CD player. Wine circulated freely, dissolving whatever tension was left in the room. The colleagues rose and commenced the exchange of business cards and investment "ideas."

Stan eased the chair back and covered R.J.'s face with a hot towel. R.J. was calmer now, soothed by the headrest that had cradled his hero's brain as it contemplated the hidden clockwork of capital.

"Where's Chris?" he murmured through the towel, directing his query to the ceiling. "You know, Chris is a real mover and shaker, always running off to call in and trade stocks. What foolishness! He's one of those Wall Street operators who ruined this country. A speculator."

"One of those hedge-fund managers," said Rudy with a wink, as though the two men were members of some disempowered minority reclaiming a slur. And, in a way, they were. R.J. and Rudy were both part of Wall Street. They knew this, just as they knew that the notion of Wall Street's responsibility for the recent shrinkage of the world's nominal wealth was a canard, a pulpy lie served up to a public hungry for a scapegoat. R.J. liked to call the crisis "a global margin call" on a world that had grown addicted to borrowed money. The real villains, he believed, were the central bankers. It was their loose monetary policies that had pumped too much money into the credit markets. Easy money and leverage were the disease. Buffett was the cure, living proof that you can get rich without spoiling the system. "Most fortunes are made in dubious ways and with borrowed money," R.J. told me later. "He's done neither."

EVEN AS THE CRISIS PUNISHED BUFFETT'S STOCK, IT DID LITTLE TO DIMINISH HIM AS THE POPULIST LODESTAR OF AMERICAN BUSINESS

What Buffett had done was sit in a room and think. Like most drudge work, thinking is an undertaking that Americans would rather subcontract to someone else. But the public was having trouble finding someone to think on its behalf about the recent crisis. It was too big, too unprecedented. Events had confounded the consensus and herded the mavericks into committee. Only one mind remained independent, humming along on its own steam. "He's in the business of thinking the unthinkable," is how R.J. liked to put it.

Stan applied the razor, then hot and cold towels. He slathered some aftershave on R.J.'s cheeks.

"You look great, young man," he said. "You're going to be a tremendous success."

"Rudy!" cried R.J., now revived. "I don't think I've ever been happier. This is my favorite time of the year. Right now."

"You look like a new man," said Rudy.

The story of Warren Buffett has long been a siren song to millions of other desk sitters who believe that, through regular reading of the *Wall Street Journal,* an average intelligence can beat the Dow. The song goes something like this: Common sense is worth more than inside information. Stocks offer the best returns over the long run. Follow a few simple rules and your money can grow 10, even 20 percent annually. Listening to this song, they then dash themselves against the rocks, handing their money over to an industry designed to make it disappear blamelessly. During the crisis of 2008 and 2009, the money of these "Main Street investors" shrunk at an embarrassingly confiscatory rate. At the worst of the crisis, Berkshire Hathaway stock plunged even faster than the Dow, descending to less than half its peak value.

Yet even as the crisis punished Buffett's stock, it did little to diminish him as the populist lodestar of American business. If anything, his reputation grew even more lustrous. He began appearing on CNBC, where he would answer viewers' questions for hours at a time. In the *New York Times* he urged readers to follow his example and pour their money back into U.S. stocks. President-elect Obama sought him out regularly during the transition period, and for a moment it seemed as though Buffett might be named to the incoming cabinet. Buffett's eminence during the crisis probably had something to do with his grayness, his banal consistency. In the midst of a deluge we cling to the familiar.

Two thousand nine struck me as an opportune year to attend Berkshire's annual meeting in Omaha, an event that has gradually become the informal summit of Main Street American capitalism. I wanted to see how the system's most articulate exponent would explain its greatest crisis. I wondered whether his investors, after watching so much of their money disappear into the maw of Buffett's buy-and-hold philosophy, would be experiencing a crisis of belief. If they were, then capitalism was in serious trouble indeed.

