



Shattered, Not Broken

James M. Clash and Rob Wherry, *Forbes Magazine*, 10.15.01

Like many financial service companies operating in the World Trade Center, Fiduciary Trust was hit hard. But it had one thing many rivals didn't: a backup plan.

Anne Tatlock found out about the collision of a plane with the North Tower while en route to the U.S. Strategic Command headquarters in Omaha. The 62-year-old chief executive of Fiduciary Trust Co. International was one of a small group of business leaders at a charity event hosted by Warren Buffett. Military officers boarded the bus she was on, and escorted her to an officer's lounge and a television, just in time to see the second plane hit the South Tower between the 87th and 93rd floors--right where 650 of her employees worked.

"I know everybody gets in first thing, and I looked at my watch," recalls Tatlock, whose own office was on the 94th floor. "'There are too many people there,' I thought. All of their faces suddenly came to me."

Among them was Marilyn White, senior vice president of institutional business development, who was in her office on the 95th floor when the first plane hit. "The heat was so intense that my face was hot," she says. White bolted from office and ran down 32 flights of stairs to the 63rd floor. There she and co-workers ducked into Morgan Stanley's offices to call their loved ones. As she talked to her husband, bodies spiraled past the window. Then the tower she was in rocked as the second plane hit, and a backdraft of fire barreled down the hallway toward her. She and a companion dove into a copier room and slammed the door as the fireball neared them. Finding a room with a water cooler, White doused her sweater and placed it in the crack under the door to keep out smoke. When the smoke had thinned, the two ventured back onto the stairs and out of the building.

White survived--and so did all electronic records of client accounts, trades and money transfers, thanks largely to a comprehensive disaster recovery plan that had been in place for 14 years. Its origins, says former chief executive Lawrence Huntington, had nothing to do with terrorism; he was worried about a power outage. Every employee had a flashlight and fresh batteries, as well as a clear escape route. Two dozen key people knew how to lead scores of workers to a site in nearby New Jersey, and to get servers and PCs up and running. Tatlock, William Yun, president, and Steven Tall, chief technology officer, were each empowered to declare a disaster independently. The emergency plan had worked back in 1993 during the first attack on the Trade Center; Fiduciary, which today manages \$44 billion of securities for pension plans, endowments and wealthy individuals, was up one business day after the bombing.

No backup system could do anything to mitigate the terrible human toll. Four people from the firm are confirmed dead; 83 are missing, including personnel chief Alayne Gentul, who ushered a group of employees down from the 90th floor, then went back up for more. She was last seen holding the door open for co-workers in a smoky stairwell on the 97th floor.

Shortly after the first Boeing 767 hit, Fiduciary kicked into gear. It fell to Steven Tall, 39, to galvanize the effort. He had been on his way to work from the New Jersey suburbs, when he saw the first tower burning and called the disaster recovery site from his car. Protocol mandated that he give a secret contact number to the operator, but in the heat of the moment he forgot it. The operator put through the call anyway, which triggered employees at the recovery site to unbox desktops and phone lines. It also kicked in a security network, Internet access and a further backup system.

Tall did a quick U-turn to his house and grabbed two briefing books with phones numbers of crucial staff, information technology contractors, including hosting company Comdisco, and guidelines for booting up the systems. By 10:15 a.m., 25 minutes after the South Tower fell, he was at the site. His office infrastructure chief, Salvatore Vito, showed up shortly after.

The recovery site is a warehouse-like building, four stories high, with very tight security. Inside things were eerily quiet. Tall and Vito worked in a 20-foot-by-20-foot space, where a few PCs were scattered among a stack of servers. Within half an hour of their arrival they had a delivery of several crates of computer tapes. First priority: backing up the portfolio system, which showed every client's positions. Next, both set about scanning Fiduciary's trust and accounting books. "In these situations you need to make sure you can get a check to a client," says Tall. Then they worked on the Federal wire, which allows the transfer of funds between institutions.

Tall says there were no problems in recovery--but credits the fact that Fiduciary had just been through its annual

testing of the systems in late August. By 1:30 p.m. he had word that the company's books had been secured up to early that morning. Even the international trades had been closed.

The crucial client list had to be retrieved the old-fashioned way. The custodian of that list, Henry Johnson, head of business development, was in San Mateo, Calif. attending a retreat near the headquarters of Franklin Templeton, the \$260 billion fund manager that acquired Fiduciary in April. Johnson first heard about the attack when his wife called from New Jersey and woke him up. He told her where the client list was hidden in the basement of their house; a colleague's spouse delivered it to Comdisco.

Johnson switched on the TV and tried, without success, to call Tatlock, his secretary and other department heads. He got in a car and headed to Franklin's main offices. By the time he arrived a crisis hub was in full swing. Franklin's vast call center, usually devoted to customer service, became an information bank for families of employees who worked in the tower. Employees called in to identify themselves (with data matching personnel records) and say they were still alive; that cut down on rumors and misinformation.

Grounded at the Omaha Marriott until Thursday, Tatlock worked the phones. She couldn't get through to the Trade Center or to colleagues on their cell phones. But Franklin's headquarters had a list of home numbers. Tatlock stayed up well into the night calling dozens of employees' spouses--including a woman who hadn't heard from either her husband or her mother.

Yun, Fiduciary's 42-year-old president, dealt with clients from the recovery site. No one called in redemptions--or even mentioned business. A \$50 million foundation called to check on the people who handled its portfolio; a \$110 million account offered office space. "Clients were calling us just to hear the sound of our voices and to offer condolences," says Yun.

A day after the attack, Fiduciary was able to do wire transfers; the day after, to trade bonds. By the end of the week the company had signed a 15-year lease on five floors at 600 Fifth Avenue, near Rockefeller Center. Come Monday the firm was trading equities.

Fiduciary is back in business; the funerals for the missing have started. The other day employees were watching rescue workers on TV dig through the mountain of rubble. One guy picked up a photo of two boys. As the camera moved in, everyone realized it was a picture of Henry Johnson's sons.