

PHOENIX HOUSE FOUNDATION ORAL HISTORY PROJECT

The Reminiscences of

Lawrence Lederman

Columbia Center for Oral History

Columbia University

2014

PREFACE

The following oral history is the result of a recorded interview with Lawrence Lederman conducted by Lance Thurner on September 17, 2014. This interview is part of the Phoenix House Foundation Oral History Project.

The reader is asked to bear in mind that s/he is reading a verbatim transcript of the spoken word, rather than written prose.

Audio Transcription Center

Session #1

Interviewee: Lawrence Lederman

Location: New York, NY

Interviewer: Lance Thurner

Date: September 17, 2014

Q: This is Lance Thurner. I'm interviewing Larry Lederman at the Milbank offices on Park Avenue in New York City. It's September 17. Now Larry, I would like to begin this interview by asking you where and when you were born and a little bit about your childhood and, in particular, I'm interested in how you saw New York City and what you thought about the city as you were growing up.

Lederman: It's an interesting question. I was born on September 8, 1935 in Brooklyn, New York. We lived in Crown Heights in Brooklyn, which was sort of a lower-middle class neighborhood. We lived in an apartment building. There were ultimately five of us, and we had three rooms. I shared the living room with my brother, and that was our bedroom, so we had to wait until everybody went to bed before we could go to sleep. Television really wasn't much early on. It got to be something later on. I went to the local public school. I actually spent my whole career basically going to local public schools. I had a sister and a brother. My sister is eleven years younger than I am, so there has always been a big difference in our ages and, basically, in our history. My brother and I are two and a half years apart, and we're very close—still very close today.

My parents were immigrants, and English was not, basically, their native language, I guess.

Well, for my mother, it wasn't. My father was born in the city of London, coming over from Poland, and so I guess English was his native language, ultimately. My mother came here when she was about six years old. She grew up in Bayonne, New Jersey, where my grandfather had first come. He had been a blacksmith. He was from Minsk and had been a blacksmith there. He worked in a factory in Bayonne, New Jersey, which is about as close to Ellis Island as you can get. My mother got to the sixth grade. She was very sweet about it when I went to school. When I got to the sixth grade, she said to me, "This is as far as I got, and I really can't help you anymore." I said, "Ma, you can." My mother was not very well-educated, and we didn't even think for years that she could hardly read and write, but actually, she was a very, very astute woman, and she was a genius morally. She never could get confused about what was right and wrong. I just sort of loved her for that.

My father—he had gone to two years of high school. He had been to a trade school, and he was trained as a leather cutter and, ultimately, worked as a shoemaker for I. Miller. He was a very meticulous man, very neat, very, very intelligent—highly intelligent, but very nervous. A very sensitive man, and life was always very, very hard for him. He had been a product of the Depression, and it really just basically, I think, crushed him all his life. Ultimately, he opened a bakery when I was a little baby, and they went bankrupt. His father wouldn't lend him any money. It was a harsh thing for him, and he, ultimately, became an insurance salesman. He was not a very good insurance salesman, but he was an insurance salesman.

He was friendly with a man by the name of Herman Roth, who was Philip Roth's father, so I have sort of that sort of strange connection. I see Philip occasionally. We eat in the same restaurants. [laughter] Life is sort of funny. Ultimately, my father had a nervous breakdown when he was about fifty-six years old. He worked for Metropolitan Life Insurance Company all his life. He wanted me to work for Metropolitan Life Insurance Company, and ultimately, I did for about a year. I couldn't stand it. He left on disability when he was fifty-six years old, and I've always hated Metropolitan Life Insurance Company, as does Philip Roth. Of course, his father went through the same nonsense. Years later, Philip wrote *Patrimony*, which I read with my father, and we sort of went through their whole family history. It was very interesting for my father to know all about his friend Herman, [laughter] which he hadn't really known but through Philip, which is actually quite a lovely book.

Q: What did it feel like to be growing up in Crown Heights at that point in time?

Lederman: Well, it's interesting. It's very important that we really focus there, because the fact is it was a Jewish ghetto. One of my early memories, which is really interesting—we had a superintendent. I guess he must have been a Lutheran because he was German. His name was Hauptmann [phonetic]. In the building, every Christmas, he had a Christmas tree. My mother would take me down to his apartment to see his Christmas tree. She would tell me, "Now, don't you dare say anything. These people believe in this, and you have to be very, very nice to them." It was an alien culture. We thought we were much superior. [laughter] This was my first connection with Christmas. It wasn't until years later when I went from PS 220, which was really south of where we lived, to going a little further north to Eastern Parkway, where I actually

passed a Catholic church and there was a graveyard there and so forth, and I could see the symbols of Catholicism. But, I had no conception that there was a greater Christian world out there until I actually got to this other local public school, which I went to from seventh and eighth grade. My mother, on the subway one day, met some lady, and she said, “I want my son to be a doctor.” The woman said, “Your son has to go to Stuyvesant High School.” So, my mother came home and she said, “You have to go to Stuyvesant High School, and you have to take Latin, because that’s what doctors write prescriptions in, because you’re going to be a doctor.” My mother also told me that I was very smart and I would have to take care of the family. That was my job, and it *was* my job, ultimately. It was my job. I took care of everybody. I wound up being the only one from the school going to Stuyvesant High School. I wound up taking Latin, and it was the smartest class at Stuyvesant High School, because these were the kids who were all going to be doctors.

It was the first time I had actually gotten into an elite institution, but they were all Jewish, by the way. At that time, the kids were all basically Jewish kids. It’s all Chinese now. You have to take an exam. It was a boys’ school at that time. They’ve kept the integrity of the institution, which is really rare—because I ultimately went to Brooklyn College, because my father would not pay for me. My brother, who was not as good in school as I was, wound up—I had a big fight with my father. I started working when I was twelve years old. I delivered medicines for a local pharmacy, and I used to make about \$7.00 or \$7.50 or \$8.00 a week, depending on the tips. I would be paid \$5.00 and then whatever tips I made. I started when I was twelve, and I accumulated this money.

When my brother was about fifteen years old, he wanted to join a swimming club. It was \$12.00 for the year, and my father wouldn't give him the money. He said, "You never do anything for very long. I'm not going to do it." My brother finally got it down to where, if he gave him just the quarter, \$3.00, my father wouldn't do it. So, I said, "I'll do it. I'll take care of him." My father was embarrassed, so he gave him the money. My brother went, joined the club, and the first day, they went in. The coach said, "Do 500 yards." He did 500 yards. He came out, and he vomited. The coach said, "OK, if anybody can, do another 500 yards." My brother got in and did another 500 yards. The coach said, "OK." My brother knew all of this was riding on it. He said, "You can come back tomorrow." That three bucks got my brother a job as a life-guard, got him a swimming scholarship to college. He was in the Olympic trials. He was New York State champion in the breaststroke and butterfly, but my father wouldn't finance him. So, I understood where my father was coming from in life. This was very, very difficult.

While I was at Stuyvesant, I worked as a stock boy in a shoe store in Jamaica, Queens, because we had a neighbor who was the store manager. I got a job doing that. I was making money—a little money. I was making eighty-eight cents an hour. Then, I got promoted to being a shoe salesman while I was still in high school. I did that while I was in college. I always worked. My father came to me one day and he said he knew how much money I had. I would take all my money and go to the local bank, and I would get 3.25 % interest. I had a little passbook. I had my money. So, he knew that was the basis of my independence, because we basically had this confrontation over my brother. He said to me, "I need \$1,000." I had like \$1,200 or something. I said, "OK, if you need it, you can have it." I gave him \$1,000. A year later, I said to him, "Do you still need the \$1,000?" He said, "No. If you want, I'll give it back to you." I said, "Good. I

want interest.” He said, “What do you mean?” I said, “Pa, I would have been accumulating interest in the bank. I gave it to you. I’m entitled to the interest.” He just sort of looked at me. I said, “That’s only fair. That’s the way it is.” He said, “OK,” and he gave me the interest.

That was the kind of relationship we had. I loved him—really loved him. He lived to be 100—over 100. He always took care of himself, and he took care of my mother. He was a saint, in a way, in the way he took care of her. I mean, people would have just put her—she had Alzheimer’s, and he took care of her for about twelve years himself. He was a small man. He was only about five foot two inches. My mother was tiny, but he would get up in the middle of the night and move her so that she wouldn’t have bed sores. He would dress her up. He would put her in a wheelchair. He’d move her himself. She looked beautiful when you’d see her. He just cared for her. It was just a wonderful thing. I mean, it just takes enormous strength, which he had. He had enormous fortitude, but he just couldn’t deal with the world. If you got into an argument with him, you would wind up with this very intellectual argument, and he would go in circles. He’d come back to the same thing, and on, and on, and on. I’d say to him, “Pa, your assumptions are just all wrong.” I said, “I just can’t deal with you.” My mother would say, “Stop it. This is the right thing.” That was that. She always knew. Loved her. But, I got my intellect from my father. But, I got my sense of right and wrong from my mother, and it’s never failed me—never failed me.

Q: Can you tell me a little bit about New York City at this point in time and what you thought of the city, where you thought the city was going and –

Lederman: Yes. First of all, I had a very parochial view of the city. I played handball. I was a handball player. I played on the streets. I learned how to ice skate. I learned how to roller skate. I wound up being city champ at handball. I was a really good athlete. My brother was a good athlete. Really, we didn't go to Manhattan. Occasionally, we'd go to Manhattan. I remember I had an aunt who took me to Manhattan once. I went to the Roxy Theater, but I didn't really—when I went to Stuyvesant High School, I went to Manhattan, but I got off at 14th Street and I walked past Lüchow's and walked over to Stuyvesant. Then, I'd get back on the train and so forth, but my sense of Manhattan was that it was just a different—Brooklyn was bucolic. I would ride my bicycle all over Brooklyn. I would ride my bicycle. I wasn't able to buy a car until I was married. I would ride my bicycle down to Coney Island. My sense of grandeur came from Olmsted, which I discovered years later. That was Eastern Parkway and Ocean Parkway—my sense of grandeur—and Grand Army Plaza.

