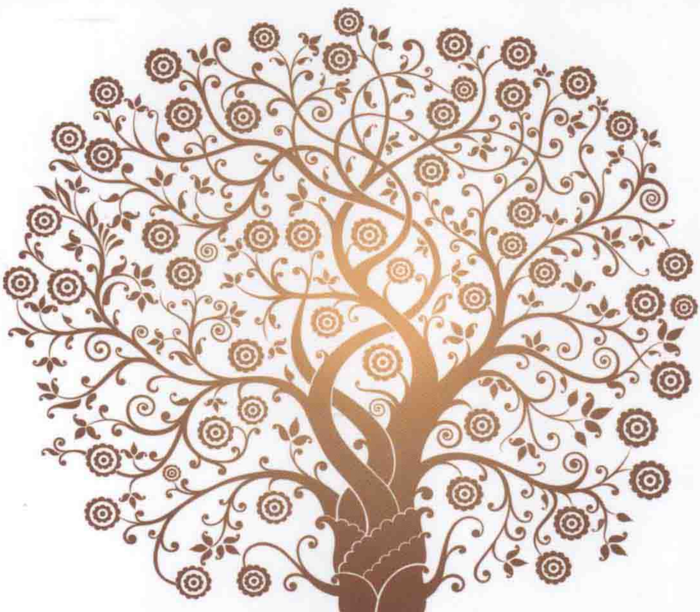
FAMILY CAPITAL



\+ WEBSITE

Working with Wealthy Families to Manage Their Money Across Generations

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WILEY

Family Capital

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Preface

I've written two investment books—*Creative Capital* (iUniverse Press, 2004) and *The Stewardship of Wealth* (John Wiley & Sons, 2013). When I sat down to think about my third book, I naturally considered how it might be improved over the first two. I paged through both books and tried to think what topics I'd overlooked, where advances in our understanding of the investment process had occurred that needed to be addressed. I reviewed many other investment books.

But then I stepped back and asked myself a different question. Suppose, I thought, wealthy families had asked me what the best way was to learn the business of managing capital. Or suppose colleagues in the wealth advisory world had asked me how they might best improve their skills to stay at the top of their professions. What would I have told them?

In both cases, I would have said something like this: "The best way to learn about managing capital or staying at the top of the wealth management business is to observe thoughtful families and skilled advisors meeting and discussing the challenges presented by managing capital."

But what does that answer have to do with writing a third investment book? At first, I thought the answer was "nothing whatever." But one day, as I was flying to New York to meet with a family client, I had an epiphany. Wait, I said to myself! Here you are on your way to a client meeting. You attend at least 40 such meetings every year and you've been doing it for nearly 40 years. That's a whole lot of family meetings.

Over the course of those four decades and more than 1,500 meetings, I've learned a huge amount about what tends to work and what doesn't in the wealth management space. I've learned from my wealth management colleagues—especially my partners at Greycourt & Co., Inc. But I've learned even more from all those clients over all those years.

Why not, I thought, reproduce some of the best of those meetings and let my readers come to their own conclusions about what constitutes sound capital management and what constitutes best practices in the wealth advisory business?

THE TITAN FAMILY

Of course, client confidentiality prevents me from *literally* reproducing the discussions between families and advisors. So, instead, I've created a fictitious American family—the Titan family. We learn who this family is and how they made their money. We watch as, over the years and across the generations, the family and its advisors grapple with the many challenges involved in managing great wealth. Sometimes the family succeeds and sometimes they fail. Sometimes their advisors do a terrific job and sometimes they let the family down.

Throughout, I don't *tell* you what happened, I *show* you what happened. We actually listen in on the meetings the various family members have with their advisors. Some of the conversations are almost verbatim from meetings I've had with my own clients. Others are reproduced based on reports of meetings my partners have had with families they work with. When I'm not reporting conversations exactly as they occurred, it's mainly due either to lapse of memory or to the need to maintain client confidentiality. (I'm quite sure that some of my clients will recognize themselves in these pages, though I hope no one else recognizes them.)

