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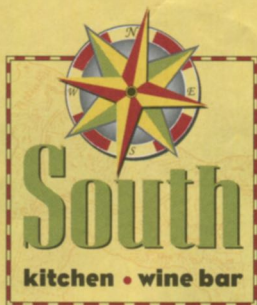
CHAD GIFFORD, WITHOUT APOLOGIES

THE CEO WHO SOLD THE CITY'S LAST BIG BANK HAS BEEN UNDER FIRE AND LARGELY OUT OF SIGHT EVER SINCE. NOW HE REEMERGES TO GIVE HIS CRITICS A PIECE OF HIS MIND. BY JOHN SEDGWICK 

MR. BOSTON: Gifford says Bostonians need to "stop gnash[ing] our teeth about the companies that have sold" and focus on the ones that remain.

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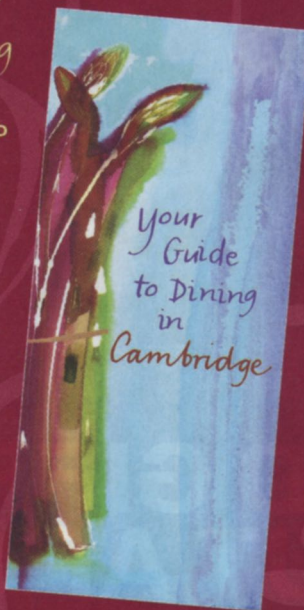
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THE SKYSCRAPER that is now the Bank of America building, at 100 Federal Street, tells the whole sad story of Boston banking, as a tombstone might. It used to house FleetBoston, until B of A swallowed that bank whole in 2003. Before that, it was the home of BankBoston, which Fleet devoured in 1999, and which itself was previously Bank of Boston, the First National Bank of Boston, and—going way back—the Massachusetts Bank, founded by John Hancock and others in 1784.

But, of course, banks are run by people, and in the eat-or-be-eaten world of high finance, until fairly recently Charles K. "Chad" Gifford was the one holding the menu. As CEO of Bank of Boston, he dined on BayBank, then turned around and acceded to such a nifty merger with FleetBank, ultimately emerging as CEO of the combined enterprise, that it looked as if he had been the predator there, too, not the prey. Then Bank of America, second only to Citibank among the largest banks in the world, loomed up, and this time Gifford's own FleetBoston was lunch. But he ended up becoming chairman of the board of B of A, and also, according to newspaper accounts, quite rich, with millions in cash, "incentive payments," a pension, consulting fees, and stock he'd accrued over his nearly four-decade career. Plus, as a tip for a job well done, 120 hours of flight time on the company jet, an office, a secretary, and the right to buy 15 prime Red Sox seats a year from season tickets that B of A now owns.

This would be just more business as usual in a corporate world known as much for its freebies as its savagery, except that, after all the mergers and acquisitions, FleetBoston was the very last big Boston-based bank left. There were genuine economic implications, of course: less immediate access to serious capital, nobody local for the mayor to call for a favor. But it was also primal: This was the loss of Boston's corporate manhood. And the thought of 100 Federal bearing the logo of a bank based in Charlotte, North Carolina—well, it was like turning the Red Sox into a farm team for the Charlotte Stir-Fries. All this came during a season of other come-downs for the Hub, as John Hancock was consumed by a Canadian conglomerate no one had ever heard of, Gillette was gobbled up by Procter & Gamble, and Reebok was inhaled by Adidas.

