



*Western
Alliances*

A Novel

*Wilton
Barnhardt*

New York Times Bestselling Author

Western Alliances

*WILTON
BARNHARDT*



ST. MARTIN'S PRESS
NEW YORK

[Begin Reading](#)

[Table of Contents](#)

[About the Author](#)

[Copyright Page](#)

**Thank you for buying this
St. Martin's Publishing Group ebook.**

To receive special offers, bonus content,
and info on new releases and other great reads,
sign up for our newsletters.

[Sign Up](#)

Or visit us online at
us.macmillan.com/newslettersignup

For email updates on the author, click [here](#).

The author and publisher have provided this e-book to you for your personal use only. You may not make this e-book publicly available in any way. **Copyright infringement is against the law. If you believe the copy of this e-book you are reading infringes on the author's copyright, please notify the publisher at: us.macmillanusa.com/piracy.**

*To
Denis Baresch
Davide Bova
Christina Gerstgrasser
Alexander Luckow
Kai Maristed
Christian Pervilhac
and Annette Smith,
my Europeans*

PART I: 2008–2009

New York System

Upon reflection, it was an ingenious way to keep a bright six-year-old occupied and out of one's hair, to set down *The Wall Street Journal* or the business section of *The New York Times* before him, select a crayon of the day with much pretended interest and debate as to the color's importance, and task the child to circle *each and every* instance of his father's name appearing in the pages. And won't Daddy be proud when he gets home?

Roberto Costa, for uncounted hours, scanned the pages concerning foreign exchanges and dividend rollovers and pork-belly commodities in hopes that his father might be quoted—since his father knew everything, and American business could hardly function without him. There were datelines from Frankfurt and Strasbourg and Brussels and an array of less pronounceable locales from where his father, one minute in the door, suitcase in the foyer, would empty into the designated bowl his pocketful of foreign coins for his son's collection. The unrivaled treasury of coins would make for a definitive show-and-tell at school. (One day, from a park bench in western Russia, Roberto would determine that his numismatic show-and-tell was the first in his series of ambitious international projects that would not be seen to completion.)

By his eighth birthday, the jig was up. Roberto had figured out that only the headlines featuring BONDS or MUNICIPALS led to the possibility of a paternal mention. Still, what joy to find Mr. Salvador Costa quoted and to take the crayon and fill in the circles of the *a*'s and *o*'s, create a halo around his own last name. Then how, lying in his bed, Roberto would fight to stay even half-conscious, 10:00, 10:30, 11:00 p.m., attuned to the percussion of the front door opening and gently closing. His pages had been placed specially on the foyer lamp table next to the outgoing mail so his mother wouldn't forget to present his work ... which she invariably failed to do. Gratification often waited until breakfast the next morning:

"You found me again, Bobby!" his dad would say, waving the illuminated manuscript, before reading the article, before grumbling, "I see they misquoted me as usual."

"You gonna fix 'em, Dad?"

"You bet I'm gonna fix 'em."

As an adult, Roberto Costa now understood that the name-finding exercise was emblematic of his mother's approach to child-rearing, a chore usually delegated to house cleaners and nanny services, but when minions could not be found, when no one could be drafted, anyone, anyone at all, to give her children a hint of supervision, there was always the *Wall Street Journal* assignment.

He had never entirely given up the exercise. Throughout his twenties, in some European train station café, in a Florentine piazza or a Viennese coffeehouse, nursing a too-pricey miniature soda, he would check the financial part of the *International Herald Tribune* and fill in the *o*'s and *a*'s for a paragraph, hoping for a spark of childhood joy.

"I am also starting to have the thought," Liesl said quietly in English, darting a glance to their fellow train passengers, "that you have not to have been so ... so honest with your Liesl. I think..." She studied a sleeping businessman and then a stern, skeletal, middle-aged man reading a thick novel. "I think that you are a very rich boy."

He said nothing.

Liesl tucked a strand of white-blond hair behind her ear, then tapped the *Financial Times*. “You fill in the circles on the name Salvador Costa—he is head of something enormous. Some bank, yes? It is your father?”

He nodded, shrugging. “My father is well-off, yes.”

“And you too? You never do talking about working. I never hear you to have a profession, hmm? And the hotel in Ettal we stayed in. You must, perhaps, a thousand euros there spent?”

“I have money now, but maybe not for much longer.”

It was August of 2008, and *The Economist*, the *Financial Times*, all were gathered in his lap, emblazoned with panicked headlines; even the unexcitable *Frankfurter Allgemeine* had been allowing the headlines to span five out of six columns. Only the end of the world would get all six, Liesl clarified, noting that it happened once, after 9/11.

“Hmm, yes, but it is a rareness,” mused Liesl, “for any rich person to become un-rich, I think. We live in a world that the centuries have organized around giving those with money the protection of the state, yes?”

Roberto wasn't sure whether a Marxist tirade awaited from the gorgeous blond graduate student, but the train was applying its brakes and the diesel burnt-hair smell was faint in the cabin. They were in Frankfurt.

Roberto snapped a picture of the modern skyline as they decelerated; Frankfurt was one of the few European cities you might mistake for an American one.