Finally, in some cases I've invented conversations out of whole cloth in order to make a point that seemed important. Even in these cases, I've tried to organize the conversation and the dialogue so that they sound as realistic as possible.

When the Titan family members speak, I've tried to make them speak like real people. They sometimes get things right and they sometimes don't. They lose their patience and they keep their cool. They have individual personalities, and those personalities affect the way they think.

I've tried to make the meetings as realistic as possible, too. Sometimes the family and its advisors stick to their agendas and sometimes they don't. Some of these detours are simply timewasters (I've eliminated most of those), but most are very much the opposite. I've tried to make the point repeatedly that when an agenda is hijacked by the family, it's almost always for a good reason. They are departing from the set agenda because something is on their minds and the advisors in the room need to address that topic.

The net result is that this book may seem to the reader more like a novel—one with a lot of dialogue—or a screenplay than a traditional investment book. Let's face it—investment books can be terminally dry. Trying to tell people how to invest their capital doesn't result in the most riveting prose. I hope that by transcribing dialogue as it actually happened, some of this dreariness will be dissipated and readers will recognize themselves and their families in the conversations.

ORGANIZATION OF THE BOOK

The chapters in this book follow each other largely in the order that most families will encounter the various challenges involved in managing private wealth. Consequently, the book is designed to be read straight through from the preface to Chapter 11. However, there is no reason a family or advisor couldn't decide simply to read an individual chapter, say, the chapter on setting investment objectives. In that case, the reader may wish to review the Titan family tree, which appears at the front of the book, in order to keep the family members straight.

The book is organized as follows:

Prologue. In the prologue I introduce the Titan family, founded by a poor Italian immigrant named Georgio Titano. Over the course of a remarkable lifetime, Georgio will launch a business, change his name to the more American-sounding George Titan, marry a pretty Scots-Irish girl named Ellie, father two children who lived to adulthood, and die quite a wealthy man. We will also meet George's children and grandchildren and some of his later descendants.

Chapter 1. In Chapter 1 we fast-forward to the mid-1970s. I chose that period for two reasons. First, it's the most remote investment decade that people now alive will well remember, and hence in some sense it represents the beginning of the "modern era" of investing. Second, the mid-1970s were dominated by the terrible Bear Market of 1973–1974, an event seared in the minds of anyone, including myself, who lived through it. In the late summer of 1974, George Titan III, grandson of the original George Titan, will make a catastrophic investment mistake that will eventually result in the loss of his wealth. Shirtsleeves-to-shirtsleeves in three generations is the normal outcome for wealthy families, and George III's branch of the Titan family proves to be no exception.

Chapter 2. We are now well into the modern era. It is 2005, and Ned Titan and Rose (Titan) Wainwright, fifth-generation descendants of the original George Titan, join the family investment committee and begin to learn the business of managing capital. When their father suffers a second stroke, he steps down from his role at the family office and Ned and Rose succeed him as stewards of the family fortune. We observe their interactions with the advisory firm their father had engaged and watch as they make at least one serious investment error. As the great Financial Crisis of 2008 settles across the land, Ned and Rose find themselves floundering. Unhappy with their current advisor, they find out, almost fortuitously, that there are other, more interesting advisory options available to them.

Chapter 3. Here we follow Ned and Rose Titan as they search for and ultimately engage a new financial advisor. The Titans meet with various firms, put together a request for proposal, interview the finalists, and hire a firm we will call Spenser Advisors. Over the years the Titan family had progressed through string of satisfactory and unsatisfactory advisors: a local trust company, a bank, a brokerage firm, and, finally, Spenser—an independent, employee-owned, open-architecture firm.

Chapter 4. In Chapter 4 the Titans meet for the first time with their new advisor. The purpose of this meeting is to discuss governance issues and investment policies, but the real purpose of the meeting is for the family and their new advisor to become acquainted. We meet the lead advisor for the Titan account, Clarissa (Carrie) Knowlton.