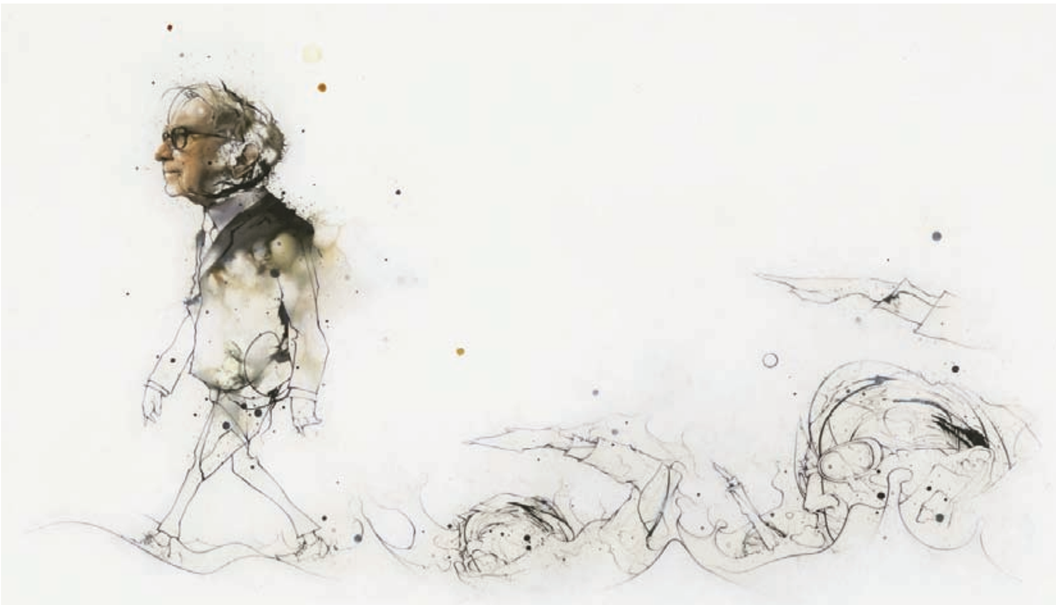
My single share of Berkshire Hathaway Class B stock, purchased last winter for $2,313, was worth less than one thirtieth of each of the 350,000 Class A shares that Buffett himself then held. Nevertheless, I could now claim a relationship with Buffett, one that transcended the gross disparity of our respective stakes. As owners, we were equals. "Do not think of yourself as merely owning a piece of paper whose price wiggles around daily and that is a candidate for sale when some economic or political event makes you nervous," Buffett instructed in the Berkshire Hathaway Owner's Manual. "We hope you instead visualize yourself as a part owner of a business that you expect to stay with indefinitely, much as you might if you owned a farm or apartment house in partnership with members of your family. For our part, we do not view Berkshire shareholders as faceless members of an ever-shifting crowd, but rather as co-venturers who have entrusted their funds to us for what may well turn out to be the remainder of their lives."

Co-venturers! The remainder of my life! Never before had a billionaire addressed me in this way. Buffett wrote that he would charge me less and tell me more than would his corporate peers, and that he expected in return my unwavering fealty. This was more than an exchange of cash for assets. I had entered into a covenant.

In the months before the meeting, I set about getting to know some of my new Berkshire Hathaway brethren. I began with the self-appointed vanguard of Warren Buffett fandom, the Yellow BRKers—BRK is Berkshire Hathaway's ticker symbol—who are famed for their raucous premeeting receptions and giant stovepipe hats made of canary-yellow foam. One of the hats, when not in use, resides with longtime BRKer Sherrie Gregory in her cottage on the shore of an artificial lake in Lincoln, Nebraska. Arriving at her home in the late afternoon, I found her checking stocks on her laptop as Fox Business blared away on a sofa-sized television.

"The A's are up five thousand today!" she announced merrily. "I made money! The whole market is up!"

Retired, with nine grandchildren, Sherrie displays the hardened cheer of someone whose optimism has faced its share of tests. She bought into Berkshire in the mid-1990s, a few years after extricating herself from a rich and sometimes violent husband. "I chose to wing it on my own and try to make a buck here and there," she told me with a simple frankness that stopped short of glib. This style of talking—one I had begun to associate with Berkshire and with Nebraska generally—served Sherrie well as a broker of land deals, real estate, and contemporary American artwork. She called her latest piece of inventory "dirt": fifty acres of vacant farmland. Much like Buffett, Sherrie never desired to flaunt her success. "He chooses not to complicate his life with things, with stuff," she said, seated in her home office beside a Rolodex and pictures of her grandchildren. "That would only distract him. I'm kind of like Buffett. I'm minimal. I don't need clutter in my life."



