

The Man in t

A man with dark, wavy hair, wearing a grey suit jacket, a light-colored striped shirt, and a patterned tie, is sitting on a brown leather couch. He is looking directly at the camera with a neutral expression. Behind him is a large, ornate, gold-framed painting. The lighting is dramatic, with strong highlights and deep shadows.

The killing in Geneva of Edouard Stern, one of Europe's richest men, stunned the global financial elite. Once the heir apparent to Michel David-Weill, his father-in-law, at the investment bank Lazard Frères, Stern was known as much for his brutal arrogance as for his dashing style. With exclusive access to the financier's inner circle, including the friend who found his latex-clad, bullet-riddled body, **BRYAN BURROUGH** reveals the fears and enemies that plagued Stern's last days as well as the erotic entanglement that came undone just before his death

The Latex Suit



LEFT, BY PIERRE OLIVIER DESCHAMPS

LIAISON DANGEREUSE

*Opposite, Edouard Stern at Lazard Frères, 1995.
This page, Stern girlfriend Cécile Brossard, on vacation with him in Tanzania, 2002.*

T

he story out of Switzerland that Tuesday in early March was startling, yet oddly familiar. The financier Edouard Stern, one of Europe's richest men, confidant to any number of French politicians, the man who had once been heir apparent at the elite Anglo-French investment-banking firm of Lazard Frères & Co., had been found dead in Geneva, in his locked penthouse apartment. Details were scanty, other than a Swiss magistrate's cryptic announcement that the death had been "a crime." Bold headlines in the European papers speculated it was murder. At least one used the word "assassination."

The news swept the high social and financial circles of New York and Paris like a monsoon. Everyone knew Edouard Stern, or at least knew of him. In Paris his death was tantamount to that of a Rockefeller. Scion of one of France's oldest banking families, he had been married until 1998 to Béatrice David-Weill, the daughter of Lazard's chairman, Michel David-Weill. Edouard and Béatrice, who works at Sotheby's in Manhattan, had three children (two are college-age, and the other is much younger).

Béatrice has a wide circle of friends in New York and Europe who describe her as lovely, soft-spoken, and, as one put it, "remarkably unspoiled, considering her background." Everyone loves Béatrice. Not so her husband. On Wall Street, where he was ousted from Lazard in 1997, the 50-year-old Stern was considered—there's no way to sugarcoat this—an arrogant prick. Since 1998, he had run a \$600 million investment fund out of Geneva and quietly lent his advice on some of Europe's largest mergers of recent years. Few disputed Stern's brilliance, but even fewer defended his abrasive personality. He was renowned for shouting down subordinates—a favorite form of address was "you fuck-

ing moron"—and roiling dinner parties with inappropriate confrontations, usually triggered by the conviction that a dinner companion's I.Q. didn't match his own. After his death, all the old stories of how he had supposedly booted his own father from his family's vaunted Banque Stern were exhumed and examined in detail.

Within hours of Stern's death, bizarre theories were thrumming through Geneva, Paris, and New York, many dealing with investments he was rumored to have made in Russia, others having to do with a vicious lawsuit he was fighting with a French company in which he had invested. Then, 48 hours after the body was found, a Swiss newspaper, the *Tribune de Genève*, dropped a bomb: Stern had in fact been murdered, shot four times. But the even more jaw-dropping disclosure was that he had been found encased in a flesh-colored latex bodysuit. A murder mystery that had first appeared laden with political and corporate intrigue suddenly took a sharp swerve toward the kinky.

"People are just in shock," William Cohan tells me the next day. Cohan is a one-time Lazard banker who has recently been interviewing David-Weill, Felix Rohatyn, and other current and former Lazard partners for a forthcoming book on the firm to

century business disputes, Cohan replies, "Don't laugh. This kind of stuff has happened in Geneva before."

But when the truth is finally revealed—or what the police represent to be the truth—it turns out that, no, nothing like this has happened in Geneva before. Or anywhere else.

I had a strange brush with Stern's death. On Saturday, February 26, two days before he was killed, I was surprised to hear on my cell phone two urgent messages from a man I hadn't spoken to in several years, Jeffrey Keil, who was president of the former Republic New York Corporation, and who I knew was now doing some kind of business in Europe.