Chapter 5. The creation of an investment policy statement for a family is all-too-often glossed over. Many advisors simply pull out their standard-form policy statement and change the name at the top of the first page. But Spenser Advisors considers the policy statement to be a crucially important document. Moreover, Spenser believes that the process of creating the policy statement is itself a very important learning experience for both the family and the advisor. As a result, the entire Jake Titan branch of the family attended this meeting, and we meet Ned and Rose's children, who are all young adults. Carrie Knowlton sensibly brought along to the meeting a younger advisor from Spenser named Roger Epperson, since she believed that the Titan children might relate better to a younger person.

Chapter 6. As with the creation of an investment policy statement, the establishment of appropriate investment objectives is a crucial task. If the investment objectives for the family are improperly understood or incorrectly articulated, all else will fail. Carrie Knowlton and Roger Epperson had managed to involve the Titan children in the process of setting objectives, viewing this approach as being more likely to capture the interest and attention of the younger family members.

Chapter 7. As all advisors know, asset allocation is a vital part of the capital management process. Unfortunately, asset allocation often seems impenetrable to family members. Carrie and Roger devoted a very long meeting to describing the process and answering the family's questions about it.

Chapter 8. Most investors, especially including family investors, dramatically overestimate the impact that investment managers will have on their portfolio returns. In this meeting, the Spenser advisors do their best to put managers in the proper context, pointing out to the Titans that many other aspects of the investment process will probably have a larger impact on their returns.

Chapter 9. Once an advisory relationship is up and running, most of the meetings between a family and its advisors will center on performance reporting. In Chapter 9, we listen in on the initial performance reporting meeting between the Titans and Spenser, as Carrie Knowlton and Roger Epperson walk the family through the nature of performance reporting and the actual performance reports.

Chapter 10. This chapter assembles in one place a variety of topics that are more or less directly related to investing capital, but which don't require the full treatment of a dedicated chapter. Spenser and the family discuss family investment education, how value is added to portfolios through the portfolio management process, the use of investment committees, and socially responsible investing.

Chapter 11. In the course of any long and close advisory relationship, many topics arise that are not directly related to investing but that can nonetheless have a dramatic impact on whether the family remains wealthy across many generations. This chapter isn't meant to represent an exhaustive list of these types of topics, but only a representative list. The Titans and Spenser discuss, for example, hiring an asset custodian, using family limited partnerships, philanthropy, the family office, how much money to leave the kids, and, finally, the delicate topic of economic inequality in America. Inequality is a major concern to all Americans, but it has a special resonance for families who aren't just in the 1%, but in a tiny fraction of the 1%.

Throughout the book I make periodic observations, commenting on the discussions that are going on. Most of these comments are designed for wealth advisors, but they may be of interest to families as well.

A NOTE TO MIDDLE-INCOME INVESTORS

This book describes a very wealthy family as it struggles to manage its wealth and to discharge its stewardship obligations to future generations. More than anything else, the Titan family is striving to avoid the usual outcome for the rich: shirtsleeves-to-shirtsleeves in three generations.

On the other hand, the issues the Titan family grapples with are, for the most part, the issues every family faces in managing its money. We tend to think that "the rich are different," but in my experience, Hemingway was right: they just have more money. If you read through these chapters, you will likely recognize not just rich people talking, but your own family making its way through the selfsame struggles.

It's certainly true that government rules prevent middle-income investors from benefiting from some of the best investments available—hedge funds and private equity. (Write your congressional representative!) Otherwise, investing is investing, and what a wealthy family needs to know is quite similar to what you need to know.

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I don't know whether the unusual approach of this book will prove helpful to families and their advisors. I certainly hope it will, and it's been fun for me to write it, basically reliving so many interesting client meetings and discussions. But aside from the format, my main hope is that the book will help families improve their management of capital and help advisors improve their skills at helping families.