When I was about fifteen years old, we moved from Crown Heights. We moved to Eastern Parkway and Franklin Avenue, which was near the museum and the Brooklyn Botanical Garden and the Central Library. I would either study in the kitchen at a table—I've never been able to use a desk since—not really. Even when I had a large corner office, I had a table. I loved the Botanical Garden. I loved the library. I would spend all my time in the library. I hated Brooklyn College beyond measure. I had a very troubled adolescence, ultimately, because I wanted to be a writer, and I was in this mold where everybody was competing to get professional degrees. You know, everybody wanted to be a professional, be a doctor. I remember taking the first biology class at Brooklyn College, and it was filled. I mean, I've never seen a room this large with all of these people, and everybody was working day and night. I abdicated. I said this was just not for

me. I got Cs. I mean, I was really centered in Brooklyn, because even in my college years, I would take the Flatbush Avenue train. I lived at home. Really, I had always wanted to go away. My parents wouldn't give me a penny—my father wouldn't. I had to work, which I did, and I went to school. I just barely, barely survived Brooklyn College. If I got a B, I would get a D somewhere else, so I'd have a C average. I would end up graduating with a C average—zero, zero, zero. I got Fs. If I got an F, I had to get an A somewhere else to offset it, but I just would do that. But, I spent a lot of time in the library. I got a very, very good education. I was extraordinarily well-educated.

Q: Can you tell me a little bit about deciding to go into law instead of following your father's footprints, and going into corporate law, in particular?

Lederman: They could not imagine anything like this. The fact is, when I told everybody I was going to go to law school, my mother said to me, "It's a big mistake." She said, "You're too honest, and you're not a snappy dresser." That's what my mother said. By that time, when I got out of college, I couldn't get a job. I wound up in the Army. I was in the Army for two years. The Army offered me a commission, which I refused. I just wanted to get out. I couldn't stand the military. But, I had taken courses in statistics in college, so I wound up being classified, because of a couple of courses in statistics, as scientific and professional. I did some kind of a statistical analysis on various—closed circuit television and the possibility of educating people through closed circuit television and things like that. But, I got out of the Army early. I tried to go to school and I couldn't stand going to school. So, my father got me a job at Met Life. I was there a year and I hated it. I hated the people. I hated everything about it. I, then, went to work

for a couple of corporations and couldn't stand it. Ultimately, after two or three years of this, I wound up at Mt. Sinai Hospital, and I was in charge of the Outpatient department. I tried to reform it because we had all of these people who were sitting in the waiting room, and they'd start with their breakfast and their lunch and their dinner. The doctors didn't know who they were. The files were this big, and no one could keep track of them and so forth. I spent six months setting up an appointment system, and I got everybody to agree to it. The first day we announced it, we started to enforce it, and the doctors complained, and I got fired. [laughter] I was there six months, and I got fired. This was medical reform before it existed, OK? I graduated from college in 1957. I was in the Army to '59. This was about 1960, and I was going to have a metal plate for people, just like a credit card, and you'd be able to know who they were and you'd have their blood type, both kinds of information on it, and so on and so forth. I had set this all up. Everybody agreed to it, and then, as soon as the doctors complained, they said they had to have a victim—me. I was out. It was very debilitating—very, very debilitating.

So, I got another job. I had been a failure at everything I was doing. I was awful in school. I couldn't stand any of the places where I worked. When I finally tried to do something for the public good, I was immediately dismissed. I had gotten married. I had gotten married to a young woman who I knew in college who was really very, very different from me. She was very intellectual. She was a chemist. She had done very well in school. I married her after I got out of the Army. She went back to school to get a PhD in chemistry. In a certain sense, I was very troubled by the whole thing. I was troubled by my failure, and I was troubled by the fact that she had an intellectual life and I didn't. It was very disturbing.

Again, we lived in Brooklyn. We were totally Brooklyn-centric, really, although I had been to Mt. Sinai Hospital. I understood the way the medical profession worked. I understood the way that city hospitals worked. I understood Mt. Sinai's problems. They needed a medical school at that time. Otherwise, it wasn't going to be able to hack it in the world, because it needed the teaching cases. When I was running the Outpatient department, I realized that I was the feed to this large institution. Without my getting these people there, they wouldn't be able to have the medical school. My ability to understand all of this was irrelevant to people. I was really at real odds. I had some job, and I was making \$5,000 or \$6,000 a year at the time, which was perfectly all right.

My wife was going to school. She had worked for the Food and Drug Administration for a number of years. She was a good employee and highly intelligent. So, she started at Brooklyn College. I came to her one day, and I said, "You know, I've had it. I can't work in corporate America. So, I'm going to go to law school." I went through all my options. I had no money. I had spent all my money getting married and getting an apartment. I had nothing, really. We were just starting to save. My wife had me on a budget. It was so constraining. It was very, very difficult. I had to keep track of everything, because we didn't have very much. But, she was also afraid, and she didn't understand how the world really worked. But, "If we took care of ourselves and we just saved, we should be all right." She had had a rough childhood. Her father was an alcoholic, and he had abused her mother. So, she had managed, because she was very, very smart. She had graduated high school when she was sixteen. By the time she graduated college, she was only twenty. We were young. We were very young. I was twenty-two.

I decided I would go to law school, and the reason was that it was the only thing I could do without any capital, where I could put out a shingle and be independent. That was the choice I made. That choice—I had narrowed it down to total essentials, OK? I didn't care about what the law was. I mean, it was what I could do. So, I took the law boards with a C-average. I got in the 99.999 percentile because I was well-educated and I read. I didn't take any courses. I bought a book. I read the book. I took the exam. I applied to NYU [New York University] Law School. They gave me an interview because of my law boards. I met a dean there. In those days, they didn't have personnel people. If they had personnel people, I wouldn't have gotten into the law school. My wife didn't want me to go. She said, "You've failed at everything." My parents told me I was nuts. My wife told me I was nuts. So, I met with the dean. He said to me in four years of college, I didn't do anything. He said, "I really can't take you." So, I said, "I'm ready." He said, "That's your argument?" I said, "That's my argument. I am ready. I will do anything it takes." So, he said to me, "I have three seats that I can screw around with, and I'm going to give you a seat." Then, he looked at me, and he waved his finger at me, and he said, "Don't you disappoint me." I said, "I won't."

So, I started. I didn't know what lawyers did. I didn't know anything about the law. I sat in a big class of 110 students. There were three sections, so there were 330 students—110 each. I read the material and I understood it. I sat in class, and I listened. People had all kinds of trouble—and it was the first time I experienced this—but I could tell you the rule of the rule of the rule. It was like this gift. Cases were just exciting. Within two weeks, the professor came in on some question of civil procedure, and he was an expert. He had written a book. He said something, and I said, "That's not possible because of this series of rules. It just wouldn't happen." He sort of

looked at me. He said, “I’ll check.” He came back the next day, and he said, “Professor Lederman is right.”

At the end of six months, my wife and I agreed I would—we made a deal. The deal was that, from our savings, whatever we had and the working that she did, she’d pay for my schooling, but if we had a child, I’d have to go at night. That was the deal. I said, “OK, that’s a fair deal.” At the end of six months, I was first in my class. The school gave me a scholarship, so it cost me nothing to go to NYU Law School. They even gave me jobs. When no one could get a job, I had a job. They got me my first job. They got me a job as a law clerk for the Chief Justice of the California Supreme Court. They got me my first job at Cravath, Swaine and Moore [LLP]. So, I’ve been terribly indebted to—that’s when we get to Cravath, we get to meeting Mitch. My child was born the day I graduated. We drove out to California. I clerked with the chief justice. I loved him. He loved me. It was just a wonderful year. I lived in Berkeley.

Q: This is Roger [J.] Traynor?

Lederman: Roger Traynor. He was the Chief Justice of the California Supreme Court. He was a genius—the best state court judge in the United States. I was supposed to clerk on the United States Supreme Court, but there were all kinds of problems. Ultimately, I had an opportunity. I’d have to go to Washington. My wife said to me, “Look, enough is enough. Pick a city.” So, I said, “OK. We’ll go back to New York. I have a job at Cravath, and I’ll go there.” I went to Staten Island because, again, I avoided the city. The city was a very, very difficult place for me. I

wanted something whereby I could commute into the city rather than being in the city. Now, I live in the city, and I'm basically a New Yorker.

Q: Can you describe just a little bit about what made Manhattan seem dangerous or forbidding?

Lederman: Well, I lived in Berkeley. In Berkeley, it was the first time we rented a house. Just to show you really, it's very, very interesting. I was clerking on the California Supreme Court. There was a car pool. All the people who were clerking on the court were from very, very good families and had gone to the best schools. [Edmund Gerald] Jerry Brown's roommate at Yale was in my car pool. They drive me home. I had rented a place—I said in Berkeley. It was in Albany. It was on the Albany/Berkeley line. The first day they drive me back, everybody gets out of the car, and they look at this place I've rented, which I'm so proud of. Of course, it's a beautiful, stucco, pastel-covered little house. It has got a little garden, and there is a creek that runs through. It's just terrific. They look at it, and they say, "You'll have to move." I said, "Why? Why would I move? I just signed a lease for a year." It was hard to get that lease, but I loved it so much that I made them give me a lease. I didn't want to have a problem, because I knew I was going to be there a year. I wanted a lease. They said, "When you're here about three months, you'll understand." Well, it turned out I was in the flats. Everybody lived in the hills. This was a lower-middle class neighborhood. It was beneath my social status now that I was clerk for the chief justice. Well, I loved it there. They said to me, "If you stay, are you going to live here?" I said, "Absolutely!" I used to sit in the yard there and write opinions, which affected the whole state of California. I changed laws all over the place, just in that little beautiful area, and I loved my neighbors. They were very, very sweet, nice people. We had the John Birch

Society, which was a very conservative organization at the time, had “Impeach Earl Warren” signs. In fact, as Earl Warren came to the court, I would see him and so forth when he came to visit Traynor, but I lived in a neighborhood where they were just sort of right-wing. I was a great liberal—still am a great liberal. I actually changed the abortion law in the State of California when I was there. Ronald Reagan ran for governor at that time, so this was the world, and I couldn’t believe that a movie actor would wind up being governor of the State of California, which shows you what I knew. He won by a million-vote plurality. He ran against the judges, and Traynor showed me how we managed to get the bar behind. He would have me sit in and show me how the politics of the court really work so I would understand it.

Anyway, we came back. We avoided Manhattan. We went to Staten Island, which was basically like being out in left field or being left out. But, I had looked at a map, and the closest relation to Berkeley from San Francisco was, in fact, Staten Island from Manhattan. I got a place, and ultimately, I bought a house right on a hill overlooking the ferry and the harbor. I could walk down, pay a nickel, and go and get to Wall Street. I would walk to One Chase Plaza, where Cravath was located. So, I got there. I got to Cravath, and that’s when I just started. Cravath is a very brutal place—really brutal. But, by the time I had gotten there, I understood what the real world was about, and I understood anti-Semitism, and I experienced anti-Semitism in San Francisco in spades. I knew they were anti-Semitic at Cravath, Swaine and Moore. There had never been a Jewish partner. So, I knew that.