In Buffett's personal philosophy—summed up by the phrase "Every day is exciting to us; no wonder we tap-dance to work!"—Sherrie found a model for how to grow older. Her devotion to Berkshire stock is steadfast; rather than despair during the plunge, she regretted only that she had no money with which to buy more. "It's as cheap as I've ever seen it. We're in a real good position to do well when we heal up," she said conspiratorially, upon learning that I too was a shareholder.

Through the window I could see a twisted mass of metal bobbing on the lakeshore: the remains of Sherrie's dock, which had buckled in a recent storm. Rain had poured through the roof of her cottage's three-season room, swamping a plastic crate containing the Yellow BRKer paper archives but sparing a pile of custom-made buffalo-hide biker vests, leftovers from an old BRKer skit. As we sat beneath the sightless eyes of her three Warren Buffett bobblehead dolls, Sherrie told me the story of her long-ago visit to the fourteenth floor.

"It was so modest!" she remembered. "You would not believe how modest it was. He has a computer, but all he does on it is play bridge. The door to the office—it looked like the door to a storage room! There was nothing on it, just a door. The conference room was a cheap table and chairs. It was full of boxes. The room was never used. Warren says he's never had a meeting. He doesn't believe in meetings. He's a non-meeting man."

We drove to a steakhouse. Sherrie ordered the six-ounce sirloin and reminisced about how much the BRKers had changed since the early days, when the group met in a bar and Buffett himself would sometimes show up. He was busier now and security was tighter. It had been a few years since she'd spoken to him in person.

"How do you think he's changed over the years?" I asked.

"I don't think he's changed at all," she said.

Among the many attempts to duplicate the room on the fourteenth floor is a closet-sized space above Penn Station, with one narrow window overlooking midtown Manhattan. Taped to the wall are two inspirational quotes, one from Warren Buffett ("We don't have to be smarter than the rest. We have to be more disciplined than the rest") and one from Buffett's indispensable right hand, Charles T. Munger ("Hard work, honesty, if you keep at it, will get you almost anything"). This room is the headquarters of an investment partnership called Dardashti Capital. The firm's founder and sole employee is twenty-six-year-old Shai Dardashti, who bought his first Class B shares ten years ago, with a few thousand dollars of bar mitzvah money. There was nothing sporting about the way Shai talked about his fund, none of the arousal that proximity to capital can incite. Instead, Shai seemed awed, almost burdened, by the size of the responsibility he had taken on.

"This room is my bubble, my sanctuary," he told me. "The answer is cutting away the noise. I sit alone in a room, waiting for the obvious, reading annual reports. There's no one yelling or screaming. I sit here, go through stuff, absorb information, and try to come up with three or four good ideas a year."

Years before Buffett acquired control of Berkshire Hathaway (then a textile business), he, like Shai, invested the money of his friends and family in private partnerships that

followed the "value investing" style developed by Buffett's early mentor, Benjamin Graham. Contrary to the notion of perfectly efficient markets, the value investor believes stock prices are set by the capricious sentiments of a mostly ignorant herd. The task of the value investor is to ignore the tumultuous swings in price and focus on "intrinsic value," the present value of all future profits. The value investor, then, is a dedicated transcendentalist. He believes the true value of a thing is definite, invisible, and knowable only through private reflection.

"This is what's cheap but good," Shai said, clicking on an Excel spreadsheet of his own devising, fed by data from his broker.

"This is what's trading for less than cash." He clicked again. "And this?" He clicked one last time. "This is everything that exists."

When we first spoke on the phone, Shai urged me not to present him as Warren Buffett in miniature. "It's not appropriate or accurate. I look at what he's done for inspiration, but there's no comparison." The Buffett phenomenon, he went on to explain, has no precedents or heirs. It is utterly unique. "Warren Buffett won't happen again. The combination of the right time and right place, the incredible performance, the ethics, the intellectual generosity. There will never be another Aristotle, another Einstein, another Buffett. This happens only once."

