

REVIEW

Edited by **ROBIN GOLDWYN BLUMENTHAL**

Morality Play: *All Eyes on the Oracle*



William Waitzman

WOULD THAT WE HAD LISTENED TO

Warren Buffett seven years ago when he warned that derivatives were "financial weapons of mass destruction."

Last year was Berkshire-Hathaway's worst since Buffett took over, but the Oracle of Omaha didn't try to sugarcoat it in his shareholder letter and as the faithful gathered for Berkshire's annual meeting over the weekend.

As they did, they were able to sample some of the wisdom Buffett is still dispensing -- distilled into a book, ***20 Buffett Bites: Delicious Morals for Turbulent Times***, by L.J. Rittenhouse, Berkshire holder and head of Rittenhouse Rankings.

Rittenhouse, who wrote *Do Business With People You Can Tru\$t* after the last major financial debacle, spends much of her time analyzing chief executive officers' shareholder letters for the biggest companies -- to judge their clarity, and see whether they're using language to obfuscate or to inform. She ranks them, and has shown a link between the rankings and a company's stock performance.

"I see the desecration of the language in these CEO letters as CEO graffiti," says Rittenhouse, evoking a study of New York's successful war on crime, which featured a cleanup of subway graffiti, as detailed in Malcolm Gladwell's book *The Tipping Point*. "If we could clean up the language, we could clean up business morality -- and performance," Rittenhouse avers.

In her latest book, Rittenhouse combed Buffett's letter to glean 20 tips on investing, such as "private equity [is] a name that turns the facts upside-down." She then discusses them, and produces from each a moral, in this case: "Orwellian shenanigans can tip us off to financial shenanigans."