Soon Roberto and Liesl were off the train, retrieving their backpacks, and standing in the busiest train station in Europe, the largest in Germany, with a football stadium's worth of fast-walking commuters who would mow down all in their path to board a train that left precisely when announced. Roberto and Liesl looked up at the enclosed space, the hangar-

huge steel arches and begrimed glass in the ceiling above, which prepared one for a rainy, gray German day even when, like today, it was sunny outside.

“Okay, Baron,” Liesl purred, “I go away so you don’t have to introduce me to your Vati and explain to your father who, *who* must be this mysterious girl...” With this line of dramatics failing to catch hold, she became more like herself again. “Oh, I do want to see your father, from a distance, though.”

“Twenty guesses, and you still wouldn’t select him from the crowd.”

“Please. I marry your father instead, ja? If he is the rich one.”

Roberto thought he saw the silver-steel coiffure of Mrs. Santos ... Yes! His heart warmed to see her again, though she had been, historically, a source of terror. Talking into her phone, she marched through the crowds of German commuters, and sure enough, Roberto’s father was behind her. Where was Sam the Intern? Usually he scurried ahead in advance and prepared things for his father, like a cross between a harried high-society caterer and a Secret Service agent.

Salvador Costa and Mrs. Santos tarried at a newsstand in the heart of the station. Mrs. Santos was exasperated about something and had her finger raised, a sign of imminent wrath, but it wasn’t guessable who was the recipient ... Maybe Sam the Intern was in trouble. Roberto would have liked that. Mrs. Santos now wagged a finger at Salvador, her boss of twenty years, and then strode toward a station exit, talking into her phone.

Liesl was saying, “—because older men love me, for some reason—”

“Meine Baronin,” he said, cutting short her ingratiating into the family fortune. “See if you can pick out my father. He’s among the businessmen by the newsstand there.”

“This will be easy...” She studied the men aswarming the newsstand. “He will be tall like you, maybe good-looking like you too—I hope more so since, yes, I am to be his next wife ... I say the man in the brown. That is an American suit, I think.”

After four guesses, he put her out of her misery. “The man in the plaid coat, the magenta tie.”

“Mein Gott,” she marveled, swatting him on the arm. Was he a dwarf, Liesl asked before putting a hand to her mouth, astonished by her own rudeness.

“He’s a foot shorter,” Roberto laughed. “I took entirely after my mother’s side in looks, and my sister got the short, Portuguese genes. My father did give me his bad-heart issues,” Roberto added, pointing unnecessarily to his chest.

“Oh yes. The...”

Roberto smiled good-naturedly.

“He appears to be a kind man, but does he ... does he not know how to dress?”

“Yes, look—you see—someone is stopping him—he has a TV program in the United States, and businessmen recognize him. He is famous for his tasteless sports coats and loud ties.”

Salvador Costa played to the ingrained caste system of Wall Street; he was the off-the-rack Men’s Wearhouse-wearing little guy, the bond trader in Short Hills, New Jersey, in the strip mall peddling unexciting municipals, five o’clock shadow by 11:00 a.m. He may have offered amusement to the WASP and Jewish swells in the glass boardrooms, but he was the hero of muni and commodity traders, hollering for a living in the Stygian world of the trading floor. Roberto Costa’s sister, Rachel Costa, would deny outright that she was related to the Sal Costa on CNBC’s *Costa: Doing Business!* Fortunately for her, every other Portuguese American was named Costa, so she had deniability.

Roberto claimed his father every chance he got! He would search the cable TV menus in hotel rooms with a hundred channels hoping the European cable systems ran his dad’s half-

hour CNBC segment at 5:30 U.S. eastern standard time, the lead-up to Jim Cramer's *Mad Money*. Cramer may have been playing up his antics for the camera, but Sal Costa, preaching the gospel of low-yield but dependable securities, dressed out of some 1980s thrift shop, was the real Sal Costa. No playacting involved. It was a pure delight to sit in a hotel room in Brussels or Warsaw or Stockholm and let the sound of his dad's flat Rhode Island cadences comfort him, even if Roberto had no clue what his dad was talking about.

"When I am his wife, he will not wear that tie." Liesl then gathered up her yellow canvas backpack. "Okay, okay, na ja, you have your wonderful family moment, und ich gehe nach Kaffee. Text mir wenn du am Ende bist. Tschüss."

Roberto watched as she sauntered away unsteadily, the backpack swaying once in each compass direction before steadily settling onto her back.

Roberto steered his own backpack and suitcase-on-rollers toward the central Imbiß, the German sausage, kraut, beer, and french fry stand. He got to see a caper in process: lurking from behind a kiosk, Sam the Intern now joined his father hurriedly, rattling two grocery bags. His father patted Sam on the shoulder, good man, attaboy, and began rummaging through the contraband. He removed a paper container ...

"Hey, it's Bobby!" Sam cried out, spotting him.

"Bobby!" his father cried out too, abandoning Sam's purchases to come hug his son. They hugged strongly but quickly, his father's head at his chest. They were always faintly aware of how comical they must look (Roberto was six foot five, Sal was five foot four). "I'm getting shorter or you're getting taller—cut it out, whatever it is! Looking good, son."