Less than an hour after our first phone call, Shai sent me three emails, replete with bulleted action items and illustrious CC's. Among these emails was an introduction to Guy Spier, an investor who (along with another fund manager) paid $650,100 in a charity auction to have lunch with Buffett in 2008. At the time, Spier's fund had more than $100 million in assets, but it had suffered mightily during the previous year. Spier was eager to help me, calling a few days later with advice on gaining entry to the fourteenth floor.

"Dear Mr. Buffett," began Spier's impromptu pitch, "I came to the Berkshire meeting with a hunch that there's a better way to do capitalism. After meeting dozens if not hundreds of your ambassador-disciples, I'm now sure there's a better way. You and Mr. Munger have figured it out. I want to use this article to make the case to the American people. I could make the case so much more strongly if I had five minutes of your time." A letter like this, he said, would raise my chances of an audience from 2 percent to 5 percent.

The next time I saw Shai was in the hallway of the Omaha Doubletree, half an hour before the beginning of the 2009 Yellow BRKers reception. He and his mother stood over a white-clothed table, inserting hundreds of paper nametags into plastic holders. Inside the Midlands Room, Sherrie Gregory dressed the tables with chocolate coins and Wizard of Oz figurines. "This is Marsha," she said, introducing me to a woman whose gleaming smile I recognized from DVDs of previous Yellow BRKer events. Like young Buffett, forever changed by the boyhood discovery of Dale Carnegie's *How to Win Friends and Influence People,* Marsha is a fire hose of charm, blasting through rope lines, embarrassment, and anything else designed to impede universal intimacy among strangers.

"Oh, so you're a *vir*-gin," said Marsha, almost singing, when Sherrie told her that this was my first Berkshire meeting. "I met two virgins on the plane. We had a *real* good time." I began hoping that this year's Yellow BRKer meeting would be the wildest yet. The DVDs Sherrie lent me depicted bacchanal receptions at which drunken, costumed BRKers scandalized their bland surroundings with bawdy Berkshire-themed standards:

At Dairy Queen sharing blizzards for two.
I flashed my Fruit of the Loom thong just for you.
You never get your briefs in a crunch.
The fearless leader of the Yellow BRKer bunch.
We'll always love you, the leader of the pack.

But as 2009's attendees began to gather, picking up their nametags and circulating among the bowls of strawberries and Chex Mix, it became apparent that the Yellow BRKer reception had, like Burning Man and Sturgis before it, fallen victim to its own reputation. The Dionysian "capitalist Woodstock" had mellowed into an alumni mixer. The older shareholders hung back and renewed old acquaintances while the younger ones partook in vigorous round robins, pushing blogs, books, funds, and job searches. "Normalcy," said Sheldon Wasserman, when I asked him what made this community special. Soon Lyle McIntosh, a corn and soybean farmer who bought his Class A shares in the mid-1980s, walked up to the podium. The networking continued at a steady hum as he told the story of presenting Warren Buffett with an antique pinball machine. Behind him sat a giant yellow hat on a table. No one had thought to put it on.

> THE "VALUE INVESTOR" BELIEVES THAT VALUE IS DEFINITE, INVISIBLE, AND KNOWABLE ONLY THROUGH PRIVATE REFLECTION

The word "Omaha" sounds to me like mid-century Midwestern fantasia, a place of stockyards and locomotives. The actual Omaha is like many other places in America. Driving out of the crumbly center, one traverses a checkerboard of strip malls, empty lots, parking lots, and signs directing traffic to different parts of the same nowhere. "So you're free," I heard one kid say to another outside of the 13th Street Coffee Company. "How come you're still here?"

Having failed to heed Guy Spier's advice to book a room early, I was staying at a Motel 6 near 106th and Q streets. The room smelled like wet cigarettes. Across the parking lot, Warren Buffett's face stared back at me from a billboard mounted to the back of a truck. Beside it was a question: WHAT'S A GOOD EDUCATION WORTH?

