

entwined

NO ESCAPE

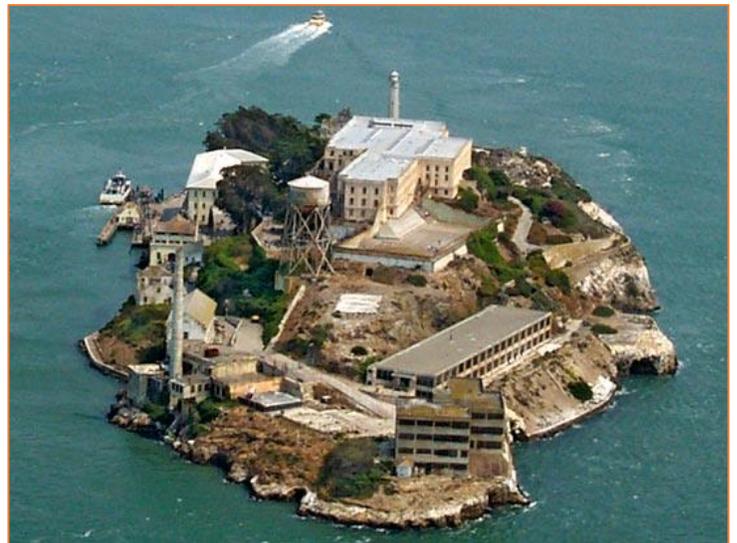
Episode # 1

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Elliot Gladstone

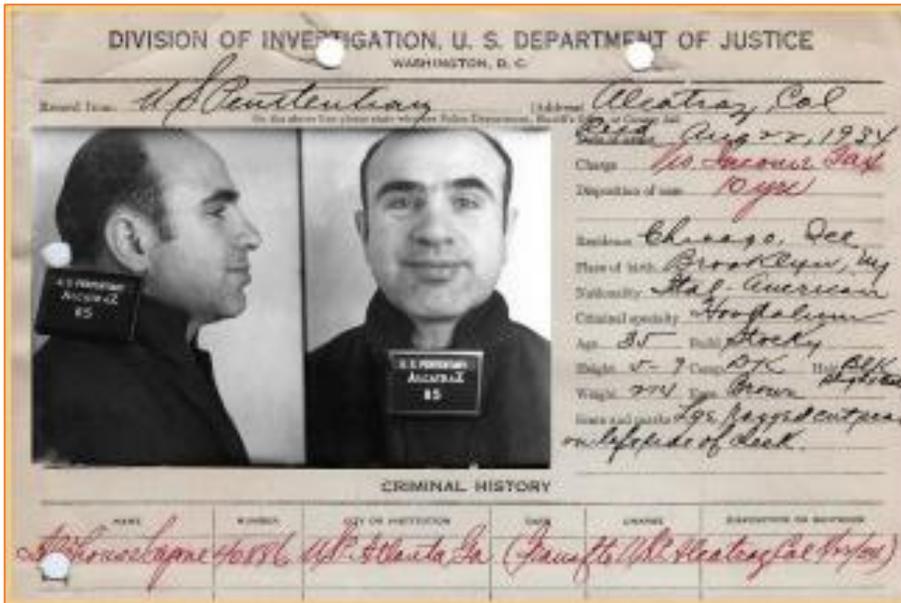
Throughout history the populace participates in a zero sum game where individuals overextend to their means to demonstrate affluence. Individuals and businesses in a free market compete to be the best, provide the best goods and services or deliver the best results to investors which is a concept that spreads to all areas of society. Every single day people wake up and make choices which, either good or bad, impact the people and environment around them. It is human nature to be competitive.