"You too, Dad. Hey, Sam. What have we here?"

Sam had been dispatched secretly to the Kleinmarkthalle, arguably the premier wurst emporium of the Hessians. Some ruse had been enacted to distract Mrs. Santos, Sal Costa's personal cholesterol-policewoman.

Sal unwrapped some butcher paper around a paper plate and whispered confidentially, "The weißwurst is a Munich thing but, lo and behold, you can get it at the place I sent Sam to ... It's almost noon, and you don't eat one of these after twelve," he said, pointing with his plastic knife to the spongy light gray sausage.

Roberto knew all about the weißwurst, but he let his dad enjoy telling him something about Europe, as if Roberto hadn't lived there for nearly a decade.

"Bobby, you go inside this establishment and get us some beer—you know what's good over here. I don't want 'em yelling at us for using their tables without buying something. Sam, you stand there, block me from view when Mrs. Santos comes back."

The food stand had Darmstädter pilsner on draft; Liesl was from Darmstadt. He got that for his dad, and for himself ordered a bottle of bock to go with a Bockwurst and Rindswurst, the local fave sausages. Roberto's passion for foreign languages (credentialed by his happily useless double-major bachelor's degree, French and German, from Brown), as ever, swarmed his thoughts: Surely, there wasn't goat meat in a Bockwurst, or anything goatlike about the bock beer. *Der Bock* could be a ram or a stag too, depending on where you were in Germany. Odd, the Chinese also had a ram / billy goat confusion, one word for both animals there too ... We probably got the English word *buck* for male deer through the Saxon Bock. Buck was always feisty, for sure—bucking broncos and being buck naked, always something masculine, to buck up was to man up, the antiquated racist slang for an African American laborer, buckaroos, pirate jargon—aye, me buckos ... or maybe that was just Hollywood pirates. He'd have to do an entry in his Notebook and consult with Liesl about which word she used for goat—

"Ohne Pommes frites?" the cook asked him.

He said yes to the fries, knowing his father would like to steal a few. Roberto, subtracting a year or two off both their lives, paused at the condiment table to pump a small hillock of mayonnaise on the plate beside the fries.

Sam was a twenty-three-year-old MBA from Sloan. Roberto had crossed paths with him many times before: boyish, slim, enjoying fashionable dark suits of European cut, spiky hair, big brown eyes, probably Jewish but maybe Middle Eastern (Sam for Samir, say), from New York ... Roberto hadn't inquired. Sam hung on his father's every word and clearly had seen past the yuck-it-up CNBC *Costa: Doing Business!* routine to gauge that his father really was unusually intelligent about finance. Roberto tried to tamp down the jealousy.

"Oh, you got french fries with mayonnaise!" said Sal Costa, barely able to enunciate for the food in his mouth. "Now, first sign of Mrs. Santos—"

"I run for the trash can," Roberto said, nodding. "Dad, we could relocate inside the Imbiß. Standing out here, we're sitting ducks."

"I told her I was going to have a beer and swore an oath not to eat sausages *from* the train station—which, technically, these were *not*."

"As good as a Buckett's wiener with a warmed-up can of B&M beans?"

His dad pretended it was a tough call, the great German wursts versus the hot dogs of Providence. "Only goddamn reason to go down to Riverside, lemme tell you that."

"People are crazy down there, Dad—that's what you always say."

His father nodded. "The sweet onions, the celery salt—no use in going if you're not going to get the celery salt. Saugy-brand franks. Get a coffee-milk to go."

"New York system," Roberto said, racing his father to the term. Though nothing like Rhode Island-style hot dogs existed in New York, anywhere.

One would have been sad without the other one prompting the rote back-and-forth Providence shtick that reminded them who they were, the chouriço from Mello's over the line in Fall Riv', the grilled octopus to kill for at the Riviera Inn, right there on North Broadway when you get off the Henderson Bridge. Get yourself down to the piers for a stuffie—chopped and breaded quahogs, baked up with a mince of onions, celery, and peppers sometimes.

Roberto's sister and his mother anathematized Rhode Island, sneered at the homey comforts of Providence. Rachel gave out that she was a New Yorker and claimed to be Jewish to throw friends off the track, though she was less brave around actual Jews. Their mother, Madalena, had concocted an elaborate tale of life as an ambassador's daughter and being, truly, a citizen of the world ...

"Your mother's here," Sal Costa said, now beginning to attack a container of still-warm, mustardy potato salad.

"I know. She's in Cologne."

"No. She's *here*, in Frankfurt. Heard that I called a family conference and said she would get off her sickbed, unplug all the tubes and wires ... disappoint all the Indian swamis and African shaman gathered around her bedside."

Roberto laughed; Sam pretended not to listen in.

"She'll show up in one of those bubbles they put those kids ... those kids who have no immune system, whatever that's called. That's why I set the meeting inside the train station. Figured that would slow her down, having to breathe some train exhaust like the rest of us normal folk. Besides, I got to be in Zurich by tonight. This is a weekend jaunt—Stephanie's got the broadcast tonight, but I gotta get back to New York by Monday so I can do the show." (Stephanie Velazquez, his regular substitute host on *Costa: Doing Business!*, could match Sal Costa with Wall Street trash talk and her own South Bronx charisma.)