But Chad Gifford remained, all 6-foot-3 of him, possibly the biggest and

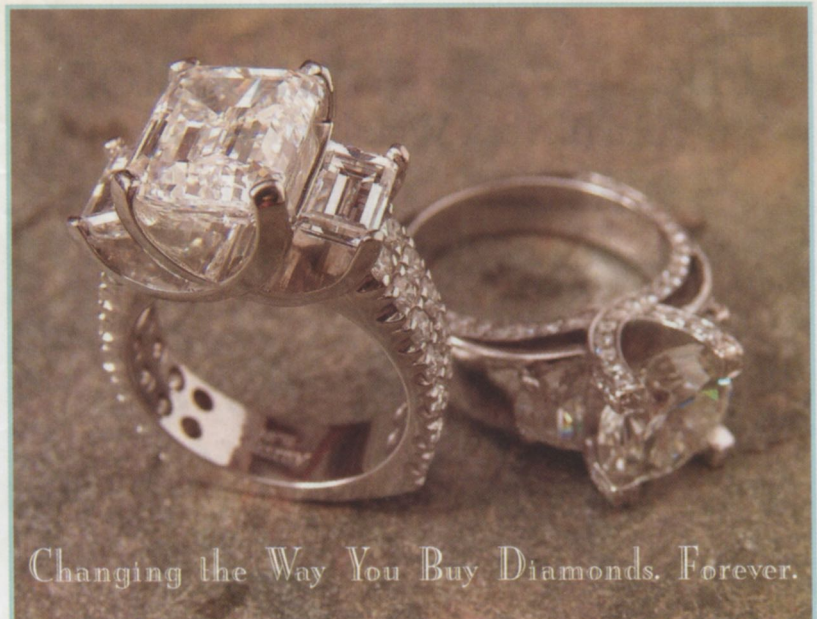
best glad-hander the town had ever seen, the guy most everybody liked. He was the man who had helped his friend Bob Kraft buy the Patriots to keep them in Massachusetts when they were ready to flee to Hartford, to finance John Henry and Tom Werner's purchase of the Red Sox, to back a children's early development program called Success by 6, to push for gay rights, having been activated by a gay son. The guy was so connected he was known as "Mr. Boston." The whole Gifford family was like the Kennedys around here. Brother Jock founded the Cambridge and Nantucket top-drawer architectural firm Design Associates; brother Dun was part owner (with John Kerry) of a Quincy Market cookie company,

"I will tell you that emotionally there is no way I wanted to do the deal," Gifford says of his sale of Fleet to Bank of America.

Kilvert & Forbes, and founder of Oldways Preservation & Exchange Trust, a think tank that promotes healthy eating. Niece A. J. Griswold was on the U.S. ice hockey team that won gold at the '98 Olympics. And on and on.

Then Chad Gifford sold the last big bank, and Mr. Boston became The Guy Who Sold the Bank. Gifford seemed to drop out of sight, and did not emerge even after he unexpectedly retired from the chairmanship of Bank of America just 10 months into what was meant to be a two-year term. "I always really liked Chad," says event planner and around-towner Dusty Rhodes. "If he put his initiative behind something, he was there. He didn't just write a check. But then he lost the empire, and, God, I haven't seen him in ages. Where the hell is he? Is he in North Carolina?"

A lot of people saw this turnabout as Gifford's comeuppance. "Look," says a prominent Bostonian who's served with Gifford on a few charity boards, "in banking, if you're strong, you're the acquirer. If you're weak, the acquiree." Larry DiCara, the former city council president who is now a partner at the law firm Nixon Peabody, is more sympathetic. "Chad's like Bill Taylor," he says, referring to the *Globe* publisher who sold the paper to the New York Times Company. "It's tough to let it



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go. You're always going to wonder, "What if I were still at the helm?" And people are likely to be disappointed Gifford can no longer put his bank behind their causes. "For someone like Chad," DiCara says, "I think that hurts." The consensus view was harsher, that Mr. Boston had sold out. His pay came in for the most heat. It was "tacky, if not downright glutinous," one local newspaper columnist wrote. "[He] will be profiting mightily while others are laid off." "Plunder baron," another called him.

For this criticism to be leveled at Mr. Boston was the greatest irony. Gifford had responded, he felt, to larger events beyond anyone's control. And that was the grim, unalterable fact that provoked a city's anger, as only hard truths can.

I WAS ONLY DIMLY AWARE of this great municipal psychodrama being played out downtown when word arrived that Chad Gifford, one year after his retirement from the bank, was willing to talk. As it turned out, Gifford had not gone anywhere. He still had an office in the Bank of America building. But it was behind an unmarked door. No name. No title. Not even a number.