In a free market economic system, private wealth is the engine of prosperity. It fuels entrepreneurship, philanthropy, and the arts, it pays the great bulk of taxes, and it greases the skids of the capital markets, making the world safe for all investors. Wealthy families face enormous headwinds in the battle to remain wealthy. If this book reduces those headwinds by even a small fraction, it will redound not merely to the wealth of many families, but also to their happiness.

Gregory Curtis
Pittsburgh
August 3, 2015

Acknowledgments

This book opens with the stock market crash of 1973–1974 and it closes with the challenges of navigating a central banker–fueled bull market in the summer of 2015. Over the course of those 41 years I've had the extraordinary good fortune to work with hundreds of remarkable American and non-American families.

In 1974, I was a young lawyer slaving away in the bowels of a very large corporate law firm, one that today is among the 25 largest law firms in the world. In those days I was utterly ignorant of the challenges faced by families of wealth, but I quickly got a baptism of fire—a stock market that, on an inflation-adjusted basis, dropped more than 50% in less than two years.

Five years later, I joined the family office of one of America's most iconic families—the Mellons of Pittsburgh. That family had established its first family office in 1868, and so far as I know it is the oldest continually operating family office in the world.

In the mid-1980s, I organized my own firm, Greycourt, which has now served wealthy families with distinction for 30 years. My first 12 clients were all European families, an experience that very much broadened and deepened my horizons. Non-American families tend to think quite differently about the world and about their capital than do American families.

In America, stock markets have operated largely uninterrupted since the Buttonwood Agreement of 1792—123 years of securities trading activity. But it's important to understand how fantastically unusual that experience is. Our European cousins have seen their stock markets destroyed again and again, most recently in World War I and World War II. And even the European experience is a rock of stability compared to the calamities faced by families in Latin America, the Middle East, and elsewhere.

Private capital faces all the usual headwinds: taxes, inflation, high fees, price volatility, and human error. But, in addition, it must withstand war, revolution, financial panic, global depression, expropriation, and terrorist attack. It's no mystery why shirtsleeves-to-shirtsleeves in three generations is the norm. What is remarkable is how many families escape this trap and remain not just wealthy but vibrant and happy into their eighth generation and beyond.

To have the opportunity to work with such families and to generate deep and lasting friendships with many of them has been one of the genuine pleasures of my life. This book could not have been written without those families. I wish I could name them all and specify from which I learned this lesson and from which I learned that. But one of the first lessons of the wealth advisory world is that confidentiality is paramount. Still, they know who they are and I hope they know how much they have taught me.

Aside from the families, I've been privileged to work for nearly 30 years with a remarkable group of people at Greycourt. Turnover at the firm has been so extraordinarily low that almost everyone who joined the firm either is still with us or has retired.

I should thank every one of the employees at Greycourt, but in the interests of time and space let me single out my fellow managing directors: Greg Friedman, CEO; Jim Foster, CIO; Mark Laskow; David Lovejoy; Roy Nichol; and Matt Litwin. Gretchen Shoup, our COO, and Jamie Linhart, who oversees performance reporting. Liz Jones, whose client service operation has freed up our time to deal with larger issues. The Administration Group (and my own assistant, Dana Schmitt), who keep the trains running on time. Chris Fineburg and Tom Moore, who handle much of the day-to-day work on so many of my clients. Jeff Moyer, manager of the Greycourt Partners Fund, which handles my own capital. Chad Cribbs, Stephanie Halpern, and Brian LaBore in manager research.

In a very real sense, it is the families and my colleagues at Greycourt who have provided the material for this book. I've merely been the scrivener. Thanks to one and all.

GC
August 3, 2015

Prologue: The Titan Family in America

PREPARATION AND USE

Georgio Titano arrived in America in the late spring of 1854 from Abruzzo, a then-impoverished region in southern Italy. As a third son—and seventh child—Georgio's prospects were not good in the Old World, and Georgio determined to emigrate to the New World.

As it happened, Georgio had a second cousin who'd been in America for several years. Benedetto worked in a coal mine not far from Wheeling, West Virginia, and so that's where Georgio headed. The pay was good in the mines, but Georgio suffered from a touch of claustrophobia and as a result he hated coal mining. When he heard about a bricklayer who needed an assistant, Georgio leaped at the chance.