By the morning of the annual meeting, I had met dozens of shareholders. Most had lost substantial amounts of money and taken their beatings with prideful serenity. They were sure their money would grow back, and this sureness comforted them during the indefinite wait for the rebound. Only two shareholders raised the possibility of a second Great Depression, and both were old enough to have lived through the first one. I met one, a ninety-three-year-old man, as he sat alone in the lobby of the Marriott. He wore a light-blue jacket, gray slacks, and polished black shoes. "I'll tell you the trick to surviving," he said. "Expect everyone to do the wrong thing." The other, Richard Holland, one of Buffett's original partnership investors, had invited me to his home, which, like Buffett's, made no attempt to impress visitors with the wealth of its owner. "People have lost too much," he said, gazing out into his back yard on a sunny afternoon. "You read about people losing three or four trillion in this market . . . or whatever number they use. That's a terrible defeat! One minute they're rich, the next minute they're among the mob." Then he corrected himself. "Or among the ordinary citizens."

The faithful ordinary began arriving outside the Qwest Center before dawn, carrying lawn chairs and thermoses of coffee. Classes A and B alike wore the same credentials and the same brunch uniform of khakis, stiff shirts, and laceless leather shoes. Around sunrise, a gang of ersatz cowboys held up a stagecoach at Tenth and Davenport. Just when it seemed that their larceny would go unpunished, a posse of lawmen arrived on the scene and emptied their revolvers, generating much smoke and applause. Soon the doors opened and shareholders rushed to the arena floor, where the normal laws governing class did not apply. For nearly an hour the wealthy walked freely among the people, displaying the fellowship of farmers discussing seed prices at the county fair. They made eye contact and asked, "Where you from?" with a down-home twang. All our credentials—even those sold by Berkshire for five dollars, online, to discourage scalping—read PARTNER. Nobody could tell who was who.

"Where you from?" asked Mario Gabelli, a white-haired man in a blue-checked shirt. One list of the world's billionaires ranked him in the high eight hundreds.

"South Dakota," said another man.

"I used to own a factory in South Dakota," Gabelli drawled. "You know Tom Brokaw is from South Dakota?"

"Small world," said the second man, now ringed by four candidates vying for his place.

The name *Warren* split the air, a groupie shriek. A nimbus of arms shot up, tipped with the phosphorescent screens of digital cameras. Buffett and Munger were making their way through the VIP area, dispensing handshakes and private words. After a short introductory video, they walked up to the high stage and sat down at a table between two fake palm trees, their movement mirrored by three giant Buffett-Mungers on three jumbo screens overhead. It would be easy to read totalitarian intent into this many-headed monster, which would soon begin broadcasting the views of two very rich men throughout all world media. But with the two fielding live questions from 35,000, each of whom was due a few atoms of intimate partnership, the setup was a relatively democratic solution.

According to a procedure laid out in my cowboy-themed Visitor's Guide, the day's questions would alternate between live shareholders and three journalists seated at a small table, stage right. Buffett had instructed them to solicit questions from their readers and "pick some tough ones." This opened up the question pool to the general public and seemed to suggest that Buffett was the humble steward not just of Berkshire but of the entire financial world.

And so the questions began. Between answers (I have paraphrased some below) the men refreshed themselves with sips of Coke and golden hunks of See's Peanut Brittle.

Why didn't Berkshire do something to fix Moody's, the agency that overrated the quality of so many exotic credit instruments, given that they own more than an eighth of its stock?

BUFFETT: Because Moody's makes money, and Berkshire never interferes with management.

Why does Berkshire hold derivatives?

MUNGER: They are a dirty business, yes.

BUFFETT: But they make money.

How will Berkshire survive after Buffett is gone?

BUFFETT: The culture will live on.

What should an eleven-year-old boy invest in?

MUNGER: Coca-Cola and medical school.

What is the secret to value investing?

BUFFETT: Independent thinking and inner peace.