Inside, though, Gifford's Elba proves to be vast and penthouse-like, with a conference room and a personal office that would be the envy of a midlevel Hollywood mogul. I wait in the conference room, admiring the mind-swelling views and the tokens of better days—glass paperweights commemorating civic awards and, interestingly, a memento thanking him for a loan to the sainted Aaron Feuerstein's Malden Mills, with an inscription heavy on dramatic irony, as things turned out: "If I am not for myself, who will be for me? But, if I am only for myself, what am I?"

Gifford sweeps in a few minutes later, all geniality. He's a big, burly man of 63, much younger-seeming in person than in photographs. The guy radiates bonhomie. He's got an open dress shirt, without a tie. Instinctively deferential to corporate titans, I greet him as "Mr. Gifford."

"Oh, God!" he roars. "It's Chad. Jesus!" Then he emits a deep-throated guffaw that anyone would dare greet him—*him!*—by his last name.

"It's just that you're so tall," I joke feebly, embarrassed now that I could ever have been so formal with the ex-chairman of the second-largest bank in the world.

It isn't until he settles himself in his upholstered chair, with his back to the stunning views of the Charles River, that we get down to it. Making small talk, he tells me about his day. Breakfast with Red Sox minority owner Tom Werner, then a meeting with a "leading politico" he'd rather not name. "I'm lucky," he says. "I get to yak with smart, interest-

"I would have made more money personally had we not done the deal. So this was clearly not an issue of lining my pockets."

ing people who can make a difference." Gifford *has* made a difference. He's been strongly in favor of gay marriage. And he has been working hard for the Boston public schools. He's all charged up about this. Then I ask him about The Deal. It's a good time to look back, isn't it?

"I'm not sure this is a good idea," he says, a new tentativeness in his voice.

"Well, let's hope it's not," I joke, still doing the manly banter thing. "That always makes for better stories."

He hedges, but then gets into it. "I will tell you that emotionally there is no way I wanted to do the deal," he acknowledges. "Who the hell wanted to be the CEO who sells far and away the largest New England financial organization? Far and away! And it would have been much easier for me not to do that. I would have made more money personally had we not done the deal, and stayed employed until I was 65. So this was clearly not an issue of something I wanted to do or lining my pockets." He pauses. "If this is about my justification for the deal, I'd rather not do this."

Four, five, six times he says he does not want to talk about The Deal, does not want to defend The Deal, justify The Deal, explain The Deal. He is sick to death of The Deal. But rather than clam up and usher me from the room, he then defends The Deal, justifies The Deal, explains The Deal. In detail, with passion.

It was his duty as CEO to represent the stockholders, Gifford says, and he got a damned good price for FleetBoston, a 45 percent premium on its flagging stock value. "I think we got a little lucky there," he says, "because there were a lot of people interested, and we were able to do terms that I never

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dreamed we could do." He extracted an extraordinary commitment from B of A to maintain existing employment levels, and to keep up FleetBoston's commitments to local charities. In six months, Gifford says, the footprint of B of A will be bigger than FleetBoston's ever was. B of A's brokerage and wealth-management division will be headquartered here, which is no sop. It's a full 20 percent of the bank! For loans over a few hundred million—a "very, very small number of requests for that"—Charlotte will have to sign off, sure. But otherwise, the loan decision is made in Boston, just as before. Anyway, how many other cities still have top-10 home-based banks anymore? Just a handful. New York, for example. San Francisco. Charlotte. Pittsburgh. Besides, there are far larger forces at work here than any single person can possibly control. Toward globalization, sheer bigness, an ability to summon the requisite cash to do deals in China, which Fleet could never dream of.

No, Chad Gifford cannot stop talking about The Deal, and how absolutely necessary, inevitable, and right it was. And as he does, two things happen. First, he has a load of trouble bringing himself to say the words "Bank of America." Several times, when he means Bank of America, he says "FleetBoston," or even "BankBoston," two iterations back. And second, he cannot get comfortable in his chair. He is like an insomniac tossing about in bed, struggling to find the perfect position that will at last bring restful sleep.