Somewhat to his own surprise, Georgio was good at laying brick. Mostly, of course, he was simply a laborer, hauling mortar and bricks and doing whatever his boss told him to do. But as time went by, Georgio began laying brick himself, essentially apprenticing under his boss. In no time at all, Georgio's walls were straighter and his mortar more even than the boss's work.

One day in the early fall of 1854, Georgio and his boss were working quickly, trying to finish off a wall before a rainstorm hit. The boss lost his footing and fell from the top of the wall, breaking his neck and dying instantly. Georgio was devastated. He'd liked his boss, despite the man's grumpy ways, and now he'd be unemployed. In fact, the man who'd contracted for the wall asked Georgio if he could finish it himself. Startled but happy, Georgio assured the man it would be no problem. And in fact, it *was* no problem. The man was so happy with the wall that he promptly hired Georgio to handle the brickwork on a small factory he was building outside Steubenville, Ohio.

After less than 18 months in America, Georgio Titano owned his own bricklaying business. As his business grew, he hired other workers and found that he liked being the boss. He was good with numbers, and when he quoted a job, the owner knew it would come in on time and as-bid.

In 1860, now relatively prosperous by the standards of new immigrants, Georgio decided it was time to become a real American. He changed his name officially from Georgio Titano to George Titan. He liked the sound of that name, and he knew that a "titan" was a person of great importance.

Shortly afterward, now that he considered himself a true American, George Titan determined to marry. He had the girl in mind: a pretty Scots-Irish lass he'd walked out with a few times while on a job in Waynesburg, Pennsylvania. Unfortunately, the girl's parents happened to know that George Titan was really Georgio Titano, and they wanted no part of an Italian son-in-law. These Scots-Irish parents had higher aspirations for their only daughter. But, unfortunately for the parents, the girl was of age and she and George eloped.

Over the course of the next ten years, George and Ellie (as his wife was called), née McCabe, produced five children, though only two of them, George Titan, Jr. and Andrew Titan, lived to adulthood. Meanwhile George was reinvesting nearly every penny into his business, continuing to grow it rapidly.

As the American Civil War dragged on, the economy had collapsed and George, who was already overextended, found himself in deep trouble. He got some work contracting with the Union army, but it didn't begin to replace the civilian work that had disappeared.

In those days men and women occupied different spheres of life, the men working out in the world and the women dominating the home front. That was mostly the way it was in the Titan family, too, but on really important issues, whether they related to business or family, George and Ellie tended to pool their minds and talents. In this case, George advocated closing the business down, finding a job, and waiting out the war. But Ellie had other ideas. She knew her husband to be a good businessman and she wasn't ready to throw in the towel. She suggested that they move to the rapidly growing city of Pittsburgh, about 50 miles to the north, where even during the war commerce went on and there was likely to be work for a talented man like George Titan.

Neither in the Old Country nor in America had George, or, for that matter, Ellie, ever been to a city, much less and to a wild, chaotic, frontier city like Pittsburgh. At first they were simply overwhelmed by the chaos, but gradually George found the energy in the town to be exciting.

Once back on his feet, George began to contemplate the future. He and Ellie would go for long walks along the banks of the Allegheny River, watching the busy river traffic and talking about what the future might hold for America, for Pittsburgh, for the Titan family. The conclusion they came to—a remarkable one—was that despite that the hardships of the war, when it finally ended there was likely to be a major economic expansion. What

George needed to do was to position himself to take advantage of it. And so he did. While his competitors were cutting back and keeping their heads down, George not only expanded his bricklaying business, he expanded into related work, including general contracting.