Sal examined the giant pretzel next to the mound of soft, oniony cheese. “I know we’re supposed to bow down before France,” Sal Costa said to his son, “but I think German food is more my speed. Germany’s just as classy.”

“Dad,” Roberto said, smiling. “That cheese is called Handkäse mit Musik. The cheese is brined and so flatulent-making that you can’t help but fart up a storm after you eat it. That’s why they say, ‘With music.’ The country that gave us Bach, Beethoven, and Brahms—that’s how classy they are.”

His father put down the pretzel. “Eh, I got to be on my best behavior in Zurich. Can’t be farting away the company. I’m over here to see if our foreign partners looked out for us any better in Frankfurt and, like I said, Zurich.”

“Did they?” Roberto asked.

“What do you think, Bobby?” Sal asked wryly. Wry was his resting expression.

Pooled Viatical Settlements

The most treasured moments of father-son time for Roberto had been when Sal Costa, now, dazzlingly, improbably, CEO of Hightower Wiggins, tried to teach his boy anything about finance. Roberto could spend money, make money last, work out who owed what in his head on a restaurant check, and so on, but when it came to committing his allowance to fiduciary vehicles or applying the whims of economic law, he wandered as a lost child.

“So big demand and low supply?” Sal would prompt.

“The price goes up.”

“And eventually when the supply catches up?”

“Then the price goes down.”

Sal’s smile dimmed. “When Krispy Kreme came to New York City—lines round the block for the hot glazed, right? People like us waiting hours, remember?”

In 1996, father and son had visited Twenty-Third Street to spend a lunch hour participating in the mania, just to say they’d had one.

Sal: “Now there’s no lines. Anyone can get a Krispy Kreme doughnut when they want it, okay? But the price didn’t go down, did it?”

“I think it went up.”

“It did go up. The initial lower price helped drive the demand. That’s what MBAs and the smart guys and gals from the business schools do. Make sure the supply is right and the price never goes down.”

There had been a series of those smart guys and gals who had come between Roberto and his dad through the years: new hires, trainees, Sally from HBS, Luis from Wharton, and now Sam the Intern from Sloan. Sam was super-friendly and, in any other universe, Roberto would have tried to charm his way into a friendship, but that would have given away his seething life-envy of the stylish smart guy from MIT who was his father’s young confidant. Roberto could have been one of his father’s interns, but no sooner did he imagine the life of yields and rates, the tedium of MBA coursework, than that desire receded. His dad, Roberto knew, probably enjoyed giving extra fatherly tutelage to Sam the Intern to compensate for rarely seeing his son, and whose fault was that?

Oh, but Roberto tried. Whenever anything financial dominated the news, he offered up an opinion he had read in the newspapers or *The Economist* that he’d only bought to research a manufactured comment—which usually backfired.

“I was reading all about it,” Roberto ventured, meeting his dad in Strasbourg in March. “Those credit-default swaps ruining everything, which made for all the trouble.”

“Eh, hold your horses there, Bobby. Nothing wrong with a good credit-default swap! We bond people use them all the time; it’s part of the landscape.”

“But I read...” Bobby went quiet.

“You know how they work?” Sal Costa’s eyes had that gleam, familiar to his TV viewers who loved his explanations. But he and Bobby had their own pedagogical method familiar from childhood.

“Okay,” said Sal Costa, picking up the salt and pepper and little jar of mustard. “Bank of

Dad”—he scooted everything to his side of the table—“and the Bank of Bobby.” He scooted a paper napkin toward his son. “The law says I can lend out only so much, right? If I have, say, ten billion at risk in investments, then I gotta have one billion left in the bank as reserves. The government insists.”

“I’m surprised to hear banks had any rules. I thought it was the Wild West.”

“Oh, there are rules. Anyway. The Bank of Dad is out of money to lend, if I want to follow the law. But what if I could get *you* to insure my ten billion? Then my risks wouldn’t be my risks anymore, would they? They’d be *your* problem, and I could lend out that one billion collateral, free and clear.” Mr. Costa reached over for the napkin in front of Bobby. “What if I buy a policy from you covering the billion? I’ll give you a down payment of a hundred million.”

“I say no to the Bank of Dad. Why do I want to insure any of your risky investments that will sink both of us?”

“Nooo,” sang Salvador Costa, his eyes smiling. “I want you to insure my safest blue-chip, can’t-lose-in-a-gazillion years investments. My holdings in Microsoft and Apple and Siemens and Mercedes-Benz...” He tapped the mustard pot. “Triple As from municipalities like Hamburg and London, rock-solid stuff from Transamerica, BlackRock, et cetera. You can insure me and there is *no* chance, short of world cataclysm, that you would ever pay out.”

“Okay,” Bobby said slowly, wondering what the trick was. “I’ll take your money.” He reached for the saltshaker. “But aren’t you throwing your hundred million away insuring something that doesn’t need insuring?”