In the adjoining exhibit hall, shareholders were queuing up to purchase "Berkshire Boxes" containing their own See's Peanut Brittle, along with Fruit of the Loom underwear, GEICO insurance policies, Justin cowboy boots, Dairy Queen frozen confections, Ginsu knives, and many other commodities that bloom on the branches of Berkshire subsidiaries. Purchasers of the brittle would carry their checkered white shopping bags through the weekend, as though the "See's" mark were proof of their immunity to economic cycles. The next day Buffett would announce that See's weekend sales rose 12 percent, to $180,000.

I had begun to worry that Buffett might shirk his media-given duty to assess the overall health of global capitalism. Were the Berkshire faithful so secure that they needed no reassurance? But finally, after hours of questions that were either flattering or narrow, a German investor asked: "If Berkshire's businesses are great but the underlying economy is in trouble, where do we go from there? What questions are you asking yourself about the world economy?"

Buffett seized this chance to express his unshaken confidence in the foundations of the system. The troubles of 2008 were grave but not systemic. With time, capital would resume its inevitable upward spiral. Not only did he believe this sanguine prognosis; he had bet $37.1 billion of Berkshire's money on it, through a series of derivative contracts coming due between 2019 and 2028.

"There's always a lot of things wrong with the world," Buffett began, with the grit of a man who has wrestled with a few of them. "Unfortunately, it's the only world we've got. So we live with it. We deal with it. But the beauty of it is, the system works very well. I don't have the faintest idea what's going to happen to business or markets in the next year or two. The one thing I do know is, over time, people will live better and better in this country. We have a system that works. It unleashes human potential. We have 35,000 people here today. That was almost one percent of the population of the United States during the first census, in 1790. One hundred groups like this and you were talking the whole country!

"Just look at how we live compared to those people several hundred years ago. The system unleashes human potential. China went for a long time without such a system; now they've got one. We haven't reached the end of the road by a long shot. We will have bad years in capitalism. It overshoots, it gets overcome by fear and greed and that sort of thing. But look at the nineteenth century . . . " He ran through his list of American overcomings: one civil war, two great wars, six panics, two recessions, one depression—the same list he had recited in the *New York Times* and in his annual letter. *The system works very well,* said the giant head, floating in the rapt darkness. *Do the math. You will see that everything is going to be okay. Or, if you prefer, leave the math to me.* Being a post-Enlightenment oracle, I realized, requires some fancy sleight of hand. You have to relieve the pilgrim of the burden of thinking without disturbing his belief in his own capacity.

Buffett closed out his answer with a series of affirmative couplets, each hinging on the word "but."

". . . we have these interruptions in the progress of our society. But—*overall* we move ahead, at a pretty damn rapid rate. In the twentieth century we had a seven-to-one improvement in living. But—we had slavery for a long time. We were wasting human potential.

"And we still are. But—we were doing it *more so* for centuries. But—we *do* keep moving forward . . . in fits and starts. Right now we're sputtering somewhat. But—there's no question in my mind that there is enormous human potential.

"Every period, every year, there will be a bunch of problems. But—the opportunities will win in the end. Your kids will live better than you live, and your grandchildren will live better, and we'll find more and more ways, easier and better ways, to do things that we haven't even dreamed of yet. Charlie?"

Who else could credibly pit all future problems against all future opportunities and declare that the oportunities would (narrowly, perpetually) come out ahead? And since when did this belief in endless, felicitous growth, once an unspoken axiom of American capitalism, require public recitation? It was as though the pope had emerged on his balcony to announce that despite recent data to the contrary, the Gospel still held true.

By three o'clock, Buffett had talked himself hoarse. Munger was dozing in his chair. We were cruising into the final "business" portion of the meeting. A Honduran Fruit of the Loom worker, invited to the meeting by a shareholder, rose and complained of back pain, poor ventilation, dirty water, and death threats. These claims were disputed with equal eloquence by Fruit of the Loom's CEO. I rose to my feet, trying to shake off that heavy-limbed zombie feeling that follows a long day's ride on the pew. A few rows ahead of me stood a young man in his early thirties wearing a T-shirt, sneakers, and khakis with tattered cuffs. He was alone, gazing off at the empty stage while his contemporaries formed purposeful clumps en route to various receptions.