Best the best, be the first, be the fastest and you will win the eyes, if even for an instant, of the people or the general public opinion and Alcatraz Island is no exception to this rule. Alcatraz was officially turned into a military prison in 1868 and then converted into a United State Penitentiary in 1934. The allure of Alcatraz stems directly from its inescapability and is one of the most legendary maximum security prisons of the 20th Century. Located in the center of the San Francisco bay just north of North Beach or what used to be known as Black Point Beach the island prison is a structural reminder to the public of the consequences of bad decisions. That, and the significantly more obvious fact a city was flourishing less than 2 miles from 300 of the worst criminals society had to offer.



Alcatraz Prison - Photo Credit to <http://www.inetours.com/>

We love the impossible. We love to talk about our perceived superiority and bask in the glow of untested excellence. This "rock," this island, was and will always been significant for these reasons and more importantly because of the way it has been remembered; Inescapable. Alcatraz was home to several famous gangsters and murders who had attempted to hijack wealth such as Al Capone, George "Machine Gun" Kelly, and Mickey Cohen. Each was deserving of their fate which was made possible through a series of choices which would not have likely



Al Capone - Photo Credit to <http://www.alcatrazhistory.com/>

History tells us that not a single sole successfully escaped from Alcatraz while part of the Federal system which is fact Hollywood has attempted to unproductively clarify over the years and even Al Capone himself said, "Looks like Alcatraz has got me licked," during his stay in the middle of the San Francisco Bay. Since becoming a Federal Prison there have been a total of 14 escape attempts which included a total of 34 inmates and not a single one made it out without being recaptured or drowning in the bay. Alcatraz demands your respect and even if you are unfamiliar with its pedigree you would be hard pressed not to oblige. Alcatraz is a significant part of California history but more importantly it is a substantial part of the physical and living landscape of the San Francisco Bay Area.

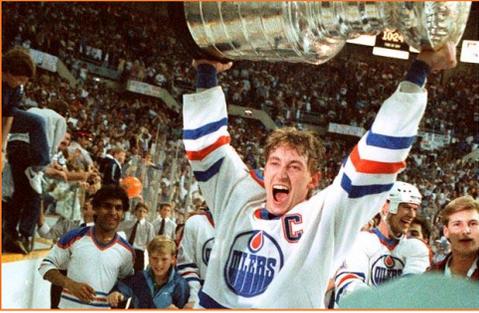


William Ralston - Photo Credit to findgrave.com

Enter the genial William Chapman Ralston (Aka William Ralston, Aka William Chapman, and Aka William Ralston Chapman) who through his investments and business decisions helped shape San Francisco in the late 1800's. Ralston was a member of the elite who had been continually tested as he fought his way to the top. He didn't ask for respect or to be viewed as one of the great investors of the 19th century because he didn't need to. Ralston was the Warren Buffett of his generation and through his actions, and financial resolutions he demanded attention and respect. The best way to explain how Ralston functioned as a banker, and investor in his prime is to think about any great sports athlete; Stephen Curry, Tom Brady, Clayton Kershaw, Pete Sampras, Lionel Messi,

made their mother's proud. I mean, each was credited with a litany of crimes, yet each ended up under lock and key for something extremely less significant, like well, tax evasion. I guess you get what you can get when you can get it. A lesson both taught and learned by the criminals who called Alcatraz their home for any stretch of time.

or Wayne Gretzky. Each basically had their way with the opposing team and was able to score, or keep others from scoring at will. Have you see Messi play soccer? It's not even human what he is able to do on the pitch.