But, I had been offered a job by the law school as a law professor. My mentor, one of the professors, said you do it for a couple of years, the way he had been at Cravath, and you’ll come

back, and you'll teach at the school, which was very prestigious. I liked the idea. I really liked the idea. So, I didn't care that Cravath didn't have any Jewish partners and it was really a WASP [White Anglo-Saxon Protestant] organization. It didn't matter to me. But, in California, they said to me, "What are you doing? You're crazy." When Traynor wanted me to stay, when he wanted to get me jobs, he wouldn't send me to any of the WASP law firms. He sent me to a Jewish firm. I said to him, "These places are so provincial." They really are. They have no commercial practice. I said, "They do matrimonials." I had an encounter in California. Is this going to take too long? I had an encounter in California in the car pool. Traynor would ask me—the court would sit on Wednesdays to hear whether they would take a docket—like the United States Supreme Court—whether they would take a case. He would tell me on Tuesday night, "Here are one or two cases that are troubling me. Tell me how to vote on Wednesday morning. We'll sit and talk about it, so come in early." So, I'd come in early, and we'd talk about the cases, and then we'd have a discussion. It was wonderful, and then he would go into the meeting with the judges, and he would set the docket. One of the people in my car pool worked in the Intermediate Appellate Court, which sat in the same building. It turned out that he'd been asking for advice in the car pool about his case, which I never listened to. It turned out that he had gone to Harvard [University], and he'd gone to Boalt Hall [University of California, Berkeley School of Law], and he was looking to get a good job. He had been a mediocre law student, but this was his career move. He had been very influential in the judge deciding this case. I didn't realize it. What happened was Traynor gave me this case. I didn't know it was his case. He tells me, "What do you think?" I came back in the morning. I said, "Look, it's badly decided, and it should be reversed. We have to take it. It makes no sense, and it's a very important area of the law. We shouldn't have an outlier like this." So, he said, "OK." He took it—and we took it to reverse it.

Well, the fellow, who was Jewish, heard about it. There was no way to know that it was me, but somebody knew in the court, and they told him. We were driving home, and he said, “Why didn’t you tell me?” And so forth. He said to me, “You’re nothing but a New York Jew.” I said, “Pull the car over and just let me out. This car pool is over.”

So, it was like that in San Francisco. I thought it was beautiful, but I didn’t like the people. Go home. Now, at Cravath, it was a WASP-y world. The people there—the associates—were extremely accomplished, but most of them were not serious about the law. We had lots of rich people’s sons. [John Kenneth] Galbraith’s son was clerking the year after I was on the court. I was meeting all these people on a completely different level who had all gone to private schools and so forth. NYU was not really regarded at that point as such an elite institution, although I thought it was. I had the best education I’d ever gotten there. I just loved it—just loved it. At Cravath, we had [Phillip R.] Phil Trimble, who organized one of the first expeditions up Mount Everest, became a deputy mayor. We had people who did all kinds of things. The guy who wrote the book *Missing* was at Cravath at the time. [G.] Oliver Koppell, who was a senator—a state senator from the Bronx—was a classmate of mine. My roommate was John [T.] Connor, Jr. His father was John [T.] Connor, Sr. As John told me, he said, “My father is the first Catholic on the board of General Motors.” He was very proud of him. His father had been Secretary of Commerce. He had run Allied Chemical [Corporation].

Just to tell you what Cravath was like when I got to—everything was a seniority system. You didn’t know who was in your class or anything, because they had a closed-door policy. You’d walk in. You’d sit down at your desk at the door, and you’d have to be there two or three years

before you could move to the window, and it was very, very straightforward. That's the way it was. You could never, ever bump up against that system. Whoever you were, it didn't matter. You didn't know how well you were doing. It took a couple of years to figure out who was at the same vintage you were. You'd have to meet people, find out through the grapevine and so forth, but there was no place where people met. I remember interviewing at Sherman and Sterling. They would have tea every day in the library. It was very civilized. You would get to talk to people. You'd find out everything. Cravath—no, it was just a workplace. That's what it was. But, everybody was strange—my office mate—my first office mate was a pilot. He had been at Cravath eight years, and he had just been passed over. He was a gentleman—a WASP gentleman and a very interesting man. He drove a motorcycle. He was a pilot. Every month, he would take his motorcycle and whatever bags he could carry to McGuire Air Force Base, and he would fly his plane with material over to Vietnam. That's how Johnson was really running this war. He was running it with the reservists. He would be gone all weekend, and he'd come back exhausted on Monday morning. That's what he did. He was a captain in the Air Force, a man of great dignity. He told me he'd never taken off his jacket in all the years he was there. The first day I appeared, he also told me I would never be a partner in the firm, which I knew, but it was sort of devastating. The first day, he told me that—devastating to hear that, but I didn't care in the end. I knew he was just prejudiced. He just looked me over and decided that I didn't have what it took to be a partner at Cravath.

Q: Now, it's during this first year at Cravath that you first meet Mitch.

Lederman: Right. What happened was Carol Bellamy was there, and she, ultimately, ran for city council. She had graduated from NYU. She was a year or two behind me. No—she must have been about the same time. She was always looking for pro bono projects and so forth, but she came to me and she said, “You know, I have this pro bono project that’s going to take one or two hours a week. It’s nothing much. Would you do it because I’m leaving?” She had been there six months or something. I said OK because it was such a rigid set-up, and the people were so difficult. I was working for two people and one was very mean-spirited. The other was sort of—he couldn’t get his act together. I said to myself, “This is not going to last very long for me.” The work was, basically, marking up forms. So, I just wanted to have something to do where I could at least have some chance to get into it and think about it. So, I got introduced to Nancy Hoving, who was, by the way, gorgeous in those days—just gorgeous—and Mitch. I didn’t know, but Mitch and I were the same age, but he was extremely accomplished. He had already gone to medical school. He’d been in the Navy. He was an officer. He had run a treatment program. He was now Deputy Commissioner of the Addiction Services Agency. They had a major problem. They were under [Abraham] Beame. They had been the darling of the Lindsay Administration, but Beame was comptroller, and he was very upset with Lindsay. You know, Abe Beame had been the block captain on my block when I lived on Crown Street in Brooklyn. He lived on the corner building, and we lived on the other corner. He lived at 712 Crown Street. We lived at 776 Crown Street.

Q: So, did you know him—when you were younger?

Lederman: I knew him. He would come in, and he would grab my father by the hand and take him to make sure he voted. OK? That was the Democratic machine. Abe Beame was a machine politician. The other connection to Cravath from my childhood was in the typing pool, they hired all of the women in the typing pool who, ultimately, became secretaries from Bayonne High School. Sy Miller [phonetic] or whatever his name was—Hy Miller [phonetic]—grew up in Bayonne, and he would hire all the women from Bayonne High School. All of these women from Bayonne High School would wind up marrying people at Cravath, Swaine, and Moore, or clients, or whatever it was. This was America's social mobility. But, when I got to Cravath, all of these women knew my mother. [laughter] They said, "You're Lily's son." I said, "I am." [laughter] My mother said, "My son is working at Cravath."

But, anyway, I told Mitch I would do it. I started going to board meetings, and that's how I got started with that. Can we stop for a minute?

Q: Yes, sure.

Lederman: I've got to see what time it is. God.

Q: One second. OK. [interruption]

Lederman: When I met with them, they were very disorganized. [Richard] Dick Davison was there. Ultimately, I loved Dick Davison. He had been in prison. He had been an addict. He was a self-educated man. He was brilliant, and he also understood real estate. He had conceived of this

idea of buying old, run-down buildings in battered neighborhoods. They had conceived the concept of having these residents live there and taking care of the building and all pooling their welfare money, which they got, to pay for the building and the maintenance and so forth for which they would also care. In those days, the population was actually—they had a genius population. It's like Eric Hoffer used to say on the docks. You could find all of America. He would carry philosophy in his pilfer pocket. He'd have [Immanuel] Kant or something in his pilfer pocket, which he would look at while he was eating lunch. He said if you wanted to build anything, just get people together, and they can do anything. Well, the population of Phoenix House was like that. These were all fallen angels from middle class families and so forth. They, when plugged in, could sort of work together and get things done.

Q: I'm amazed in your story of coming to law school—the sense of redemption through sheer force of will. You just decide, “I'm going to do it. It's time. I'm ready.” Do you think that prepared you for meeting Phoenix House and –

Lederman: Well, yes, because what happened was I felt so blessed that I had catapulted myself into a completely different realm where I could decide the law of the State of California and argue. Larry Tribe was a law clerk on the California Supreme Court at the same time. You may not know him, but he is one of the leading constitutional scholars in America and is a professor at Harvard. He was going back to Harvard to teach when we were there. He and I would argue. We became good friends, but we'd argue at the highest level. We'd decide how we're going to reorder the court system, because there were various cases that would come down from the United States Supreme Court, and we'd have to figure out what to do. His judge wanted to do

one thing. He was a liberal. Traynor wanted to do something else. He said, “Go deal with them, and get them in place.” So, I’d have to tell Tribe, “It’s not going to happen this way; it’s going to happen this way and just buy in, you know, and talk to your judge.” So, I mean, I understood that I had been pole-vaulted from something where I had no intellectual life to a situation where I had this intellectual life, and I understood that people were scrabbling and that life was very, very hard. You could look ahead where you would live, and you would have to count out pennies. I felt I should give back; that I had this gift, which I hadn’t ever understood I had, and I had this position. Now, people came, and they said, “Can you help me?” So, I said, “Absolutely.” It cost me two years of my life to help them, to spin them off. I mean, it was not one hour a week. It was a major, major project, which I was doing by myself with only one litigator, which I had because the Attorney General in New York was investigating. The City was investigating. Beame was writing reports, and people all over the place were just going to tear this thing apart, and Mitch was going to lose everything. I couldn’t allow that to happen. I knew I could work it out. In the meantime, I had to meet my obligation at Cravath, where I didn’t know anything about corporate law—nothing. I had no commercial training whatsoever, but I understood money because I had lived with earning money.