This was Matt Kelley, thirty-two years old, a Chicago public-school teacher. In Buffett, he told me, he saw a virtuous middle way between his two deepest aspirations—the desire to improve the world and the desire to be very rich. Unlike young Buffett and Dardashti, Kelley was in a hurry. The philanthropic half of his dream he served through his schoolteaching; the riches he hoped to win by speculating with borrowed money. In this, too, Buffett inspired him. Although Kelley had willfully ignored Buffett's warnings against leveraged daytrading, he had drawn from Buffett a faith in the superiority of his own common sense. He explained his strategy: "If I see something and I know it's going to go up, I buy the option."

Kelley bought his share of Berkshire Class B at $5,000, sold it at $3,000, sat on his hands as it fell to $2,200, and bought it back at $2,800. I asked him how he'd fared during the crisis. "I saw some big growth and bought a lot on margin," he said. "Then everything went to zero. I went from a net worth of $150,000 down to $50,000 in debt." But he pressed on, charging his bets on Citigroup stock to a Citibank credit card. "I only had $15,000 in my account," he remembered. "Every time it hit fifteen I'd take some out and bring it back down to twelve. I made back $17,000 that way, in just three weeks!"

Kelley, I realized, was both a victim and a perpetrator of the financial crisis. He had borrowed too much, bet too wildly, and counted only those things he wanted to count, borne forward by a confidence that redoubled in the face of losses. "I agree with Buffett's philosophy," he said, when I pointed out the contradiction. "I think that's the way I *should* do it. But because I came from such a low position in life, I've had to take on more risk to get to the same place." He and his mother spent most of his childhood living in shelters. He attended a private high school thanks to a donor who paid his $20,000 tuition. Kelley seemed to believe that the stock market would give back what providence had denied him. An association with Berkshire helped him legitimize this mad rush to get back to even. One day, Kelley said, he will buy a share of Class A. "The tricky part about an A share is that you can't sell it," he said, nodding to Buffett's doctrine of the indefinite co-venturer. "So you don't really make any money."

Marsha, I later learned, had a story similar to Kelley's. She, too, had grown up poor and lost six figures trading options, but had sworn off speculation in a letter sent to Buffett during one of her darkest hours. He obliged her request for admittance to the Berkshire meeting, which seemed to her a place where money could be caught like a cold. "When you grow up poor," she told me, "all you want is enough money so you don't have to worry. Money is freedom. Someone helps you, you got to pay it forward." One day she will be rich, she said, and she will use her money to raise up those who are not so lucky. "I love giving money away," she said. "I'm just waiting for this blessing. I know it's coming. I know that I know that I know."

Witnessing the bottomless faith of the Berkshire masses, I had begun to think of pessimism as the ultimate luxury, a powerful narcotic seldom seen outside the drawing rooms of the few who could afford to indulge in it. In the early days of the crisis, Buffett had wondered aloud at the contagious nature of fear, the way it generates its own justifications. He called it a "negative feedback cycle," and now, it seemed, he had set out to break it. Outside the Qwest, among a collection of bronzed circus sculptures, I found Donald Keough, former Coca-Cola president and Berkshire boardmember, repeating the new party line to two tanned young Google executives. "You guys are so lucky," he said, throwing his arms over their shoulders. "All I do now is meet with young folks like you who are reinventing the world. You're going to see it change so many times over." He sounded impossibly sincere, like a grandfather giving a benediction at the end of a family meal.

I followed the Googlers under a skybridge to the Hilton, where the Columbia Business School, Buffett's alma mater, was holding a reception.

"The electric car," said one business-school student to another. "What do *you* think? Is it a game changer?" He put hand to chin and made a listening face.

"What *I* want to know is, the relia-*bil*-ity," his friend answered. He flicked his hand against the air, as though advancing to the next slide.

Around lunch the next day, Buffett arrived at the Regency Court Mall to play bridge. Hordes of shareholders, cameras held high in the air, pressed up against curtained barriers, spilling over into Berkshire-owned Borsheim's Jewelry, whose sales staff offered shareholder discounts of up to 30 percent. Alice Schroeder, Buffett's most recent biographer, stood a few steps back from the perimeter. "Look at this," she said. "Hundreds of people. Look how excited they are just to watch this man sit and play bridge. This is the closest that most people will get to him physically."