Gretzky - Photo Credit to Edmonton Journal



Curry - Photo Credit to KNBR



Messi - Photo Credit to Ghetty

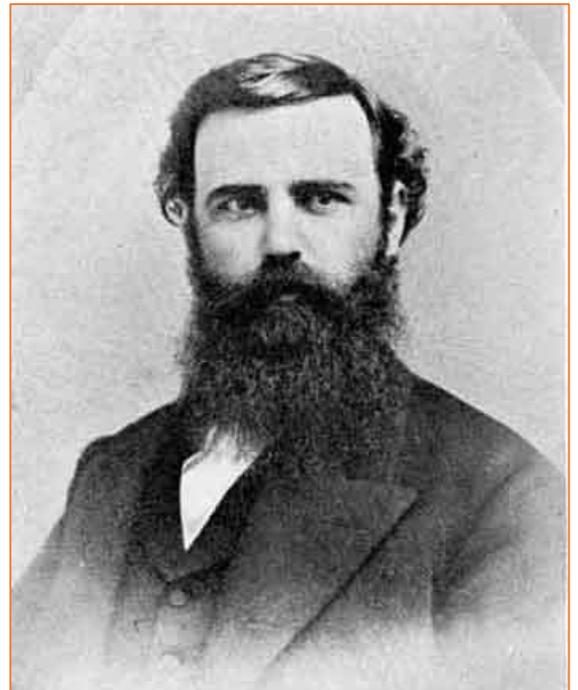
William Ralston was born January 12, 1824 in Ohio but spent many of his formidable years in Mississippi until he became the Captain of ship which operated out of Panama City. It was at this time, while working with Commodore Cornelius Vanderbilt that he met the first love of his life Louisa Thorne the granddaughter of Vanderbilt. Ralston and the 19-year-old Thorne were engaged to be married and the Commodore thought it best



Cornelius Vanderbilt - Credit to Vanderbilt.edu

to send his granddaughter overseas to help ward of this courtship. Nothing like trying to start a family with the boss's teenage daughter which was likely even more problematic in the 1800's. One year later Ralston received word that his bride to be had perished and the two were never married. Ralston was slowly becoming a transportation mogul while working for Vanderbilt and a large

part of the Pacific shipping industry. After his fiancée past away he made a series of bad decisions and was eventually arrested for treason, alongside Ashbury Harpending.



Ashbury Harpending

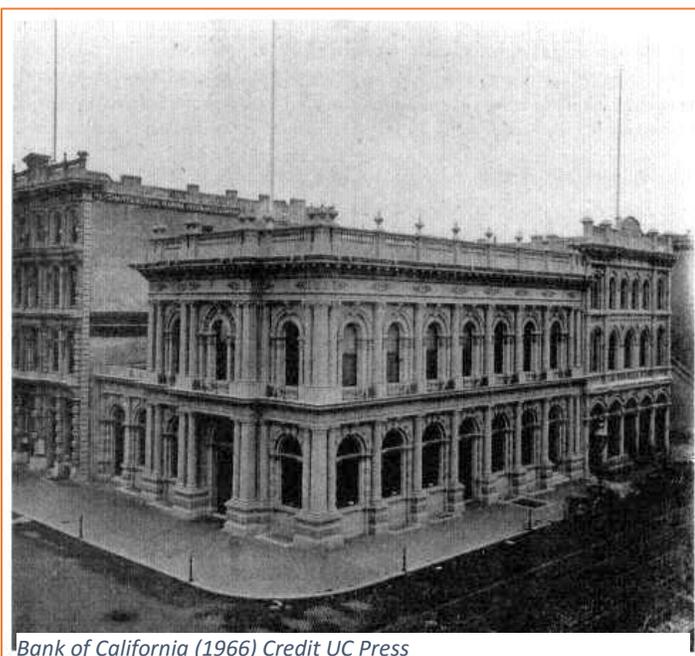
Harpending was billed as an unsavory character and the two men were reportedly sentenced to serve time in prison. Some sources say the men were ordered to Alcatraz and others are less specific on the location. Either way it has been documented that men were quickly released through a pardon from none other than Abraham Lincoln and Ralston was never shipped off to the island in the middle of the San Francisco bay. But more on that later...