“Not at all. Now that my ten billion is insured and not at risk, I can now lend out that billion collateral I was supposed to hold back. And the Bank of Dad will make millions off the billion. And I won’t spend a hundred million—I’ll borrow it, put down ten percent, some bank will commit, on paper, to guaranteeing the rest, wanting a piece of this action. Meanwhile, Bank of Bobby gets a hundred million richer.” Sal Costa scribbled *Bobby insures Dad’s billions* on the napkin, then tucked it in his son’s shirt pocket. “What went wrong is that all the houses secured insurance for the worst investments in the portfolio. The rating services were corrupt too. Now those rotten mortgages, those tranches ... by the way, you might appreciate this as a French studies guy, but anytime in American finance they have a French term for something? Tranche, municipal bond arbitrage, banque d’affaires offerings—read the fine fucking print.”

“Mortgage is a French word.”

His father pointed a finger at him. “What’d I tellya?”

The next time he saw his father was in Amsterdam in May. Sal was doing his show that week from the Netherlands as one of his theme weeks on *Costa: Doing Business!*—How the Dutch and Their Tiny Country Took Over the World, Sal Costa peeking around too many vases of tulips, while yukking it up. This kind of traveling circus theme show was soon going to be at an end because Salvador Costa had just been named the CEO of Hightower Wiggins.

In June of last year, 2007, Richard Culp, the CEO of Hightower Wiggins, told the board that three subprime hedge funds were at zero; the panacea of collateralized debt obligations, that heralded salvation of Hightower Wiggins that the old fuddy-duds (like Sal Costa) couldn’t get their heads around ... well, they were approaching worthlessness. Culp explained that one Cayman Islands-based SPE—a special-purpose entity, a satellite limited partnership that issues securities back to the mother ship—had sold them securities that were not only unsound (the tranches of mortgage-backed securities, rated from super-senior to dog-poop residual, had all, every last one of them, lost their value) but also, Culp said, now that we’re mentioning it, another SPE set up on Tortola in the British Virgin Islands had sold

Hightower Wiggins additional collateralized debt obligations that were an elaborate second investment, banking on the blazing success of the first investment. This was known as a *CDO squared*.

Culp said as if he'd missed a putt, dash it all, it didn't work out.

"Dick Culp," Roberto brought out with the sharpest possible enunciation of the consonants.

"Culp resigns," Sal narrated, "a one-man band of bad swaps; Havner goes next, then Dudley, then Franklin Martin, who—what did I always say?"

"A buffoon for the ages."

"That buffoon for the ages resigns."

The CFO, Morris Maynard, was asked to step down, as were the senior executives who had leveraged Hightower Wiggins at a scarcely credible twenty-nine to one (for every \$29 billion risked in these worthless-on-their-face subprimes, only \$1 billion was held back as collateral). The accounting officer who covered up the disaster, even from the board, stepped down. Well, not "stepped down." These gentlemen leaped from the turn-of-the-twentieth-century building on William Street, launching from the spires and gargoyles of the seventeenth floor, floating gently to the sidewalk with their golden parachutes with sapphires on top and a diamond trim. Severance packages and lavish payouts and, as their contracts specified, reimbursement of their losses, which took priority over the investors' losses. Use of the corporate jet was cut off, naturally, but the car and driver would be kept on for a suitable transition period, a calendar year.

There was a raid on the collateral. Some \$1.15 billion needed to be disbursed to calm the panicked investors ... Of course, the suckers weren't offered actual money but other financial instruments, like some more CDOs that were lying around, real and synthetic, and a showcase of fiducially flimsy, semi-illegal, and possibly made-up-on-the-spot financial vehicles: pooled viatical settlement funds, foreign-bank-backed promissory notes, securities composed of swaps of all varieties, mortgage swaps, interest swaps, credit swaps, money-in-a-brown-paper-bag swaps—tied to forward rate agreements and insured by financial insurance firms chartered the week before and staffed by nebulous, mysterious entities ... who having insured this mess offered additional securities that made money *if they themselves defaulted*, which top executives of Hightower Wiggins also bought for their own portfolios ...

"Was this on-paper one point fifteen billion dollars wrenched from the collateral holdings of Hightower Wiggins, Bobby?" Salvador Costa asked.

"I'm going to guess *no*."

Correct. It was borrowed. Of course it was borrowed. The firm just wasn't leveraged enough, apparently. The billion was advanced on a transfer of \$100 million, courtesy of some bank called Bahrain Capital Ltd., which hadn't been in existence three months before. Within a month, five major law firms representing investors as well as hedge funds papered Hightower Wiggins with lawsuits and requests for repayment. A Saudi sheik, one of the emirs from the Emirates, and three Russian oligarchs respectively sent threatening-looking men to the office for personal appointments with the geniuses in the boardroom. Hightower Wiggins now had around-the-clock security.

The credit rating of the firm went from AA to A.

"How was it even an A?" Sal Costa asked rhetorically. "Not even Standard & Poor's, still in denial, wanted to think the unthinkable."

The major hedge funds at Bear Stearns collapsed the next month.

Lehman Brothers shut down its mortgage lender.

Citigroup headed toward a loss of \$5 billion for the quarter.

Merrill Lynch posted a nearly \$2 billion loss.

