

The last tycoons: the secret history of Lazard Frères & Co.

by William D. Cohan

New York: Broadway Books, 2007

Reviewed by Dr Martin Fahy F Fin, CEO Finsia

Providing an elegantly woven history of the emergence of Lazard Frères & Co. as a powerhouse US investment banking advisory firm, this book will appeal to finance professionals both because of its detailed account of the internal mechanisms of financial markets and the machinations of the firm's various key principals.

This well researched and detailed account of the recent history of the house of Lazard Frères was the winner of the 2007 *Financial Times Goldman Sachs Business Book of the Year* award, and joins a growing list of business history/financial history books published in recent years.

The author, William D. Cohan (who worked at Lazard), has produced an elegantly woven history of the firm from its earliest days in France to its turbulent history in the inter-war years and on to its re-emergence from the ashes of the postwar period as a powerhouse within the investment banking advisory arena.

The book is clearly informed by the author's personal recollections of his time working at Lazard over a six-year period. Primary sources are based on interviews with associates and others. The book consists of three main sections: a history of Lazard; a biographical intensive review of its key partners; and an insider's account of the infighting of the 1970s and 1980s within Lazard.

Central to the tale of Lazard Frères stands the iconic figure of Andrew Myer who, having fled German-occupied Europe, went on to redefine the firm as a powerhouse of investment advice. Over a post-war half century, Lazard through Myer capitalised on the rapid growth and industrialisation of the US economy, through a well-documented courtship of important business families within New York's business circle.

Cohan provides detailed insights into the role of Meyer and his protégé Felix Rohatyn in taking Lazards to the forefront of the high-profile corporate mergers and takeovers of the 1960s and 1970s. This includes a detailed account of the role of the firm and its partners in some of the more controversial machinations of the Nixon era.

Probably the strongest part of the book is its account of the last decade of Lazard Frères. This looks at the firm's near collapse in the final days of David Weill's tenure and its survival under Wasserstein.

book review

This book will be particularly appealing to those close to the industry, who will be interested to learn about the profitability of the firm throughout the 1970s, and the complex details of the consolidations and acquisitions they were involved in. While the deals themselves are intriguing, the real appeal of this history comes from the intricate portrayals of the personalities and characters of Lazard Frère's key principals.

In writing this book, Cohan has managed to integrate the rather dry details of some of the acquisitions with the colourful intrigues of the partners, the conspicuous consumption of the 1980s, and the internal politics of the firm.

The praise for this book is well documented with Bloomberg describing it as 'A tour de force ... a tale of mistresses, betrayal, and Cuban cigars'. Arguably, however, the book fails to reach the high standards which have been reached in the past by classics in the field including Ron Chernow's 1990 volume on the *House of Morgan* or, indeed, the most recent work of Neil Ferguson on the Rothschilds.

While this book will appeal to anybody interested in the internal mechanisms of the financial markets and it will undoubtedly make an enormous contribution to the story of Lazard Frères & Co., it is unlikely to stand the test of time in the same way that other classic works of this genre have. ☺