In 1955 the bank of Garrison, Morgan, Fretz & Ralston was opened and operated in the San Francisco area until it was dissolved and replaced by the Bank of Fretz and Ralston in 1857. William Ralston was a substantial part of operations despite having his name come second on the doorplate. In 1858 Ralston married Elizabeth Fry and they had several children including a daughter who was aptly named Edna Lousia after the love lost to illness a few years before. Seriously. He named his first born daughter after a woman he loved years before and was no longer part of his life. What makes it more interesting was he continued to memorialize Lousia Thorne by naming his second daughter after her as well. Absolutely mind boggling, but I guess it was a different time and those types of decisions were more emotionally significant and much less socially significant. Ralston started to demonstrate his wealth through the purchase and renovation of an estate at Belmont



Ralston Hall - Credit to www.cseg.com

on the peninsula. Ralston had a flair for the opulent and purchased the property from Count Leonetto Cipriani which he immediately determined needed to be expanded to four stories and 100 rooms.

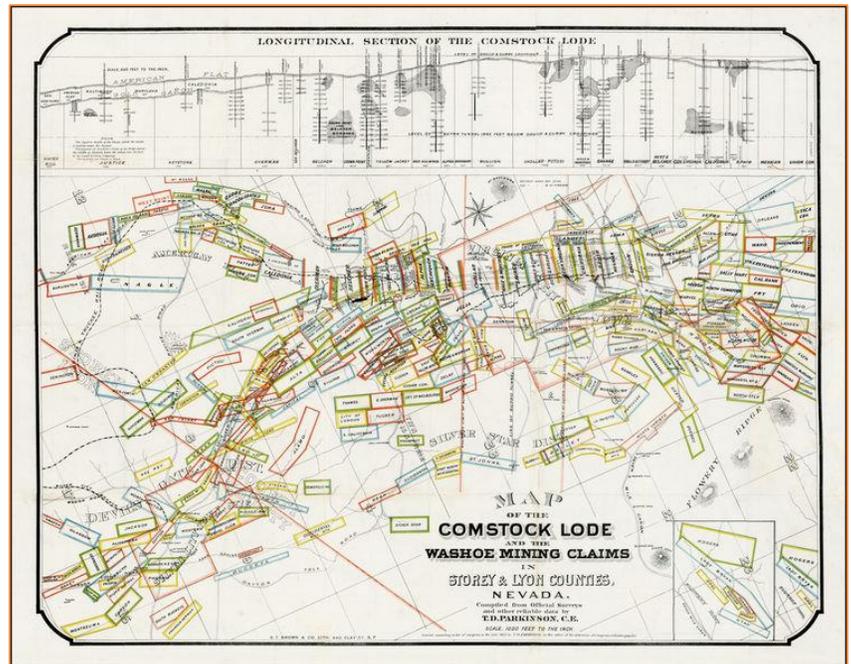


Bank of California (1966) Credit UC Press

There were several other bank related acquisitions, business name changes, and partnerships and then on July 20th 1864 the Bank of California was born which is now named Union Bank of California and is still in operation today. Ralston was known to be a gallant man and over the years had garnered the admiration of the people of California, and his peers in the industry. It was clear that William Ralston was a financially risky decision maker and those around him started to take watch as he built his empire. As operating director of the Bank of

California Ralston helped shape the city of San Francisco through his investments, and more importantly through speculation.

The gold and silver rush brought many individuals and businesses to California with the hopes of striking it rich. As folks began to leave the mines empty handed in 1859 Ralston came up with the idea to loan money to failing mines because he truly felt there was still ore to be had in Sun Mountain. Ralston had a too good to be true idea that the miners of the 1800's were incapable of abstaining from. Free market system at its best. Ralston would artificially lower the interest rate to attract business with the hopes they would default on their loans and the Bank would take ownership of their property and assets... their mines. Once he [the Bank] had control of the mines they would spend money on equipment with the hopes of pulling silver ore from the mountain and establishing a monopoly on the Comstock Lode. To those keeping score at home this meant that Ralston was a majority stakeholder in pretty much all of the silver mines or distributors in the area. It was at this time that the San Francisco financial district exploded as a direct result of the money being brought in by Ralston but more significantly the speculation of the potential productivity of Sun Mountain by investors. It has been said that more money was speculated than was actually pulled from the mountains in the form of gold, or silver.