I remember one of the first things that happened. I did a transaction. We sold some property—a plant—a mill in Louisiana, and we got back notes for it. So, the notes were not going to be liquidated for a while, and I was given \$20 million in notes, and I was told, “Put it in the safe, and then, when we need it—you know, when it gets sold, we’ll liquidate the notes to the client.” So, I did that. Three months later, we have a closing, and they get their \$20 million, and it earned like \$90,000 in interest. I looked at that. At Cravath, Swaine and Moore, I was making \$10,000 a

year, and in three months, this money had earned \$90,000. So, I understood that the money was a lot smarter than I was [laughter] and that there was a world out there. My partner told me, “Read *Our Crowd*.” I remember that the Seligmans were one of the early Jewish investment bankers. They had started out by selling yard goods in the South, and the great revelation was that money earned money seven days a week, even when you were sleeping, and you could only sell yard goods during the waking hours, OK? So, it was better to be in the money business than it was to be in anything else. But, I also appreciated being a lawyer, and I never, ever, veered from that. I was offered jobs in banking and all that, and I always turned them down because of the fact that I just liked the intellectual aspect of being a lawyer, but I understood the way that the world worked and the way money worked. So, it took two years. The deal we made—we would spin off the—it was the Phoenix Program. We would spin off the Phoenix Program from the City of New York, and we would set up a corporation for it. Dewey Ballantine [LLP] had set up the first set of charter and so forth, but they really didn’t want to get involved.

Q: Yes, Benito [M.] Lopez, [Jr.] was the counsel at that point.

Lederman: Yes, right.

Q: Why did he leave? Do you know?

Lederman: I think it was just too messy and it was going to take too much time. Years later, I started doing deals with him. He was doing real estate investment trust deals, and he would crank them out and crank them out and crank them out. They were awful to do, but he was the king of

real estate investment trusts, and he was making a lot of money, and he didn't have the time for this. If he was going to do it, it wasn't going to be him, anyway, OK? But, Dewey was under some kind of pressure because of the fact that, I think, there may have been other real estate interests—that they really needed to work with Beame, and so there was some political aspect to it. They had come down to Roswell [L.] Gilpatric, who I had never met when I was at Cravath, but they went into his office. Then, it devolved down to me, and I would go to their meetings and so forth. I told them, "This is what we have to do, and I'm going to negotiate with the Addiction Services Agency. I will negotiate, and I will get this thing done." It took two years. Ultimately, I had this master plan. I met with Beame, and I told him my father lived at 776 Crown Street and that, you know, what he was doing was really very unfair to these people and he ought to let up a little bit. He sort of looked at me and looked me over. He said, "I remember your father. He was a tiny little man—tiny. He was the same size as my father. He was about five feet tall. They used to have to put telephone books under his chair so that he would have some presence." But, we got it done. Then, what followed was really interesting.

Q: Before, I'd like to just ask a few questions about the separation. First of all, I was surprised—looking at the board meeting minutes that it seems like it really was a life or death battle for Phoenix House. The City was trying to starve Phoenix House of money.

Lederman: Well, they wouldn't give them any money. They said, "You have to do it yourself." They said the conflict of interest was that you're using New York City real estate, and we're paying Mitch, who is a commissioner. So, he is an employee of the City, and you're raising private money, and you're taking some money from the City and you have our personnel. This

was Beame's argument. Beame was really attacking Lindsay. It was a political move to basically undermine Lindsay so that Beame could run for mayor, OK? So, yes, it was life and death, because Beame didn't care one bit. If he got rid of Phoenix House, it would be fine. It didn't matter to him. He had an agenda. His agenda was to get elected mayor, which he did do. Lindsay, at that time, was playing John F. Kennedy, and he opened the city schools. So, I had gone to Brooklyn College, which was a closed school. In effect, you entered by grades. They opened it up because it wound up the city colleges had—the degrees were golden, in many respects, because of the fact that you had all of these people who graduated who had no money and they wound up running corporate America, all over America. Most of the chief executives in America came from the city colleges. The people felt that, if they got a degree from a city college, they would have a passport to wealth, so they opened it up, and of course, the schools deteriorated immediately [laughter] and the degrees weren't worth that much. But, those were the politics at the time.

Lindsay, also, with Beame behind him—Beame had a little tin box, and they spent all this money for all kinds of social welfare programs. When Beame got in, he was an accountant. He had been comptroller. The city was in desperate straits—desperate straits. In the '70s, it practically went bankrupt, which I had a hand in dealing with later on. I actually financed the city while it was on the brink of bankruptcy when I was at Wachtell [Wachtell, Lipton, Rosen and Katz], but that's a later story. But anyway, it was, in fact, a pitched battle. No one cared about us. It had to be done. It took very long, but we did it. Then, the proof of what we had done came out within six months, because what happened was Beame wanted to have an investigation of Phoenix again now that it was separate, and they wanted all of the patients' records. I had a very interesting

relationship with Phoenix at that time. I didn't understand it until that moment—my relationship. My relationship was that I, in my own mind, controlled Phoenix. They couldn't function without me, and I had a point of view. I had a point of view about social welfare. I had a point of view of confidentiality. I had a point of view about their obligations to the people they were serving, and so forth, and I had no one to monitor me. So, I could do whatever I wanted, which I did, which was I created a document where they were totally independent, and they didn't have to answer to anybody.

Q: This is when you're separating from the City?

Lederman: Yes, because I had run rings around all of the City's lawyers, and I made the documents very, very complicated. They were huge.

Q: If I may, I've gone and looked at this, and the City, ultimately, drew up the final contract. Is that right?

Lederman: Yes, but it was a negotiated document that I negotiated on behalf of Phoenix. But they couldn't do anything, OK? I had to do everything. I wrote everything. They were not capable of doing it. They didn't have any lawyers who could do it. They had lawyers who couldn't read and write, I mean, as far as I was concerned. So, I'd get it to the point where I'd layer, and layer, and layer, and layer stuff on it. Ultimately, they'd agree to it. They would move on, and move on, and move on, and we'd get it done. Their approach to the whole thing was political. My approach was totally legal.

Q: Well, there's this interesting incident that I didn't know about until I was going through the board meeting minutes in which, two days before Christmas in 1971, Phoenix House announces that they're going to have to lay off thirty employees, close one Phoenix House and close a number of the Phoenix House centers at this point in time, because the contract with the City was still going nowhere. So, is that an example of how they're trying to use a political maneuver as opposed to your tactics?

Lederman: Well, they were always squeezing us. Yes, they were always squeezing us economically to get the thing done and so forth. In a way, I think that some delay was helpful to us because the fact is we had to get our organization going. The point was that you had to be in a position when you got spun off that you could really run it, OK? So, you had to have everything in place, and you had to have money, and you had to have personnel, and you had to have everything that you could do. So, I mean, the fact is, if it took a little longer, it was OK, but at a certain point, everybody would lose patience. So, I don't remember when we got it done, but I started it in '68 or '69.

Q: The final contract was in March of '72.

Lederman: So, it was a little ways before it happened, but it happened. But, they were being investigated by the State Attorney General, and we had hearings. We had all kinds of stuff going on. So, I don't remember that it was that late, but that's fine, because by that time, I had been at Cravath, Swaine and Moore four years, and I was basically a seasoned lawyer. I was doing all

kinds of transactions, and I had really passed my apprenticeship. So, I could really handle myself, because at that time, I had done the largest secondary offering in the history of America when AT&T was divesting itself of Comsat. Singlehandedly, I had done that with Bruce Wasserstein, who became a major investment banker. But, Bruce worked for me. The fact is Comsat had lied to us. I remember being at a meeting where the chairman came in—his lawyer came in with a rider they wanted to put in saying all of the satellites were degrading, and I had spent four months doing due diligence and investigation about the satellites, and I was told they were perfect. The next thing I know, they want to put in a little paragraph, which says that satellites are degrading, and we don't know their level and line of degradation. So, I said, "Do you want that in?" They said, "Yes." I said, "There's no deal." It was the largest offering. I was by myself at the printer, and I said to Bruce, "Bruce, we're going home." There were thirty people from AT&T and everybody, and I said, "It's over. Go home." I came in the next day. I got called by the General Counsel, and he said to me—his name was Acheson. He was Dean Acheson's son. He said to me, "Mr. Lederman, we'll take back the rider." So, I said, "You can't do that." He said, "Well, why can't we do it?" I said, "Look, it's either true or it's not true. So, why would you want to put a lie in the prospectus? So, it's got to be true. If it's true, then you've been lying to us, and we can't live with a lie." He said, "Oh, this is serious." I said, "Yes, this is very serious." So, that's just to give you a sense of where I had gotten to in my process of being a lawyer. So, they had that problem, but what happened was the City was—what I remember next was that the City wanted to investigate Phoenix House, and they wanted all the patients' records. We now had a contract. Within six months, they wanted all the patients' records and everything. I get a call from Mitch saying, "They have all of their orders here. They're knocking on the door. They want the records." So, I said to him, "Throw them out." He said, "What do you

mean?” I said, “They have no rights—no rights. They cannot look at our records. They can audit our books, but they can’t look at the records.” They say, “Well, we don’t know whether you’re delivering the services or not.” I said, “That’s baloney. We’ll go to court.” I said, “Throw them out.” So, he threw them out. Then, he said to me, “They’re threatening not to give us any money,” and so forth. “They’re just going to cut everything,” he said, “because we’re unaccountable.” I said, “We have a contract. They signed it. They can’t do that. They just can’t do that, and the judge is going to kill them—just kill them.” We had a couple of really hard days. I said, “Just stay still.” But then, I understood at that moment that, basically, you know, I just couldn’t be that rigid; that, if it was going to be life or death of Phoenix House, I’d have to recut the deal because I cared for Mitch. I cared for Phoenix House. He didn’t know what was in the papers, [laughter] but I knew. But we hung in there, and I loved him for it. I loved him for it, because this was really tough. He said to me, “We’re right.” I said, “Absolutely, we’re right. Let’s just stay still, you know. Don’t blink.” The city backed down. They were very irritated, very angry, but they backed down. That was, for me—it was sort of worth the whole thing together, because he was wonderful. Not only did he have charm, not only did he have grace, not only did he have intellect, not only was he, in fact, public-spirited, but he had guts, and I love that. I just love that. For me, that’s moral rectitude and certainty. My mother—you know the right thing and you know where you are. You don’t get confused. We have lived that way—he and I—forever. You know, I always give him the advice of, “This is the right thing to do; this is the high moral ground. We’ll stick to it, OK?” Now, I wanted to withdraw from Phoenix—

Q: Real quick, before you move on, one thing I haven’t been able to figure out is did you have a large hand in drafting the by-laws, then, for Phoenix House?

Lederman: Sure. I drafted the whole structure of the whole thing. In fact, what happened was that there was a question about—I made sure that a small group of people controlled it—Mitch and the regional members: Nancy, Dick Davidson, and I think I may have been in there. I didn't want to be in it. I said, "Look, this is your organization. I should not be involved. I'm the lawyer." But, I wound up in it. I think that what happened was at one point, I said, "Look, I'm never going to vote. The only time I'll vote is if you people can't make up your minds, okay? And then, I'm not going to vote. I'm just going to whisper to you what I'm going to do, and then you're going to have to renegotiate with everybody." But the control rested with a small group of people who all had been in the original, and it lasted that way forever until Mitch sought a successor, and they forced us to change it—which I didn't want to do, by the way. I really was irritated with everybody.

