

FACE TO FACE

GREG FLEMING

'Rockefeller. I want that name out there'

BEN MCLANNAHAN

Greg Fleming was on a treadmill in Dallas on the morning of Wednesday September 10 2008, watching earnings from Lehman Brothers, when he became convinced it would fail and his company, Merrill Lynch, would be next. The calls the ex-president of Merrill Lynch made over the next couple of days were vital in arranging a \$50bn rescue by Bank of America by 8am on Sunday. Lehman went bust a day later.

"0.8515 shares of Bank of America for every share of Merrill Lynch," he says with pride, as if reading off a press release. "It was basically an on/ off switch. You got it done in that crucible . . . or not."

Life at his new shop, Rockefeller Capital Management, is unlikely to quicken the pulse in the same way. Announced last month, the firm will be carved out of the financial services arm of the legendary oil family, with about 200 employees across wealth management and asset management, mostly looking after rich and ultra rich clients. Not quite Merrill's "thundering herd", or the army of advisers at Morgan Stanley, where Mr Fleming ran the wealth and investment management division for six years.

Indeed, some people on Wall Street are still wondering why Mr Fleming, a lean and hungry



54, would have thrown in his lot with the Rockefellers, who will own part of the new business with Viking Global Investors, a hedge fund up in Connecticut.

After leaving Morgan Stanley in January last year there was no shortage of offers; he talked to BlackRock, Blackstone and American Express, among others, during a spell teaching ethics and financial markets at Yale Law, his almamater.

The nearly man at Merrill and Morgan Stanley, forever one or two steps off the top spot, was always seen as "CEO material", says Mike Mayo, a veteran bankwatcher at Wells Fargo in New York.

But Mr Fleming says he settled on Rockefeller because it is a proper growth story: private, much smaller and entrepreneurial. The way he sees it, no other company has this business mix, which will



CV

Born February 27 1963

Education 1981-85 BA (economics), Colgate University
1985-88 Doctor of law (JD), Yale

Career 1988-92 Principal, Booz Allen
1992 Joins Merrill Lynch
1999 Head of US financial institutions group, Merrill Lynch
2007 President and chief operating officer, Merrill Lynch
2010 President of investment management, Morgan Stanley
2011 President of wealth management, Morgan Stanley
2016 to present Distinguished visiting fellow and senior research scholar, Yale Law School
2017 to present Chief executive, Rockefeller Capital Management

include investment banking and advising clients on their business interests. And no other company has a brand this strong.

"Look," he says, when I press him about what could have been. He talks about his father, a teacher and ex-Marine from the tiny town of Masardis, Maine, the first in his family to graduate from college. His grandfather left school aged nine, to work as a woodsman.

"With a background like that, I have always stayed very level headed," he says. "There were a significant number of things that I could have done, with high-quality organisations. But I really was very focused on something that had this profile, and when this came into my sights, I really wanted this brand and this name."

At Merrill he was a wunderkind: head of the financial institutions group in his mid-30s, co-president at 44. "He was the financial services banker during the boom years, at the nexus of everything," says one former colleague.

For a few weeks in the autumn of 2007 he served as interim chief executive, stepping in after the departure of Stan O'Neal and the arrival of John Thain from Goldman, just as vast holes were opening up in balance sheets around the world.

"There was lots of dirt and dust flying around; nobody knew what was going on," says Navtej Nandra, a former E*Trade chief executive who was one of half a dozen senior executives in morning meetings with Mr Fleming at the time. "He was trying to protect 60,000 people around the world, to provide them with a reason to come to work."

In the end, says Rodgin Cohen, a partner at Sullivan & Cromwell, the law firm, the financial crisis was a "category five" hurricane that smashed everything in its path. But had it been a three or a four, he says, the actions Mr Fleming took would have kept Merrill in business. He cites a series of

stock sales in the year running up to Lehman's collapse, which some people thought were expensive and unnecessary.

"I've always found the human capacity for self-delusion may reach its apex at troubled companies. Greg is not like that," says Mr Cohen.

Morgan Stanley was no walk in the park either. Hired in late 2009 by James Gorman, the new chief executive and a former colleague from Merrill, Mr Fleming steered the wealth division through a tricky merger with Citigroup's Smith Barney unit, more than doubling pre-tax margins.

It was in 2013, just after the bombing at the Boston marathon, that he decided to become a proper runner. He has since done "several" marathons, setting a personal best in New York in 2014 of three hours 11 minutes. He lives in Westchester with Melissa, his college sweetheart from Colgate, and four dogs: two poodles, a chihuahua and a labradoodle. The eldest of three children is now a senior at Yale.

After the Rockefeller announcement last month, he received a note from a great-uncle, a former missionary in Africa, who said he was "proud" because the name

"stands for a lot of what's good about this country". He cites the family's philanthropic efforts, and the asset manager's focus on environmental, social and governance issues, in addition to global equities and small-caps.

When I abbreviate the new company to "RCM" he corrects me, politely. "The acronym . . . is easy to pick up, but I am going to always say Rockefeller Capital Management, because I want that name out there again and again. Rockefeller," he says, in the singsong tone of an old cinema newsreel.

He has big plans to grow, opening offices in California, Texas, Florida and Illinois, on top of the current bases in New York, Washington and Boston. Within five years, he says, assets under management could top \$100bn, up about eight times from the current level.

He says he has capital aplenty to develop the business from the \$4bn private-equity vehicle of Viking. And if it is clients who need funds, well, he knows where to turn.

"I know a lot of people," he says.