I finally tell him that for a man as secure as he is by all conventional metrics, he looks pretty anxious.

"Anxious about what?" he asks, as if he really doesn't know.

"About your position, about how you come across, about what you've done," I tell him. "I don't know anybody as rich as you are who—"

"Fuck money, John!" he bursts out.

"Oh, stop," I reply, sure he must be kidding.

"Fuck money!" he repeats, vehemently. "It's not important."

"You should be sitting pretty," I continue. "But—"

"I don't know what 'sitting pretty' means."

"It means being secure, inwardly and outwardly," I tell him.

"Then you're wrong," he decides. "I'm probably one of the most secure people you've ever met. I've made a lot of mis-

takes, but, man, I rarely look backward. Do I doubt what I've done? Not for a second, not for a second. BayBank, Fleet... I don't believe that we look backward. You know, losers look backward. What I am, I'm tired of seeing my name in the paper. I'm just tired of it."

He looks so beleaguered, I can't help thinking I know more about him than he does, and, in an impulsive moment, I tell him so.

"You have your head up your ass," he says.

"But you're still curious what I think, aren't you?" I'm playing to his boyishness, which is the charm of him.

"Well, I'm thinking you are the most arrogant prick who ever lived," he says genially. "Still, sure, I'm very curious about what you think. But I also think you've got your head up your ass."

I am about to tell him that he feels badly about having sold the bank. That what was right for the shareholders, and inevitable, might still not feel so great to have done, all things considered. But he interrupts with a question of his own. "John, how do you define success? That's another one of the words I hate."

"Success is doing what you want to do well," I offer.

"That's great. I agree with that. How do most people define success?"

"By numbers, I guess."

"Why do these guys who are worth \$100 million, \$200 million, let alone \$1 billion or \$2 billion, want more?"

"It's just how they keep score." Doesn't he know this?

"There should be only one reason to make more money. I'd like to make more money. I would. You know why? Because I want more money to give away."

AND THAT'S WHERE we leave it. Our time is up, and he'd said enough, more than he'd wanted to, really. As he walks me to the door, he realizes with a jolt that he hasn't said a word about his family, and he ushers me over to a wall covered with photographs of his two sons and two daughters, a perfect matched set, along with his wife, Anne. He seems to gain strength from this.

I think this is the end of it, until I get a call from him a week later, saying he wants me to come in, to talk some more, get past The Deal, take the longer view. And so I take the T in for a private lunch with him in the opulent corporate dining suite up on the 35th floor.

Gifford starts by telling me he'd been having a tough day when we'd spoken before. Then he turns to the future. "I don't think we should gnash our teeth about the companies that have sold," he says. Instead, we should focus on the ones that remain. "Bio, the health university system—they just jump out at you." Financials are still decent, with Fidelity, Putnam, and other smaller mutual funds here, plus all the hedge funds and private-equity firms. Manufacturers may be gone, but Staples, TJX, Boston Scientific, and Genzyme are all here and growing. The state's economic prospects are hampered by high real estate prices ("You talk to the hospitals,

"I'd like to make more money," Gifford says. "I would. You know why? Because I want more money to give away."

to the universities that are trying to recruit someone, and that's a huge, huge problem"), a cold climate made worse by soaring energy bills, and a public school system that, like public schools everywhere, needs a lot of work.

But what the city is really suffering from is a failure of business leadership, an absence of new Chads who can pitch in and work through these issues rather than let them go with a couple of e-mails and a check. "Folks like me should have done a better job in gearing them up," he says.

IS HE PLANNING a Bill Buckner, leaving a town that got too hot for him? A big Sox fan, Gifford was actually unaware that Buckner had left. "Walking around, people have been ridiculously gracious to me," he insists. "Besides, this is where I live." He's bought a condo in the still-under-construction Mandarin Oriental near the Pru. He's staying active here, just not too. He's backing Attorney General Tom Reilly in the upcoming gubernatorial election. He'll continue to serve on the B of A board and NStar board, and chair the Boston Plan for Excellence, which works to improve the public schools. He's just joined the boards of Mass General, CBS, and the Red Sox Charitable Foundation.

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