Q: Why did you think this was the best structure?

Lederman: Because it would always adhere to the original principles. The board would just run pragmatic and do silly things, my feeling was. Mitch would not fire anybody. He would not get rid of the board, but it would be a place where they'd have to deal with his principles. Then, he'd make some accommodation, because he loved the organization. But, I knew that he was the moral center. There was no other moral center. I blessed them with that. He understood it, you know, but that was what I did early on, because I loved him. But, I didn't want to be with him forever, and I said to him, "Look, what I do is, I do deals. You call me in. I'm a gunfighter. There is a mess. I love it. I take care of it. But, this day-to-day quotidian thing—forget it. I'm not

into it. This is what I like to do.” By that time, the school wanted me desperately to go teach, and I said, “You know, give me a couple more years. I’ll tell you what I’ll do. I’ll teach at night,” which I did. So, I taught at night for twenty-five years at NYU Law School. I’m still teaching—not there, but I’m still teaching law. But I never wanted to. Ultimately, I just had too much fun practicing. I realized that I could write the law review articles. I would write law review articles. I did lots of writing and so forth, but just to be day in and day out, doing the same thing without new experiences—I just like to be in the battle.

Q: Sure, and that really comes across in your book. Now, I’m wondering—this seems to be a moment. You know, you’re coming into your professional identity. You’ve established yourself as a lawyer, but you also seem to be coming into a certain sort of relationship with the City of being something of a citizen of the city, of a steward. How did—

Lederman: That happen?

Q: Yes, and how did you feel about the City at that time and where the City was going?

Lederman: Well, what happened was—it was interesting. I left Cravath, and Cravath wanted me to stay. In my book, I go through this whole thing about the fact they started giving me business, and they wanted Wachtell to be a subsidiary of Cravath, Swaine and Moore, and they liked the fact that I could do deals. They had wanted me to stay, but I didn’t, I went to Wachtell, and I had done a deal for IBM [International Business Machines Corporation]. Then, they called me up and they asked me to represent the Russians in a wheat deal because the Russians had had a poor

harvest and Chemical Bank was financing the Russians. That was Cravath's client. Would I represent the Russians? [Martin] Lipton said to me, "Are we doing them a favor, or are they doing us a favor?" He was a genius—Lipton—a genius. I said, "I know. That's Cravath, Swaine and Moore. They're doing us a favor." He said, "You don't know that. Go down and see them." So, I went and saw the senior partner, who I knew, who ran Chemical Bank. I mean, basically, he was the same person I called up and said, "Just get rid of the debt."

Q: This is Simmons [Richard S. Simmons]?

Lederman: Yes, Simmons. He was, in fact—and I had never worked for him, because he was a banking lawyer, and I didn't do banking work. It was basically too cut and dry. They, basically, moved me around so I learned how to do transactions, and they had really—I mean, in a certain way, I thought it was like the Army but it wasn't. They knew what they were doing. Ultimately, I worked for [Samuel C.] Butler, who ran the firm, and I had free hand. At one point, they called me in, and they said, "We'd like you to go to San Francisco to do a transaction over the weekend. You're the only one who can do it." I looked at them and I said, "This is Cravath, Swaine and Moore. What are you talking about?" They said, "We have very few people who can do this." They told me they wanted me to stay. I said, "I don't trust them." [laughter] They just want a couple more years, is what they want.

So, when I went to Wachtell where I had classmates and Lipton and they were all smart kids and only seventeen people, people thought I was going to a candy store. But, I had concluded that the law was interesting, and I had learned enough at Cravath to understand that Cravath, Swaine and

Moore was me and a lot of typists in the middle of the night. So, I had learned not to be concerned about Cravath, Swaine and Moore. What I had learned, which was a very important thing and that's why I stayed, was to know what they knew so I would never, ever be in their shadow. What I could do most of the partners that I worked for couldn't do. So, my classmate at Wachtell called me. He said, "We need somebody who can do deals." He said, "Dummy, come on up and just meet with us." So, I met with Lipton, and he said, "You can do deals?" I said, "Yes." He said, "We need that. We're desperate." I trusted him. He said, "You'll be a partner in six months," which I was. He taught me a number of things—really important things. He taught me that you have to give to charity. You have to give back, not only of yourself, but of your money. He taught me what I had always wanted to know, which was that we are independent, and you have to be independent. I had done that to hang up a shingle, you know, and to be independent. That's why I started law school. He said, "We have a firm, and we're independent. We're not going to be a subsidiary of Cravath, Swaine and Moore, and we're not going to be governed by anybody. You make your decision. If you want to do their transactions, you can do their transactions. You're your own man." So, I walked out and I said to Simmons, "I'm sorry. If you need a favor, we'll do a favor for you. We are not taking any favors from Cravath, Swaine and Moore."

Within a year or two, they called me and asked me to help them. I hired from them Peter Canellos. When I was at Wachtell, just a short period of time, they had a terrible problem, which was they didn't have a good tax lawyer and we couldn't do deals. Peter Canellos was great. He was first in his class at Columbia College and first in class at Columbia Law School, and they passed him over because he had a Greek wife and they would go into his office and he'd be

speaking Greek. He was not a WASP—just a terrible thing. So, I got called. He had clerked on the Court of Appeals. He was a smart, smart man. He was a genius. They said they had passed him over. So, I called Peter, and I said, “Come on up.” I had a big fight at Wachtell. I was there about a year, and I had a big fight with everybody. I said, “Our Tax Department sucks.” We were sitting all in the room with the partners. I said, “It sucks. I’m relying on the other side on my deals for the tax advice.” He said, “Well, we won’t make Peter a partner.” I said, “Peter will not come unless you make him a partner, because he’s just been so abused and damaged.” So, we hired him, and it changed the firm. It changed the firm. We wound up with a genius. Ultimately, Cravath called up years later and wanted Peter to come back and run the Tax Department. He refused because, he said, “I’m here. This is my home.” Anyway, so that was the place. So, Lipton taught me to be independent in a way that I hadn’t really fully gotten the grasp and not to be burdened by other people. He said to me, “The best thing you can do is fire a client. If you don’t like him, if you don’t like what they’re doing, get rid of them. The best decision I ever made was when I said no—not yes, but no.” So, I would just get rid of clients if I didn’t like them, didn’t trust them, and I felt, God, I was my own boss. Lipton left me alone. He wanted me to work for him for a while and, ultimately, wanted me to be his son. But, it just wouldn’t work, and I just really couldn’t work for anybody. He said to me, “Do what you want. Just do what you want,” and I did. We prospered. Within a couple years—we were a small firm, but we were making more money than Cravath, Swaine and Moore.

Q: So, this is the beginning of the merger wave –

Lederman: Yes. What happened was I went over in '75. You have to understand what it means. The Dow Jones Industrial Average of 1975/76 was 600. It's at 17,000, now—600. Companies were selling way under value. They were like—just whatever you bought, you can make money on. They had to be rationalized because we had all of these conglomerates from the '60s. Guys who were making cement were also making brassieres. The theory was that a good manager could run it, but they couldn't. The banks will get broken up now in the same way, and the Fed [Federal Reserve System] wants it. But, what happens is too big and you wind up with these enormous inefficiencies in the system. I wound up doing leveraged buyouts and stripping all of these companies all over America. I stripped all of these—I represented Sears, and I sold all their little companies that were all their suppliers. They owned them, and I just sold them all off. I just did these—we just transformed America.

Q: When did you first start to feel that that was a thing that was happening—that the nature of American capitalism was changing from the age of conglomeration into the post-Fordist—

Lederman: It didn't take me long. I was at Wachtell, Lipton. What happened was my officemate had told me when I first started that he was representing Standard Oil of California. He was buying in gasoline stations. He said to me, "Do you know what's happening here? A local guy who owns his own gasoline station—this is an important member of the community. He understands zoning regulations. He understands the school system. He understands local politics. He understands what the tax base is all about and so forth. When they buy him, they get some guy who is going to pump gas and knows nothing. America is getting bigger, and bigger, and bigger, and it's getting worse, and worse, and worse." He was a Republican, but he—and we all

had the same view; that bigness, in a certain sense, was bad. When I got to Wall Street and I started working at Cravath and I would go in, I was representing Time, Inc. I was doing all of their cable transactions when I first started. I met these people. They were dumb, and they were alcoholic. They didn't know what they were doing. If you were a burnt-out editor, you wound up on the business side, and my job was basically to tell them what to do and to get them so that they could focus long enough before they went to have lunch and get a martini. So, when you're on the outside as a little boy and you're looking at all of this and you're saying, "Well, these people have to be smart," so when you discover they're basically nuts, they're really just a product of the system that had just gotten fat and didn't understand how things worked. What happened was change was coming, because when we had that big recession in the 70s, change was coming, and I understood it. I understood it because the people who were taking things over could run it better, and they would sell off the pieces, and they would get rid of the debt. They would get rid of all the excess management. What I tell my students is that when Georgia Pacific buys plantations and so forth in Georgia, the only people who lose their job are a bunch of senior management because, I say, "You can't move the trees, and you can't move the pulp mills, and you can't do any of that. Those people want jobs. What they do is they make it bigger and better and more people get employed."

So, I could see the fallout as I was practicing because all of the people at Cravath—I had done what they regarded as something stupid. I had gone to a very small law firm, and they all went to Bethlehem Steel and places like that. They all became general counsels. All of the large corporations were hiring all these lawyers, and they would take them from Cravath. So, all of these people had jobs. What happened was, within a short period of time, they lost their jobs.

They went for these big, bloated corporations and the corporations got acquired. Bethlehem Steel went bankrupt. So, they had 100 lawyers from Cravath at Bethlehem Steel. It was a country club, and they regarded it as that they were basically set for life, and it was over. They just went bankrupt. They couldn't compete with the Japanese. [John K.] Galbraith had written a book about General Motors and said that General Motors, basically, made its own market. This is the new industrial age, whatever it was, and that basically they could plan, and they could create their own demand and so on and so forth. Well, did he get it wrong! So did General Motors, because the Japanese ate their lunch, right? We stopped making steel in America, OK? I was selling off all these metal-bending companies all over the United States.

