ForeWord Reviews

BUSINESS & ECONOMICS

Banktown: The Rise and Struggles of Charlotte's Big Banks
Rick Rothacker
John F. Blair
978-0-89587-381-1
(Sep 26, 2010)

Many stories will likely be written about the financial meltdown that threw the US and ultimately the world into a wrenching recession. But few books will zero in on two banks or one town as does Rick Rothacker's compelling story, *Banktown*.

Rothacker, an award-winning reporter with the *Charlotte Observer*, has a unique insider's perspective about the incredible rise to national prominence of two banks that have their roots in Charlotte, North Carolina—Bank of America and Wachovia. Rothacker traces the history of these banks, how acquisi-tions and mergers added to their power, and the sometimes bitter rivalry that flared between the growth-oriented CEOs of each. Indeed, one legendary leader of Bank of America, Hugh McColl, asked in 2008 how Charlotte managed to become second only to New York as the nation's top banking center. He answered his own question by saying, simply, "We're talking about competition."

It was competition that caused both Bank of America and Wachovia to go on acquisition sprees that turned them into national financial behemoths. As early as 1985, bank merger mania was all the rage in North Carolina. At the helm of Charlotte's North Carolina National Bank, known as NCNB, was Hugh McColl, later to become head of Bank of America. Charlotte's First Union bank was run by Ed Crutchfield, who got into a bidding war with McColl over a Florida bank. Wachovia, meanwhile, in Winston-Salem, was under the direction of John Medlin, Jr., who managed to outfox McColl in acquiring an Atlanta bank. Eventually, Wachovia would merge with First Union and wind up establishing its headquarters in Charlotte.

Rothacker charts the course of both banks through their mergers and acquisitions, which in itself makes for fascinating reading. But the story gets even more intriguing as the financial crisis unfolds. Here, Rothacker is at his best, stitching together the events that led to Bank of America's acquisition of Merrill Lynch and Wachovia's acquisition by Wells Fargo. The detail is so well-researched and delivered with such skill that readers will surely feel as if they are eavesdropping on private meetings.

The inevitable conclusion of *Banktown* is, of course, known to all, but this does not

make the book any less interesting or dramatic. It is the telling of the story—how two major banks in one city rose to become financial leaders and were then so stunningly humbled—that makes *Banktown* well worth reading.

Barry Silverstein