When the war finally ended, Titan Industries, as George now called his firm, was well-positioned, and throughout the 1870s and 1880s the company grew alongside Pittsburgh, which was then the fastest-growing city in America. Between 1870 and 1910, while the population of the United States was more than doubling, Pittsburgh grew six-fold from about 85,000 to over 530,000.[1]

At the peak of the Industrial Revolution, Pittsburgh was America's Silicon Valley, boasting vast industries in such diversified fields as steel (Carnegie Steel), coal (Consolidation Coal), glass (Pittsburgh Plate Glass), oil and gas (Gulf Oil), electronics (Westinghouse), aluminum (Alcoa), food (Heinz), and so on. During the late nineteenth century and for most of the twentieth century, Pittsburgh boasted more corporate headquarters than any American city except New York and Chicago. And each of these industries had a voracious appetite for brickwork for their factories and for general contractors who could build those factories.

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Titan Industries continued to prosper right through the end of the nineteenth century. Of their two sons, only one, George Jr., went permanently into the business. George Sr. died in 1915 and Ellie soon followed—the two really *were* inseparable. But by that time George Jr. had been CEO for a few years and the firm barely skipped a beat.

When Titan Industries was finally sold, fortunately just before the Great Depression, the Titan family members found themselves to be moderately rich. They took stock in the acquiring company—an architectural-engineering firm called Smythson Brothers—for half the value of the sale, and cash for the balance. But the sale also meant that the Titans no longer had jobs. George Jr. was kept on by Smythson for a year, but after that he, too, was unemployed.

It was a strange world for the Titans, being owners of capital rather than owners of an operating business. After two generations of working hard every day to build Titan Industries, suddenly there was little to do. They would wake up in the morning and instinctively begin to think about everything that had to be done that day, only to find that the answer was, "very little."

After a lost period of groping their way forward, George Jr. asked the family to come together at their estate in Ligonier, in the highlands east of

Pittsburgh, to talk about their new lives and how best to move forward. There was a lot of unfocused chatter, but they didn't seem to be getting anywhere. It was all too new, this world they now lived in.

Over dinner, however, they heard from a friend of George Jr.'s named Bill Wilkins, whose family had gone through a similar transition about a decade earlier. Wilkins assured the Titans that the Wilkins family had gone through exactly the same awkward period and that it was all perfectly normal. However, he cautioned them that they needed to pass beyond this phase and begin to take control of their new lives. The Titans, he pointed out, were no longer managers of a business, they were managers of capital, and they needed to get good at it. Specifically, he encouraged the Titans to form what was called a "family office."

In those days family offices were still a fairly new concept. The Mellons—another, much wealthier, Pittsburgh family—had established a family office called T. Mellon & Sons way back in 1868, and the Rockefellers had followed suit a year later.

At first, Lawburn (as the family office was called, named after Ellie's family's ancestral home in Scotland, which none of the Titans had ever seen), was a modest affair. George Jr. had an office there, from which vantage point he oversaw the family's investment portfolio, but otherwise Lawburn was more a name on the door than anything else.

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Before we move forward, we should step back and introduce the other branch of the Titan family. George and Ellie had another child who survived into adulthood, Andrew. Unlike George Jr., Andrew was a sickly boy who grew into a sickly man. He died young, at age 40, but before he did he married and produced a line of remarkable progeny that will be the main focus of the rest of this book.

Andrew's only child, Jack, known as Jake, may not have been a large, robust fellow like his uncle, George Jr., and his cousin, George III (see below), but he was a remarkable fellow nonetheless. Jake took after his mother—light-brown hair, slim figure, and large, thoughtful eyes. Most days, while other boys were outside roughhousing, Jake could be found inside, curled up with a book by the fire.

Like his cousin, Jake joined the family company when he graduated from high school, but unlike his brothers, Jake hated the work. Hauling heavy loads of brick in a wheelbarrow in rotten weather wasn't Jake's idea of fun, and after a few dreary years of this Jake quit and headed off to college.

George Titan Sr., then near the end of his life, was appalled—no one in the Titan family had ever attended college and George didn't see any reason why any of them ever should. There might have been serious trouble between grandfather and grandson, except that Ellie took Jake's side. She'd have loved to attend college when she was young, she told George, and she was proud of Jake for wanting to try it out.