So, I could see it. I could understand the economics of it. It was extraordinary, and Wasserstein, who had worked for me, was a genius. I always knew he was really very, very clever. He went off and went to First Boston and became a banker and, ultimately, ran Lazard. He saw. We all understood it in our own way. Malcolm Gladwell interviewed me at one point for his book, and he said to me, "Well, if there wasn't a merger, would you guys be where you are?" Because he believes that time and circumstances make everybody. I said to him, "No. What you had, when I went to Wachtell—it didn't matter about the merger. It didn't matter. It happened to be that's what we grabbed. That was the wave we started with, but you had some extraordinarily bright people who were capable of anything. The market changes every five years. If it were not that wave, there would be another wave. We would be in it, because Wachtell has lasted, and lasted, and lasted. The reason why it lasts is because of the fact that it's a meritocracy. The people there are strange, you know. They're odd, but given a problem, it will be solved. God bless it, it will

be solved in a novel way. It's very, very hard to duplicate that." So, these people are necessary for society. If you have a complex society, you have smart people. You need them.

Q: So, this experience of feeling like you're on the vanguard of a change in the American economy and politics as well—is this in any way related to what you saw in Phoenix House or what you aspired for Phoenix House?

Lederman: Well, what I saw in Phoenix House was the fact that it was different. What I saw there was—there was a reconciliation in my mind. Everybody was acquiring everything, so Phoenix, ultimately, did some deals and acquired some stuff and started to grow. But, in a certain sense, acquiring was going counter to what was happening, because we were breaking everything up. So, people thought about acquisitions as growing, but the fact is we were breaking things up. The acquisitions—the only ones that worked were when you actually bought something in your own industry. Once the antitrust laws relaxed, people could then sort of develop. Rather than developing vertically, they developed horizontally, which is always the best acquisition. So, what I saw in Phoenix House, my vision for Phoenix House was the fact that, ultimately, we can never treat everybody in America. We are not going to be able to solve the drug problem, but you can be a model program, and that's what we should be. So, I signed on on that basis, because to me, they wanted me around, and I thought about what I was doing and what was happening in the world and so forth.

The other thing I told him was, early on—we had the real estate. Somebody wanted to buy the headquarters building. We were in a hotel building and so forth. I told them to sell it. He said, "I

don't have a place." I said, "The money is everything. Forget the place. You'll get another place, but you'll never be able to have the money, so do that. Otherwise, you'll have an endowment. This will get you started." That's how we bought Yorktown Heights, and it was very complicated, really complicated, because what happened was they didn't want us there. We had to declare it to be a—we got the city. At that point, it was the new administration. We got the city to be supportive, and we got declared a school, so the town couldn't—they had gotten an injunction in the local area up in Yorktown to keep us from entering. We got it reversed because of the fact that it was declared a school, and you can't get an injunction against the city. That's how it became a high school.

Q: So, it seems like a great deal of legal sophistication became increasingly important for how Phoenix House operated and how it expanded.

Lederman: Well, I am not so sure. I was not part of the board for a very, very long period of time. Then, what happened was I had to reset the legal compass there. That was this: that the City was threatening to cut back on our funding because what they do is we give them a budget, and then we tell them how much money we're going to raise and they cut back on what would have—so we were getting 100% taxation. So I said, "We have to form a holding company." We'll run the operation through the holding company, but all the money will funnel in through—Phoenix will be the holding company, and we'll have another affiliated company that will give money to the parent, but it's not mandatory. You can't have an overlap in the board, so it's not a mirror. The City bought into that, but on our financials, you could not see the funding source. That was my doing.

Q: Was it effective as you—

Lederman: It was effective. Ultimately, the City understood what was going on. They acquiesced.

Q: So, the holding company is the Phoenix House Development Corporation? Is that right?

Lederman: Yes. There are Phoenix Houses in New York and on, and on, and on. But, by that time, it's mixed up as to who owned some real estate because the fact is, it was hard to move the real estate around, but we could move the corporate shells. So, when they were trying to sell Yorktown and thought about it, there was a real question of who held it and what and all that and where the money would go and then whether you could move the money around. These were latter day problems, but we worked out—there was a moment in time when we were really in real trouble because of our funding, but we rejiggered it and I was able to get it so that we could raise money on the outside and not be penalized for it. The City understood it, ultimately, that we had to do this. Otherwise, why would you give any money to Phoenix? The City is funding it. This way, if the City wanted to cut back, it would be an independent argument.

Ultimately, they started asking for the financials. That's how I wound up—I became chairman of that entity. They needed somebody who was independent and had no affiliation. I wasn't on the board, and I became chairman of that entity. It was [Richard] Dick Davison and other old, loyal people who had been around. Joe DioGuardi got on there. People liked the idea. I didn't care.

Whether I was on a board or not made no difference to me. I didn't really want to do it. I begged him not to put me on, and he said, "You have to do it." Now, what I did for him, in addition, was I got Wachtell, Lipton involved in Phoenix House. Herb [M.] Wachtell became chairman at some point. They would contribute a lot of money. Then, when Wachtell left, we got Pat [Patricia A.] Vlahakis, who had worked for me, wound up there. But, I was there at Wachtell for seventeen years, and I left after seventeen years, when I wrote my book.

I did transactions for them. I did the deal in the Bronx. He wanted to expand. He said to me, "We need a place there." The deal couldn't be done because the fact was that a priest had signed the debt and was personally liable if it failed.

Q: This was Father Benome [phonetic]?

Lederman: I don't remember his name. So, I called Dick Simmons and I said, "Look, this is silly. You made a pro bono loan, and you're not going to sue in the Bronx against a Catholic priest. You're just not going to do that. Just get rid of this loan." He said, "OK." It was just a couple of minute conversation, you know? Dick Simmons was a sweet man—a very, very sweet man; a real WASP gentleman, and he was very powerful. He was the legal brains of Chase. They couldn't do anything without him and it's complex regulations all over the place. But, he could reach down and just take care of it, and he did. I knew that. I understood the way the world worked. I was dealing with loan officers. They would not move, you know. I had gotten to the point where it was impossible for me at this point to deal with middle management. [laughter] I just couldn't deal with them.

Now, my involvement with the city was—at a certain point, my wife and I separated, and Mitch introduced me to my wife. I was separated from my wife, and he introduced me to my wife, Kitty Hawks. Kitty lived in the city. She needed a contract. She didn't know who I was. She came up to see me, and then, people said, "How the hell did you get Larry Lederman as your lawyer? On some contract?" But, she was beautiful and smart. She had an apartment on Park Avenue. I had a place—never lived in the city—I had a place up in Piermont [New York]. When I left my wife, I moved to Piermont, where I could ride my bicycle. I had a parking spot, and I could do whatever I wanted, and I could always drive wherever I wanted. Even when I went to Milbank, I had a spot in Chase right next to Rockefeller—David Rockefeller. [laughter] So, I always drove, which was just terrible. I shouldn't have been doing that.

But anyway, the funny thing was she had a Park Avenue apartment. I remember being at her apartment one night, and I'm hearing a rumbling. I look out the window, and I'm trying to figure out why I'm hearing railroad noise, because it reminded me when I was a boy, we had the trolley run by. I had an aunt who said to my mother—a nasty aunt who said, "With all that noise, how can you take it?" My mother said, "You get used to it." Here I was. I'm hearing this noise, and then I realize that the New York Central ran under Park Avenue. So, I sort of laughed. I said, "I just can't get away from the railroad." So, it doesn't matter where you live. But, I got used to the Upper East Side. Then, I told her, "We have to have a country place. I can't really be in the city. I need space, and I need water." So, we rented a place in Long Island for a while, where I learned how to scull, and I would scull there and ride my bicycle. Then, she didn't want to do the commute, and I bought a place in Westchester. But, she was involved. She is on the board of the

WNET [New York Public Media]. She is on the board of the Municipal Art Society. She was a founder of the Design Trust. So, she is a very important lady. But, I knew the whole business community of New York, and I would go to all these—at Wachtell, I remember going to a—it was potlatch. Do you know what potlatch is?

Q: Yes.

Lederman: We would go to a benefit—Lawyer’s Committee—and all of the law firms would be there, and the law firms would say, “We’re going to give \$25,000.” Somebody would stand up. Somebody would stand up for \$50,000. Somebody would pledge \$75,000. Somebody would pledge \$100,000 from their firm. Then, Lipton would get up, and he’d say, “One million dollars.” There would be absolute silence, and then he’d sit down. We were that rich. Besides, it was very important to him to tell the Jewish community, “That’s it. Whatever you put on the table, we’ll double, triple, quadruple. It doesn’t matter.” That was, in fact, a way of just becoming an elite organization and showing the Jewish community, as far as he was concerned, that we were a player. That’s how we wound up on the board of NYU and all that. We just gave enormous amounts of money from the firm. But, I understood it, and so, I then told everybody. When I was at Milbank, I said, “You all have to go on the boards of charities. It’s really an important thing. A lawyer should be doing that. You will do good by the community. It’s important, and you will get some business, because people will appreciate what you’re doing, and you should have that.” When I came in today, I was a little late because the chairman of the firm was here. The chairman of the firm is a [unclear]. So, he saw me in the hall. He grabbed me. We sat down. He just wanted to talk to me for a couple minutes. When he started working

for me, he was a young associate. I met him at Wachtell. When I left, he had been in the US Attorney's Office. He came to work here at Milbank. I made him a partner and so forth, and I told him you have to be on charitable boards. You have to become an important member of the community. I said, "You have to prepare yourself to take over the firm if you want to do that. If you don't want to do that, that's fine with me, too." He decided he would take over the firm. The former chairman had worked for me as well. I never wanted to run anything. I just liked what I did, but I understood what your responsibilities were, how you fit into the community, and I understood through my wife and through Phoenix House, in part. It never was the fancy board that my wife had access to—Phoenix House. It never had that kind of cachet. It didn't matter to me.

Q: Did you have a part in building the board?

Lederman: Well, I got people, yes. I got a lot of people. I got my clients. I got people from Lazard. Yes, I got bankers to go on the board. I got really important bankers from Goldman Sachs and from Lazard. I would tell them that they should do it, too. "You're in a stage of your life where you ought to give back, and it can be very helpful." Yes. So, I had access to the real makers and shakers on Wall Street, and I picked people who I thought had an interest. I mean, I remember somebody came to me and said, "I want to go on the board. I have to do something." I said, "Phoenix." They were there a couple of years and then they wound up running the board at Brandeis [University]; you know, things like that. But, you know, it was a way station for some of these people.

Q: Was there a great deal of strategizing in how you picked people for the board?