So. After two more executive forced retirements and another accounting office indictment, the board offered Salvador Costa the CEOship in June. Sal showed up in the boardroom, 10:00 p.m., after every senior clerk from every division (except Sal's moneymaking bond division) had read to the bigwigs the bad news in red ink. The bigwigs were facing annihilation, humiliation with a laugh track. They were a grim-faced lot, contemplating selling the home in the Hamptons, taking the Jaguar back to the dealer, their children having to abandon the Ivy League for a state school. This was their Hail Mary pass: let Salvador Costa, beloved financial guy on TV, the funny man, the character, that comforting fellow who couldn't possibly be a front man for such naked larceny, take the reins. Could his antics buy them a little time?

"I am under no illusions," Sal Costa said, "about why they put me where they put me. You heard of the glass ceiling? Women and minorities can get so far up the ladder but not through the glass ceiling. But there's another phenomenon known as the *glass cliff*. The company is tanking, so they go choose some poor Black guy, some woman VP of something or other, some maluco from the alleys of East Prov—they let *that* guy take the company down all the while getting brownie points for diversity. When they restructure, it's back to business as usual."

"They turned to you, Dad, because you're the only honest one on that board."

"They turned to me because I haven't lost anyone any money, have I?"

The sole profitable page left in the tattered Hightower Wiggins portfolio was the boring old bond division, due to a decade of leadership by Salvador Costa. By the spring of 2008, his once condescended-to 2 percent gain was a lifesaver to a drowning company that had to make minimal payouts to investors who were jumping ship. There would have been no passengers left on board were it not for his comforting appearances at shareholder meetings—not to mention his laughing, cheery predictions on his CNBC half hour.

Roberto didn't understand all his father was telling him, but Roberto was proud, he couldn't stop beaming—his dad was in charge of the whole storied Wall Street investment firm! Roberto had from elementary school claimed that his father was a titan of Wall Street, but now it was true.

But Sal had conditions before he'd do it, and they were severe: He and he alone would decide which bonus and severance arrangements would be paid out. He and he alone would be CEO, COO, and CFO combined into a single omnipotent position, so there would be no end run around his company-saving policies. He and he alone talked to the press, and anyone leaking scuttlebutt (e.g., Hightower Wiggins was flat broke) would be terminated immediately, with all negotiated pay packages out the window and a nasty lawsuit to follow. The board looked elegantly ruffled, rumpled in their tailored suits and dresses, awake for twenty-four hours of worry and misery. Sal wore a University of Rhode Island T-shirt and his frayed blue jeans. They drank from Dick Culp's desk supply of Pappy Van Winkle bourbon; Sal held a forty-four-ounce Big Gulp of Diet Coke from the 7-Eleven on John Street. As they contemplated his terms, his straw found the bottom of his soda, letting the swells and masters of the universe enjoy the noise of him sucking air, gurgling from the bottom of the Styrofoam cup.

A Situation

Back in the Frankfurter Hauptbahnhof, visible to all, Salvador Costa was ready for the family meeting, just after one more pretzel bite—

“Aha!” It was Mrs. Santos, moving toward them with an accusing index finger.

Most of the wursts and condiments had been disposed of by Sam and Roberto, who scarfed down the last of the forbidden goodies over the trash can, stealthily dropping the evidence into the bin. The pretzel and cheese, least harmful of the contraband, survived to distract Mrs. Santos from the more forbidden items. Avoiding the reckoning with Mrs. Santos, Sam the Intern slipped away to prepare a table at Starbucks for the family meeting.

“Both of yous, covered in grease!” she pronounced.

“Nonsense,” said Sal, his eyes widening with innocence. “We just had a beer—”

“Don’t take me for a fool.” She aimed her hair helmet at Roberto, her silver coif held together by a ferrous hairspray that no jet blast could dishevel. “Wanna know how you fuck it up big-time?” she fired at Roberto. “You wanna end up like your father on the operating table? Do what he did for fifty years, eat a diet of fat and grease.”

“You see what happens when you abandon me, Mrs. Santos.”

(Forty years working together, and Sal never called her by her first name or permitted anyone else to. He did nothing to lessen her authority or the terror she dispensed to the rest of his staff, which included his pretense of being scared as well of his own office manager.)

“We had your numbers down low, Salvador, and then you come to Germany, and what do you do? You fuck it up.”

Mrs. Santos was a prim, mass-attending Catholic woman who, for all her personal conservatism, her merciless meting out of puritanical judgments, had not been taught that the F-word was a bad word. Roberto reflected that, growing up where she did in Providence, she might yet be unaware that the verb had a second meaning of *copulation*. Roberto had seen her hold forth on who *fucked it up* while the matrons and patrons of high society listened grimly. If the pope himself were to lose the Host in the Communion wine, she would say, “Eh, you fucked it up there, Holy Father.” Roberto and Rachel, at their childhood dinner table, loved to insert Mrs. Santos into an array of historical tableaux (“Hey, Bob Lee, what did I tell you about Pickett’s Charge? You *fucked it up*, is what you just did...”) and then not be able to eat for their laughter.

Now Mrs. Santos was scowling at her phone. “Miss Westmore. She wants to move the location of the family meeting. The family she is in no way a part of.”

Merle Westmore, who had dropped out of Penn Law a year before achieving the degree, had compensated for her lack of credential by passionately threatening litigation wherever possible. And where Rachel went, Merle went—there was no separating them.