Ralston was starting to lose his hold on the city and ended up sinking a lot of his capitol into the Grand Hotel and the Palace Hotel which some felt was just Ralston being reckless with investor capital. The hotels were expensive, excessive, and were supposed to be how Ralston left his mark on the city he loved. The man who helped build San



Palace Hotel.

Montgomery St.

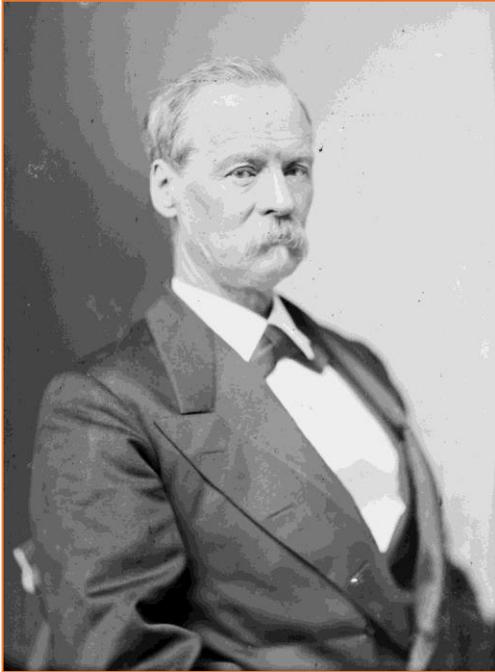
Francisco wanted to be remembered for his contributions but his ego, no, his greed, began to impact his business decisions. This led to Ralston repeatedly over borrow and sink money into investments which yielded no returns. It was becoming an, "I'll give you a dollar and you just go ahead and keep it situation." In 1871 he was told a tale of diamonds, rubies, and sapphires and decided to link up with his old friend Ashbury

Harpending to try to collect on the deal. Remember, Ralston was becoming known for his interest in high risk and higher reward investments and people began to try and exploit his inability to avoid these investment opportunities. Unfortunately for Ralston and Harpending the diamond mine held no diamonds, literally no diamonds, which meant they had nothing to show for the hundreds of thousands of dollars they invested. As time passed Ralston tended to go with even higher risk investments hoping to receive greater yields just to break even. Some speculate these decisions were driven by his over specialization into the Comstock Lode and attempted to generate additional wealth to cover those deficits.

He continued for several years investing as President of the Bank of California until word started to spread that the Comstock Lode was exhausted. William Ralston fell ill and while he was bedridden his books were examined in detail which was where it was discovered he was greatly overextended. It has been documented that many of the banks debtors were business and companies owned directly by Ralston himself. Ralston had noticed the bank was on the verge of collapse and took out personal loans to try to keep the bank a float. He also did something which must have been very difficult, he decided to ask his Father-in-law for money. In 1873 his Father-in-law, John D. Fry agreed to loan him a substantial amount of money. Fry loaned the struggling banker 3.4 million dollars which was just enough for Ralston to maintain control of the bank. These bad business decisions were ultimately the beginning the end for Ralston in San Francisco.

On August 26, 1875 there was a run on the bank and the bank was forced to close its doors as a result of continued withdrawals throughout the day. With no more silver being pulled from the mines word was spreading fast and

people feared they would lose what they had invested, or deposited in the bank. On August 27, 1875 Ralston was called to a meeting with board of directors. Ralston was made to answer for the deficit of funds and it was



William Sharon - Credit to wikiwand.com

determined that he himself owed the bank approximately five million dollars. Five Million dollars in 1875 would be worth over \$108,000,000 dollars today. This is such a significant amount of money in either time period and imagine how more intense that scene from Mary Poppins would have been if Michael Banks had been caring more than a tuppance in his pockets. Ralston was forced by the board, led by William Sharon (Later know as Senator Sharon), to sign over his interest in the bank and any assets he had across the country. These assets included the Palace Hotel, his estate at Belmont, and whatever was left of the Comstock Lode. Ralston left this meeting a broken and defeated man and immediately headed directly to one of his favorite spots at Black Point Beach.