Lederman: No. It was all on the basis of whether they were a good person or not and whether they were caring. To me, it all comes down to the same thing. I can tell within a couple of minutes of dealing with people whether they're honest and honorable or not. If you're not honorable, it just doesn't matter to me what you want to do. I'm not doing it. If you're honorable, I'm behind you. If I care for you, I try to enhance your life, and I try to promote your career in their organizations, because it's just the thing to do. I would get them to come to Phoenix. I've gotten a lot of people for Phoenix. I have, over the years. I tried to get Scott [phonetic] to go, but he has other things he wanted to do and so forth. I had a big knock-down, drag-out fight over Ilan [Ilan K. Reich], actually. That was a terrible thing.

Q: Ilan Reich?

Lederman: Yes. It's in the book about his trading on inside information. He needed something. I said to him he should go on the board of Phoenix House. He had never wanted to do that. Finally, he said he would. There was enormous opposition, which Mitch didn't fathom would happen. But, there was, and I was fighting a new CEO. [laughter] Years ago, I remember—I'll tell you about it. This was not a real battle that he could win. He didn't know who he was dealing with. Years ago, I remember I did a transaction where the CEO of a major garment company said to me, "You don't know who I am. I am the chairman of this company. It's a New York Stock Exchange company." I said, "I know who you are. You're going to be out of here in about a week. It's over. You don't know where you are. You don't know what your sources of strength

are. You just have no clue, and it's over." Within a week, he was gone. So, I'm having this battle, and he says that, under the by-laws, this, this, and the other thing. So, I sent him a note. "Where is it written? Tell me. Where is it written that you have this power? I wrote the by-laws."

Q: Wait—who did you write that to?

Lederman: The chairman—not the chairman. What's his name—who runs the place now—the chief executive?

Q: It's just the current chief executive?

Lederman: Yes.

Q: OK. Oh, so this is very recently. I thought—OK.

Lederman: Yes, I just had this fight. Who's the—oh, God. Anyway, this is a terrible lapse—a terrible lapse.

Q: So, you wanted Ilan to get on the board.

Lederman: Right, and he refused—the CEO. He cited various things in the by-laws and about what his powers were. I told him he didn't have such power, and if it came down to it, it would be a board battle and he would be gone. He backed down. This is what I do. Then, Ilan told me

he didn't have any money, and he had really had all kinds of reverses and that he couldn't afford it. So, I said, "Fine, Ilan. You know, that's that." I told Mitch it's a big embarrassment, but, you know, we went through this. But, it is what it is. I don't like to fight for no reason. I just never do. I have a rule. If you bother me, I just walk away. I just don't like to fight. If you really bother me, I'm going to fight. I was really angry with the way the CEO was handling it. He had no reason, and he wanted to be able to pick everybody, and he wanted to have control. He was being protective of his job. He was very frightened, and he was afraid that this was sort of the beginning of a takeover attempt, which it wasn't. I had no interest. I wanted Ilan to go on so I could get off. [laughter] I just wanted to leave gracefully, and the next thing I know, I had lost all the grace. But, for years, I'd been trying to get off. Ultimately, when Mitch stepped down, which I didn't like the way it was done and I'd warned him against it, I drafted his contract.

Q: Did you?

Lederman: Oh, yes. We had to change the charter so that he no longer had control. They had figured out by then how this thing had been set up. So, in that transition, we changed it. I warned him against it, but he wanted to do it, so I did it. You know, he said, "Stay on the board." So, I said, "I don't want to be on the board anymore. I resign." We collapsed the company—the development company, whatever it was, that Phoenix House Development—that raised all the money and siphoned the money. We collapsed it, because we no longer needed it.

Q: Was this in 2007?

Lederman: Yes, whenever it was. Then, he said to me, “Please stay on the board. I just want you there so I can count on you.” So, I said, “OK.” Then, every year, I would try to get off and he wouldn’t let me. He never let me go, and I always wanted to go. We were very, very close. We’re friends. I mean, he introduced me to Kitty. We had been through all these battles together. I mean, I understood the whole history, and I understood what the board could do. It was forty some odd years already participating in it. Ilan was my way of sort of exiting, and I wound up with this battle, which I didn’t want to have, forced the CEO to back down...

Q: In the end—

Lederman: So, I stayed on a little while longer, because it was embarrassing to leave then, because he said he was going to resign. That was no threat [laughter] as far as I was concerned.

Q: So, we only have a few minutes left, but can you tell me about this?

Lederman: Oh, OK. So, what happened was—

Q: Just for the recording, this is the book, *Words that Free Us*.

Lederman: Yes. Well, what happened was—it seems that being a lawyer and doing all the things I did, I had—and I always started out wanting to be a writer. I had written this book, which Farrar Straus [and Giroux] published, and on the basis of which I left Wachtell, Lipton, because Lipton, at that point, felt that I was a threat, which I wasn’t. I was loyal. I would never, ever, ever

have done anything, but I had become an independent factor. I had a huge, huge practice. He said, “The book is wonderful, but we shouldn’t do this.” He just didn’t want me to do it. I said, “Look, I’m not going to burn the book.” So, I left. I practiced by myself for six months and did better in the six months when I was by myself than I did the year before at Wachtell, Lipton. I decided to go to Milbank, which, Mitch introduced me to Alexander [D.] Forger. I decided Milbank, which was a failing firm, an old line WASP firm which was really failing, had great structure, had good bones, and had an international practice. I concluded that it would be smart to go to a place like that because we would be competing for all these foreign corporations, and we’d have to wait until they got to America. But, if we had foreign offices, which Wachtell didn’t have, we could meet them where they were. So, the structure appealed to me. I can build up the Corporate Department, and I can build up the Litigation Department. I knew I could do that. So, I joined them. Milbank is in the top ten. My protégés run the firm.

But, there was something lacking. I had just written the book, and I had left to go to Milbank. But, there was something lacking and so forth, and I decided I would take pictures of the trees on my property. I really loved the trees. I bought a camera and I started taking photographs. I started, and everybody said it was silly. Again, my wife would say, “You’re basically a verbal person. You’re not a visual person.” I said, “Well, I like it.” Then, I decided—I was on the board of the New York Botanical Garden by this time because I had helped them out. They had an enormous liability problem, and so on and so forth. I had worked it out so it turned out what was a liability it turned out I had gotten them \$15 million. It was an enormous asset. They just didn’t understand what was going on there, and I had dealt with a Wall Street law firm, and I basically told them that we would do an accounting for their clients. I said, “It would just be a mess. You

guys are going to be in real trouble.” The next thing you know, we had this enormous gift, and I had worked out this problem. They put me on the board. So, I’m on the board. I decide I’m going to start taking pictures of the botanical garden. So, I start taking pictures of the botanical garden. Three years in, at a certain point, the garden gets interested in my photographs and they start making calendars. They sell out. So, I’m now into photography. So, Mitch knows I’m a photographer. He had been a photographer. He knew a lot about photography. He liked photography. But, I hadn’t become serious about it. I’m still practicing law. He said, “Would you do me a favor? Would you go up to Yorktown, and we would like you to take some pictures of our supervisors.” So, I said OK because I live up in Chappaqua. I can just go to Yorktown. It’s no big deal.

I drive up to Yorktown. I meet the supervisors, and I talk to them, take some photographs of them, which is not what I did, because I was really doing landscape photography. I was interested in landscape photography. But I spent some time with them, and then I said, “Look, I want to go to the cafeteria. I want to see the kids.” So, I go to the cafeteria, and I sit at a table. The kids come over and start asking me questions and so forth. I started taking pictures of the kids. I spent a couple hours taking pictures of the kids. So, I then made prints—large prints. I made a big portfolio, and I brought them down to show Mitch. They look at them. I say, “These are our kids. They’re gorgeous. They’re beautiful. Such life, such energy. You know, I just keep thinking of them as flowers. It’s just so wonderful.” They said, “This is so nice.” I said, “You know, I’ve lost contact with this organization.” I really hadn’t really appreciated it. You know, with all the problems over the years and dealing with the money and dealing with all kinds of fights and all these different organizations and constantly dealing with how do you grow, how do

you cut back, how do you do this, how do you do that. I said, “Davison always had this connection. He’d go up, and he’d spend time with all the people, but I never spent time with the people. It’s wonderful.” They said, “You know, we have all these writings that these kids have. We’ve been trying to do something for years.” Ira [Mothner], who wrote for them, said, “It would really be great.” I said, “I’ll go around, and I’ll go to all the other venues, and I’ll take pictures of the kids and people,” which I did do in the New York area. I learned a lot about Phoenix and all the vocational stuff they did and everything, and I would talk to people. When I’d do a deal, I would spend time with people. I’d look at them. I’d figure them out. I talked with the people. I would figure them out. I’d take a picture of them so I would get their character. It was fun.

I’m not sure whether I started with TEAK in the same way. What happened was my stepdaughter had been part of an organization called TEAK [Fellowship], which takes disadvantaged kids and helps them get into very good schools—from public school into good high schools. The kids go to the best high schools, and they all go on to college. They’re bright, bright kids. The TEAK people had asked me to take some pictures of their kids there. So, I had taken pictures of the kids, and then what I’ve been doing for a number of years there, every year I take portraits of all the kids. I give them their own portrait. It’s like no one has a portrait of themselves. Everybody has got a camera, but no one has a portrait of themselves. Really, you had to be very, very wealthy to do a portrait. Kitty has portraits of herself over the years by [Richard] Avedon. At an earlier time, you had a painter do it—[laughter] Goya, Rembrandt. So, I would give these kids these photographs of them and all these kids here—I’d give them their photographs. Then, they wanted it. Phoenix asked me to put them up at Phoenix House.

But, the photography has been very, very successful. I did a book for the garden called *Magnificent Trees [of the New York Botanical Garden]*, for the New York Botanical Garden, which Monacelli [The Monacelli Press] published in 2012—that was eight years of work. I'm working on three books right now, another one for the Botanical Garden, and one on interiors—landmark interiors for the City of New York, which will be out in the spring of 2015, and another book for a landscape designer. I have three shows going on right now in the city. I have one at the Rockefeller Brothers Foundation, where I spent a year and a half doing photographs of their gardens and the Japanese garden, especially. No one has ever photographed the Japanese garden. Ezra Stoller, who was a great photographer, was hired by Nelson Rockefeller to do those gardens. He did it in the 60s, but he did them in black and white. Stoller was a wonderful architectural photographer, but this, I think, was basically a work for hire and he didn't really do a good job. Oh, he did it in color. Excuse me. He did it in color, and the colors are all faded. This was very early in the 60s. But, I've gotten close to them. In the show that I have for them, they bought all the photographs. There is a show now at the Jewish Theological Seminary on trees, and then, I have a show right now at the Four Seasons Restaurant, right down the street here, on Niagara, which was part of a work I did in the footsteps of Frederic Church for Olana.