That night Buffett put on another public demonstration of his regularity, the eating of a steak prepared by Gorat's Steak House. Gorat's had laid in six thousand pounds of beef for the occasion, mostly 20-ounce T-bones priced at $29.95 and described by souvenir Stockholder's Sunday menus as "Warren Buffett's Favorite." On the cover was Warren Buffett in a posture of dominion over a one-eyed monster labeled RECESSION. Above it was the legend TOGETHER, WE SHALL OVERCOME.

Buffett left shortly before nine. Gorat's quickly emptied out. At one end of the dim barroom two tables of young fund managers clung together like the embers of a dying fire. They did their best to ignore the other end of the bar, where two women were trying desperately to make a scene. The women were the daughter and girlfriend of Robert Eisenberg, a Berkshire heir, the son of one of Buffett's early Omaha investors. The daughter, Talia, in her twenties, wore a man's ribbed undershirt; the girlfriend, Tanya, forties, a black cocktail dress. They were drunk. The heir himself was dining elsewhere.

"The Bee Gees!" Talia shouted. "They're playing the fucking Bee Gees! Can you believe it? So fucking Omaha Nebraska," which was where she'd grown up, before she moved to New York.

Tanya laughed like a delinquent.

"If you don't like the music, you're more than welcome to leave," said the restaurant's manager. She had been monitoring the situation from a booth nearby.

"Do you even know who we are?" Talia asked. She thrust her hand into her purse. Out came a grip of shareholder credentials.

"I don't care," said the manager. "You're getting out of this restaurant. Now."

The women strutted out to a black Mercedes-Benz. As Talia drove, she enumerated a few of her present frustrations. She hated the tacky nowhereness of Omaha. She hated the gawking shareholders who think they own it for a weekend. Most of all, she hated Gorat's for unjustly ejecting her from the premises. "They thought I was a whore because I'm good-looking and rich!" she exclaimed. "What can I do?"

"They never see the likes of us around Omaha," replied Tanya.

"We have more shares than all those fuckers," Talia said.

"Don't say that," advised Tanya.

"I'm lighting that shit on fire," Talia said. "I'm sending in my henchmen."

"Get back in the other lane!" screamed Tanya. "And look—you got arrows! You got arrows, bitch!" The car made a nimble swerve.

"Where were you at the cocktail events?" Talia asked me. "We were there with all the ballers. The real deal. You didn't go to Borsheim's, did you? That's where all the suckers go, with one baby B share. The big parties are up at the houses."

I fear that Talia may be right. Despite what my credentials said, I left Omaha with the feeling that we holders of Berkshire B shares were "partners" in the same sense that the man who bags my groceries is an "associate." Yes, once a year we can eat the same steak, sit in the same chair, ask the man a question. Yes, Buffett asks us to think of ourselves as a family. Those who obeyed him before saw their thousands grow into millions; we who obey him now have elevated our capital above the vulgar trillions racing from stock to stock. I, too, have obeyed, holding on to my baby B share along with most of my fellow suckers.

This year, the gathering of this unusual family may grow to an ungovernable size. Last November, Berkshire Hathaway announced that B shares would likely split fifty to one, bringing the price of partnership down from thousands of dollars to less than a hundred and making the Omaha reunion even more dependent on the benevolence of the father. "We will be candid," he wrote in the Owner's Manual. "Our guideline is to tell you the business facts that we would want to know if our positions were reversed. We owe you no less." This reciprocal sharing of information is not how capitalism works. It is one man's quixotic vision of how it ought to work, made flesh by the rites of Omaha.

Berkshire Hathaway shares, after all, are more than pieces of a corporation. They are pieces of the man himself—divided ever smaller, as he grows older, so that more can partake of him. The new B shares, these tiny wafers of Buffett, will be passed into the outstretched hands of the faithful, to be transubstantiated in their eTrade accounts and 401(k)s.

When the man dies, will his essence, so widely scattered, live on? The answer, I suspect, will be determined not on the Qwest floor but rather up at the houses, among the ballers. ■