If you are looking at a map trying to find Black Point Beach look East of Fort Mason and West of Van Ness St and right at the base of the aquatic park pier. In the 1800's Back Point was a popular swimming spot and the beaches were lined with bathhouses. With no television, internet, or anything fun, the people of San Francisco tended to gravitate to these establishments and William Ralston wasn't the exception. Ralston loved the beach and he loved to swim despite the 50-degree water temperature. Every single recorded account of this day recalls



Ralston heading directly from the boardroom to the beach for his daily swim. Ralston donned his swimsuit and headed out into the bay. You might be able to guess which direction he was headed and you would probably be right. Ralston entered the water and started swimming North, towards Alcatraz.

William Ralston did not make it back to the cove, and he didn't reach Alcatraz. Somewhere between the beach and the island witnesses watched the man struggle and eventually drown. One man was reported to have rushed off of the beach saying "There is a man just now drowned near my bath house. I think it is Mr. Ralston ... I know it is!" The exact cause of death has been debated because there are some who think he was poisoned. There are others who thought it was a fatal accident and still others, like William Sharon, who said he entered that water with suicide on his mind because he was not strong enough to face the frauds he had committed. In the end the official cause of death was that he suffered a stroke while swimming which must have been brought on by the severe amount of stress he was under.

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William Ralston was a tycoon, he was an elite member of society and fought his whole life to get there. Ralston made decisions which affected his standing in the city which he created. People mourned him, and many attended his funeral to celebrate what he had done for the city of San Francisco. Ralston was a man who lived, and died in the city he loved which amazingly enough he himself was part of creating.

Before he died an agricultural city in the California's Central Valley wanted to honor his contributions by giving their town his namesake: Ralston, California. Of course Ralston declined the honor and in an ironic turn of events a spokesman for the city unveiled the city's new official name. The spokesman told the people in attendance that Ralston had declined the honor because he was a very modest man and that henceforth their proud city would be referred to as Modesto. I can only imagine the enormous smiles this put on the faces of those who knew William Ralston.

Ralston made, and lost, and made, and lost more money than most of us will ever see in our lifetimes. Ralston dominated so many industries and in the end was unable to escape his fate. He was not able to escape his fate or more appropriately the consequences of the



Modesto, CA (1870) - Credit to Modestogov.com

decisions he made over the years. It's true he wasn't holding anyone hostage, robbing people at gun point, or committing murders in the dark alleys of San Francisco but William Ralston was guilty of exactly the same thing that got Al Capone caught. Greed. Be the best, best the fastest, be the biggest, and be the newest. Ralston may not have openly craved extensive reserves of cash but we know through his business transactions he needed to feel or be viewed as elite and the struggle to hold up this facade brought an end to his reign. William Chapman Ralston died under suspicious circumstances swimming towards Alcatraz in the San Francisco Bay which naturally

brought an end to a long series of good and bad decisions he made in his lifetime. Ralston was unable to be the best forever and just like Alcatraz faded into the background of the Bay Area to become part of moment of historical significance. Had he lived, had he not met significant personal collapse like the silver mines or like the Bank of California I believe that Ralston would have loved to talk about his superiority and relish in the shadow of what he created. Yet in the end he was unable to escape the consequences of his



Ralston, Von Schmidt, Davis - Credit to fog-city.com

decisions, like Capone or Cohen, and one would have to be a history enthusiast to understand his true contributions and decisions which helped shape the city by the bay.

As I said before, we love the impossible but more appropriately we love the opportunity to experience the rich and famous acting like, well, everyone else. Ultimately, they are human and capable of making the same mistakes we do every day whether they take up residence on Alcatraz or hold the center seat in the board room.

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