So, I have branched out, and I'm doing a lot of things. I'm meeting with the MOMA—the Museum of Modern Art—in about a week or so to show them some of my stuff. So, it's become very serious. The fact is I left Milbank in about 2008 so that I could really continue my photography, although I had a large practice. I could have gone on, but I felt I was of an age where I should do that and should really become an artist. It's very liberating for me to be an

artist. It's a completely different thing, but I run it all myself. I used to have 100 people doing my transactions. Now, I've hired somebody recently to do some printing work for me and things like that, but I do almost everything myself. I make all the arrangements with all these galleries and everything myself. All the shows I do myself. I have stuff published, and I make all those deals myself. I have no agents.

Q: So, do you think that you'll be doing more photography for Phoenix House in the future?

Lederman: Well, I asked them if they wanted it. They were going to do something about making a record, and I said I would do it for them. It never happened. I said whatever they wanted, but they've never called on me, which is fine. It's fine. I was at a dinner last night where I used to give this charity—I used to give them photographs and they would sell them. Well, the stuff down there, it sells for about \$3000 a photograph. I would give it away to them. When my wife got off the board, they stopped asking me. So last night, they asked me. I said, "The statute of limitations has run. My wife has been off the board for three years and no one asked me. Obviously, it has something to do with her being on the board." They said, "No, no, no, no." I said, "It's over!" [laughter] "It's over! The stuff has gotten very expensive. We now sell them for \$10,000." "Please—we'll send you a letter." "OK." So, I still will do that, and all the stuff I do, by the way, all my stuff, all my photography is all done for charity. So, all the money I make on the photography I give away. Most of it—a lot of it goes to the New York Botanical Garden, which basically was the beginning of my career, and they've been very supportive. I've raised hundreds of thousands of dollars—

Q: That way?

Lederman:—through photographs.

Q: So, we're about out of time, Larry, but are there important aspects of your experience with Phoenix House that we haven't been able to cover that we should, maybe follow up another time?

Lederman: I don't know. That's up to you. If you want to know more about my relationship with Mitch, we can talk about that. You know, I've indicated that we're very close. I mean, he was responsible for all kinds of important things in my life. I mean, really, he helped me choose my doctors. He helped me find my wife. He helped me find my law firm, and by the same token, whenever he is in trouble, he'll call me up and he'll say, "This is a mess." I drop everything, and I just do what has to be done. So, that's the kind of relationship. I don't know if either of us have those kinds of relationships with anybody else that go back that long. But, he has always held on. He is good about that. I will allow things to drift. He doesn't.

So, that relationship—we ought to consider, if you want my relationship with Nancy Hoving, who I knew very well and have known over the years, we can talk about that. We can talk about—but, I don't know. I'm not so pivotal. I understand Mitch's limitations, you know, and also his enormous strengths. So, one of his limitations is that, basically, dealing with money and the business of Phoenix has always been a problem. I understand that, but I always believed that we'd always be able to get the money and that the vision was the most important thing. I never

get confused about money. I've never been confused about what money does and what it doesn't do. It's not to be venerated. But, if you have other things you want to talk about after you've looked at this and you've read my book, I don't know if there is anything more, but I'm prepared to think about it. It's fine. I don't mind giving you more time.

Q: OK. Great. Well, thank you so much, Larry.

Lederman: On Hart Island, they claim it was like a lockbox puzzle. Do you know what a lockbox puzzle is in detective stories?

Q: No.

Lederman: A murder is committed, and all the doors are locked from the inside, and there is no one there. The question is how did the murder get committed? Well, this was the same thing. What happened was there was a robbery off of Hart Island. Everybody was on Hart Island, and the only way you could get off was a ferry, and this person had to sign in and out. So, I was called on to represent—what happened was he had lost. He was convicted. There was an appeal, and Mitch couldn't get anybody to take it, and it was too expensive, and on, and on, and on. So, I did it. [laughter] So, it was a frolic, but I did it. There were those kinds of things, you know. So, he would call me in the middle of the night and he'd say, "I have somebody who's been arrested out in New Jersey." Oh—I invented for them their lottery ticket. They used to sell lottery tickets on the street, and when the Attorney General was—this was before the museums did this. I did it first, I think. What happened was we were panhandling all over the place, and people would get

arrested for panhandling. So, I got all the rules and regulations. I read through them, and I drafted the back of the ticket, saying, “This is a donation.” There was no obligation to make this donation, and this is a voluntary donation, and it gives you a right to participate in the lottery, but anybody can participate, whether or not they have made a donation as long as you leave your name with us.

Q: What was the—

Lederman: It got around the law. We were no longer panhandling. We were just seeking donations. We were not violating the gambling regulations and all that.

Q: What was to win in the lottery—what was the—

Lederman: We’d have a drawing. We’d give money, [laughter] but we raised a lot of money. So, I got called. I remember he called me up in the middle of the night. Somebody got arrested for doing that. He said, “What do you do?” So, I said, “I don’t know. I’m not a criminal lawyer.” He says, “You’re the only lawyer I know.” I said, “OK. Bail him out in the morning, and then we’ll deal with it. Just put up the bail.” So, he did that. So, I bought myself a copy of the bust book. [laughter] You know, what do you do when somebody gets arrested? It was called the ‘bust book.’ I was a Wall Street lawyer dealing in corporate finance, but if they had a problem, you know—if they had an itch, I would have to scratch it. [laughter]

Q: How long did that go on for?

Lederman: Oh, it was forever. That was only a certain period of time, but there was always, always some kind of problem.

Q: Some kind of problem.

Lederman: Yes. Then, I realized over time—oh, I got him the general counsel, Fred Goldstein. That was my doing. I forgot all about that. Fred was a very important addition. Fred was a partner at Wachtell, Lipton. He is now the General Counsel of LACMA, the Los Angeles County Museum [of Art]. He is a senior guy up there. A wonderful man, Fred—a wonderful man, brilliant. He went to Yale Law School. He's gay. We didn't know that. He was a powerful man. He worked in the oil fields as a roustabout and studied mime with Marcel Marceau in Paris. He wanted to be in the theater, knew Russian, read Russian literature in the original, went to Yale Law School. We hired him. I had, at one point, all of these people who had gone to all these—who all had advanced degrees; PhDs in art history, PhDs in philosophy, PhDs in math, who all worked for me at Wachtell, Lipton, and I was being educated by them. I took Fred under my wing, and he said, "I don't want to keep doing this." He'd become a partner at Wachtell, Lipton and was making a lot of money. I knew by then he was gay. I loved him. I said, "I'm going to introduce you to Mitch," which I did, and he went to work for him. So, if you want to get that side of it and what Fred did and how we really restructured the Legal Department at Phoenix House and he was part and parcel of the acquisitions and the bankruptcies and all that other stuff and how we would deal with them, we could do that. But, what you can see is, in summing up,

we could say, in the same way Mitch enriched my life, I enriched Phoenix House by putting good people in those places, right?

Q: Right.

Lederman: But, Mitch is extremely loyal. He's got really good friends. People love him. He's a control freak, but as I said, there was that one moment where he had lost control when we were fighting with the city, and I understood it, and he was loyal to me. I was immediately loyal back, and I would never, ever threaten its existence. But, we won anyway. So, that's it.

Q: OK, well—

Lederman: So, if you want, we can spend some other time. We can do another hour or half hour and just go over the people that I knew and some of the other things, if you want.

Q: So, we'll see if we can schedule that in—

Lederman: Because this has been too personal, I think.

Q: Well, Mitch has always said that Phoenix House is really made of the people who made it, and it's those personal stories, and certainly, that wouldn't be—to get too—

Lederman: Yes, well, I was a really poor boy. I don't think that—he was really upper middle class. His father was a doctor. I was really, really low-middle class, but this is America, and so my grandfather, who worked in this factory in Bayonne—he stoked the furnace, my grandfather. When Babcock and Wilcox tried to take over that company, I wound up representing that company. I told them that my grandfather had stoked the furnaces. They said, “How is that possible?” I said, “This is America.” [laughter] I believe in America. I believe in paying my taxes. I believe in America, really, and I believe in New York. In 1974, the worse thing I ever did was not invest in the real estate [laughter] in Manhattan.

Now, we have an apartment here and we're fully invested. We go to the theater. We do everything. But, it took me a long time to come from the outer boroughs to get here. But, one of the things that happened to me, which was really interesting if you want to put this in—doing landmark interiors for the photography got me to see the richness of New York. I had never seen it. This book is going to be a big success. It's a marvelous book, and it's a project that they couldn't get anybody to do because they didn't have the money. My wife was on a committee, and I suggested a classmate of hers who is an architectural photographer, a well-known architectural photographer and so forth. He said, “Well, it would cost—” He had to make a living. Do you know what I mean? He had to charge them. So, I said, “Look, I'll work with you so that we can sort of split it and his fee will be a little less.” Ultimately, they said they couldn't afford it no matter what. So, I said, “OK, I'll do it for nothing,” because to me, the money doesn't mean anything anymore. One of the best decisions I ever made because, the fact is that I have access to all these buildings and rooms that you could never see and the genius of the city is there. What happened was, I'd been an outside photographer. I had to learn how to just redo

everything. I did. The photographs are just—I spent the last six months doing this, and I just brought it to the editor, who had done my book for the trees, and it's the same editor who's doing it. Monacelli is doing it—the same editor—Elizabeth White, whose husband is the grandson of Stanford White. So, she is very knowledgeable in architecture, very, very bright, a wonderful woman. So, I showed her the photographs. She is very, very reserved—a true WASP lady and the best kind. She said she couldn't believe it. I said, "It's all there. You've walked through these rooms, but they're dark. They're hard to see. People would leave me alone in the place, and I would just sit there and look at it and figure out what to do, and I could take these photographs where I would have—not a quick shot—but if you absorb the light and just let the camera just stay there for a long, long exposure, you get all this light in, and you get something that's brilliant. It just sparkles. So, what looks dreary and drab is actually extraordinary. When I go in now, I shut off all the lights because I don't want to have this kind of light affecting it. Otherwise, I have to change everything in Photoshop and so forth.

So, my connection with Manhattan has changed completely. I have a sense of architecture. I've been totally re-educated. I've educated myself in art history. I'm a completely different person. That was because of Kitty, in part, because her father was Howard Hawks, the movie director, and she is very visual. She was trained as an architect. We have all these books, and I just sat down and read everything. I go to the museums, and I have a real understanding of art now. I'm really a historian. So, I now understand the city. She is in all these battles to preserve all these properties. The Municipal Art Society are the people who preserved Penn Station, you know—Grand Central Station. I'll leave you—

Q: OK, well, thank you again, and—

[END OF INTERVIEW]