Salvador Costa sighed. “Sweet Jesus, I could get Jean-Claude Trichet and Angela Merkel on a conference call before the week is out, but my own family I can’t get to meet me at the Starbucks...” He pinched the bridge of his nose. “I hope you made it clear—”

“I made it clear that Miss Westmore is not invited to the meeting. She said it may ‘prove doubtful’ whether Rachel will attend.”

And then Sal's phone rang; it was his ex-wife and Roberto's mother. "Lena," Sal began, "you mustn't trouble yourself to attend this meeting, this meeting you were not invited to. I..." Roberto could hear the essence of the call since his mother's Providence yawp cut through the roar of the train station. Lena was proposing a change of venue. Not fifty meters across the Poststraße was the Steigenberger Metropolitan Hotel, a very nice hotel, real class. Sal and Bobby could ask the desk for the tearoom reserved by Madalena van Till in which she was prepared to offer everyone a light lunch, should Sal consent to the change of venue, since the Hauptbahnhof would have deleterious impact on her health ...

"The Steigenberger," said Sal to Roberto. "See how poor she is? What is that—four hundred euros a night over there?" And to his ex-wife, he said, before hanging up, "We're not meeting at the Steigenberger, so forget about it."

Mrs. Santos said to her boss, "And you won't be meeting in front of this den of cholesterol." She reached for Sam the Intern's abandoned scrap of mahogany-brown pretzel, dipped it in the tub of brined cheese, and popped it in her mouth. "That *is* good. Now let's move it!"

Mrs. Santos marched them into the greater melee of the Hauptbahnhof; it was necessary to dodge a tour group, someone running for a train, pulling a suitcase behind them with rollers that weren't functioning. Bobby and his father stood stupidly in place for a moment. Mrs. Santos skipped through the crowd to join Sam the Intern at the table he had claimed at Starbucks' "outdoor" café even though everything was enclosed by the giant steel arches and glass planes of the Hauptbahnhof above.

Salvador, walking slowly with his son, asked, "How's the ticker?"

"Fine, Dad. Haven't had any angina in several months. Of course, my blood is about one-half nitroglycerin. If I trip and fall in here, I might blow up."

"Tell me about it," his father said, patting his own heart.

"How's Rosie?"

"Rosie's still in the picture." Rosario D'Ambrosio, Sal Costa's consort for the last three years, sassy, rich with her own money, twenty years younger in her forties, famous in the family for her giant, elaborate, New Jersey dyed red head of hair—well, more maroon, more purple than red. Rosie got Sal into ballroom dancing as heart exercise, which he first hated and then loved. Sal had a bypass operation in 2003 and danced his way back to health. "Rosie, and a million pills," he added, "keeping me alive. That's what doctors are for, right? We junk it all up, clog the pipes, and they clean out all the gunk, and we pay 'em the big bucks."

Mrs. Santos, arranging folders and papers on the Starbucks table, caught the last of Sal's health philosophy. "You are *done*," she said, "fucking it up for one day, Salvador. No pastries for you."

Just then, her phone buzzed again: a new round of negotiations with Merle. Merle let it be known to Mrs. Santos that Rachel Costa, for whom she was authorized to speak, preferred the requested meeting be conducted at a hotel conference room at the Jumeirah, where Merle would be in attendance for whatever her father had to say, where the proceedings could be recorded and a later transcript agreed to and seconded, just so there would be no misunderstandings, unlike the *last* such family meetings that had distressed Rachel in the past. Was Mrs. Santos aware of a problem with Rachel's Hightower Wiggins ATM bank card? It would seem that—

"Thank you very much, Miss Westmore," Mrs. Santos said. "Now. Tell Raquel Malfalda Costa she has five minutes to get her little Portugee behind over here and sit it down in a chair at the Starbucks across from her father, or what was intended for her hands will be put

into her little brother's. And if I see *your* sorry face, even catch the merest hint that you are in the train station lingering like a contagion in the air, Rachel will know the joys of a nonworking ATM card for the rest of the twenty-first century."

Thus began fifteen minutes of radio silence from the Rachel faction.

The next phone contact revealed that Rachel Costa, Merle Westmore, and Madalena van Till had, somehow, joined forces and were camped out, waiting for his attendance at the Hotel Steigenberger, really, no distance at all, a mere fifty meters from the north exit of the Hauptbahnhof. Tea had been ordered, a table had been set. Come, this was how civilized people did things in Europe. Why should Salvador Costa pretend they were all back in Providence at an Amtrak platform, meeting at a Dunkin' Donuts?

This time, Sal Costa took Mrs. Santos's phone. "Hello again, Merle. I'm going to Zurich in an hour, and you tell my daughter she will find it most unpleasant financially if I get on that train without conferring with her and my son both. And do pass my regards to Rachel's mother. Maybe you can sit there and have tea together while we do this business."

Five more minutes of radio silence, while Sal Costa checked his watch. "I got my foreign-language-genius son sitting here," said Roberto's father. "I might as well take advantage." Sam was then dispatched for today's issue of the *Frankfurter Allgemeine*. Sam returned in under a minute with the newspaper, already folded to reveal the business section. Roberto, ashamed of himself for blushing proudly over being called a genius in front of Sam, raised the newspaper to hide behind and started scanning the pages to see if his father's name popped out anywhere ...