And try it out Jake did. Never in his life had he found anything so compelling. He loved his courses and quickly became a darling of the faculty. But after two years Jake left college to pursue yet another dream—Jake had decided to become an attorney.

Although the Law School at Harvard University had opened its doors back in 1817, most young men (they were virtually all men in those days) entered the profession by reading law under the tutelage of an experienced lawyer. Because of his excellent academic record, Jake was able to attach himself to the already-legendary Pittsburgh firm of Knox & Reed. Knox & Reed represented such luminaries as Andrew Mellon, Andre Carnegie, Charles Schwab, and many other titans of industry in the city.

Most young lawyers who had the opportunity to join a firm as prestigious as Knox & Reed would have leaped at the chance. But no sooner had Jake passed the bar exam with the highest score in the state that year than he left Knox & Reed and hung up his own shingle:

J. Titan & Partners
Business Law Only

There were in fact no partners, but Jake had big plans for the future and didn't wish to have to change his sign as he grew. While at Knox & Reed Jake had realized that the senior partners at the firm hadn't gotten rich charging legal fees—they'd made their money by investing in the companies launched by their wildly successful clients, often taking stock in lieu of legal fees, and otherwise simply buying the stock whenever they could do so.

The clients of Knox & Reed, however, were of an older generation, men who'd built great fortunes in the second half of the nineteenth century. Jake wanted to represent the young men of the coming twentieth century who, he hoped, would soon be building new fortunes.

While Jake didn't resemble his grandfather in many ways, in one way they were very much alike: both were astute judges of character. Jake seemed to know intuitively when a young man had the right stuff to build a company and when he didn't. And if the young man with the wrong stuff nonetheless had a good business idea, Jake considered it part of his legal duty to find men who could take the idea and run with it. Sometimes the young men kept an ownership interest in their ideas, but sometimes they didn't, and Jake rather quickly became known as a man who didn't hesitate to make hard decisions, a man not to be trifled with.

When Jake died of cancer in 1945, he headed a small but very successful law firm. More important for his heirs, he owned important pieces of more than 30 companies, and he had nearly surpassed his grandfather in the accumulation of capital.

THE EXTENDED TITAN FAMILY

We won't need to know all the members of the Titan family down through the years, but we do need to know a couple of the family groups, as we will be observing them as they grapple with various investment issues.

George Titan Jr. and His Family

Nearly everybody who met George Jr. remarked on the resemblance between father and son. George looked like his father and talked like his father. He moved and thought like his father. And consequently, it was no surprise that when it came time for George Sr. to step down as CEO of Titan Industries, it would be George Jr. who took over.

Unfortunately, despite the superficial similarities between the two Georges, the younger man lacked his father's vision and creativity. Perhaps even worse, he lacked a partner like his mother had been to his father. George Jr. was married late in life to a much younger woman. It was a good marriage, but a very traditional one. Even worse, George Jr. became CEO somewhat prematurely, upon the death of George Sr., and, of course, the son no longer had the father around to mentor him.

During the years that George Jr. ran Titan Industries, Pittsburgh's growth rate slowed considerably. In retrospect, Titan Industries should have expanded into more rapidly growing regions of the country, but George Sr. had kept Titan focused on Pittsburgh and George Jr. didn't see any reason to change that. As a result, instead of remaining independent and family-owned, Titan Industries would eventually be forced to sell itself, although this wouldn't become obvious for some years.

George Jr. and his wife, Mary, had three children: daughters Ellie and Grace, and a son, George III. Ellie, named for her grandmother, died of typhus in her teens, but Grace and George III lived to adulthood. George Jr. was an older father and a largely absent one, spending most of his time at the office and the rest at the Duquesne Club, Pittsburgh's renowned business club. This had a particular effect on George III, who resented his father's absence from his life.

Grace, however, proved to be a remarkable young woman. She seemed to most people to be a throwback to her grandmother, Ellie Titan, not so