"Read me anything, Bobby, about Hightower Wiggins or some cold, clear-sighted assessment of how the American financial world is about to go belly-up."

Roberto translated a deprecatory essay or two, while his father nodded serenely. Sam the Intern busied himself, delivering several coffees; in spite of Mrs. Santos's prohibition on pastry contraband, he also set down a plate of biscotti, small rhubarb tarts, that tooth-breaking spice-brown plank they make in Aachen.

"Hello, Daddy," said Rachel, appearing out of the station mob.

Roberto was struck, as he always was after not seeing his sister for a bit, by her diminutive stature, five foot one—she seemed to come up to the Germans' midsections, in danger of being taken out by a passing briefcase. She had steadfastly refused to alter her look of adolescence: a shaggy bowl of lank black hair around her face, round Harry Potter-style eyeglasses that magnified her glance confrontationally.

Mrs. Santos poked Sam, and they decamped to the Starbucks interior to leave the Costas to their family business.

Rachel allowed herself to be hugged lightly by her father. "You look just like you do on TV, Dad. Do you never *not* go with the tacky neckties?"

"My health is fine. Thanks for almost asking." Then Mr. Costa smiled his familiar sideways smile, which showed something facetious was coming. "Sorry to disappoint. I know you hoped to get your inheritance sooner than later."

"Oh, Daddy, please." She decided on a redo of that hug, leaning in and giving her father a meaningful squeeze. "I was going to push you in front of a train later today, but not until we have a proper visit."

"I would," he began, "love to see my own darling daughter without an hour of negotiations with Miss Westmore. Do you think we can ever come to that understanding?"

"Really?" Rachel asked. "Was she being a pain? I don't know what she's up to half the time."

When Roberto snorted his disbelief, she finally redirected her attention.

“Bobby,” she said, nodding. And after a moment, “I’m pushing you in front of the train too.”

“But what’s the point? Nothing could induce me to put you in *my* will.”

“I’d get your share from Dad, dummy,” she said, tapping her head.

“How nice to hear my children give a thought to their financial future,” said Mr. Costa, settling back in his chair. “So as I was telling Bobby earlier—”

“How long have you been together, scheming?”

“I just got here, Rach. Jeez.”

“You could have been here earlier,” said her father, “if you hadn’t sicced Merle on me for an hour. I would have bought you a *weißwurst*.”

“I’m going to assume that is some hash of slaughtered-animal organs, so I would have declined.” Rachel’s stare bored holes through her father’s briefcase. Roberto felt pure annoyance—she would prefer to grab the money order and run for the exit.

Sal Costa asked about his ex-wife. “You teamed up with your mother? That’s a surprise.”

“Only by phone. She had a number of questions for you, only one of which interested me: she wants to know why you haven’t bailed on Hightower Wiggins and made use of your parachute of gold—or whatever they call it. She wanted to remind you that that was what self-respecting, greedy executives do in times such as these.”

“I’m fighting to save Hightower Wiggins. I’ll let the crooks jump overboard.”

“To quote her...” Here Rachel performed her uncanny imitation of their mother’s unreconstructed Rhodie: ““You just watch, Rach. That man is gonna stay to the bittuh end outta loyalty.””

Sal nodded appreciatively. “Loyalty. Another thing your mother wouldn’t know the first thing about. I’ll get out of the building before it burns down, so none of you two has to worry.”

“Hoo boy,” said Rachel, distracted by something.

Salvador Costa turned to see what she was looking at. “Good Christ,” he muttered.

Roberto assumed Merle Westmore had decided to stage an assault, but he turned around to see it was Madalena herself, arriving in theatrical splendor. There was a lab-coated doctor by her side, out of central casting, fatherly, wise, supervising the progress of a motorized medical transport chair, painted white with a red-cross decal. The Germans couldn’t help but gawk. Lena wore a shimmering turquoise gown with a golden silk turban. It was an entrance worthy of a silent film star. Oil-black eyeliner, blue mascara about which Nefertiti might have wondered, “Eh, too much?” on aggrieved eyes that looked out accusingly over the face mask. The medical attendant strolled beside her with an IV tree with a clear tube leading to some portal amid the folds of the gown (it wasn’t attached, of course—Lena was too lazy to fully commit to her imposture), and there was some EKG-like device beeping and whirring away.

Sal Costa shot an accusing look at his daughter.

Rachel shook her head. “For fuck’s sake, *I* didn’t invite her.”

Madalena waited for her solicitous prop doctor to “unplug” her from her medical drag, and then she rose out of the compartment as if on wires. She weighed nothing, true, but her moving as if she were made of air was impressive. The silken gown was full length, and Roberto hid a smile because she was, a little bit, fabulous. The doctor, a handsome fellow, must be Italian, because Lena excused him with a “Grazie,” and he bowed in old-world fashion to the other Costas and absented himself to the interior of the Starbucks.

“Lena,” said Salvador, with faint warmth. “There was no need to convey yourself in from your bed of pain. They must be missing you back at the hospice.”