Keil and I played phone tag for the next several days, never managing to hook up. The following Tuesday, I took note of Stern's death. I didn't know him, but I knew the Geneva banking scene from a time, in the early 1990s, when I was writing about a smear campaign the American Express Company had run against Edmond Safra, who then owned the Republic National Bank, one of its rivals in the international banking world. In fact, Stern's death reminded me of the day in 1999 when Safra had died in a fire at his

“It took a moment for it to sink in that I was looking at a dead body... It was evil.”

be called *The Last Tycoons*; he was to interview Stern the week after the murder. "Look," Cohan says, "a lot of people didn't like this guy. Some feel, at a visceral level, you know, 'I'm not going to shed tears for this guy.' But when you get past that, it's pretty damn shocking. I mean, people just don't know what to think."

Asked what theories were circulating at Lazard, Cohan says, "There are two veins of thinking at the moment. The Russian/Eastern European Mafia vein. And the S&M vein. A head-to-toe flesh-colored bodysuit? A latex suit? That kind of speaks for itself. [As for the Russian angle] the scuttlebutt is he had several investments over there that went sour, and he's seeking some kind of restitution." Confronted with skepticism that anyone—even the Russian Mafia—really hires hit men to settle 21st-



home in Monte Carlo. Then I had received a panicked call from one of his aides, asking me to help run down reports that Safra had been murdered by assassins dispatched by the Russian Mafia. (The fire, it turned out, had been set by one of Safra's nurses, who thought, bizarrely, that he might ingratiate himself with his boss by saving him from what was supposed to have been a minor fire. The nurse was later convicted of murder.)

I was mulling parallels between the two men and their mysterious deaths the following Monday, March 7, when Keil finally reached me in my office. Making small talk, I asked what he had heard about Stern's death. "I'm walking out of Edouard's memorial service in Paris right now," Keil replied. "Edouard was the reason I called you."

At first I didn't understand. "Hold on," I said. "You were calling me about Stern before he was murdered?"

Keil explained he was now one of

don't mean to be dramatic, but it was something that was costing people their lives. It's a matter where everyone that touches it has to be very careful. Even you. Mind you, Edouard was not a guy who was easily frightened. But this . . . this is pretty sinister. Edouard was looking for someone who could shine some light on what was happening. I mentioned your name. He told me to call you. And then . . . then . . . this happened."

As we talked, Keil said, he was walking toward a limousine to speak with Béatrice. As he hung up, he promised to put

"I want to give you an eerie experience," Keil says, rising from his chair. He steps to a desk and lifts his cell phone from its cradle. He presses several buttons. "I'm going to play you my last message from Edouard." He hands me the phone, and I hear Stern's voice, speaking in smooth, unaccented English, in a message he left for Keil on Sunday morning, the day before his death.

In the message, Stern is worried about a legal brief his lawyers will file the next day in the litigation between Stern and Rhodia, a French chemical company he had invest-



FEMME FATALE

(1) Stern on a hunting trip in Europe. (2) Stern with Michel David-Weill and David-Weill's daughter (and Stern's then wife) Béatrice. (3) Stern and Brossard on vacation in Africa during the summer of 2004. (4) Brossard (second from right) in Paris in February.

Stern's partners. And then he began to tell me the story of the strange—but, again, oddly familiar—corporate struggle that had, in the days before his death, left Stern worried about his safety. Keil chose his words carefully.

"Edouard shared his fears with me," he said, "and there was one particular matter that had him on the edge of his chair. I

me in touch with people who could show me Stern's strange, private world.

Forty-eight hours later, I find myself staring down at the rooftop of the main branch of the New York Public Library from a perch inside Keil's spartan Fifth Avenue offices. Keil informs me he had been running the New York office of Stern's main investment vehicle, Investments Real Returns (I.R.R.), off and on for the last seven years. With Stern, he had helped to broker the sale of the Republic National Bank to the HSBC conglomerate in the weeks after Safra's death.

ed in. The \$89 million Stern sank into Rhodia was all but gone, and Stern sued, claiming Rhodia executives had misrepresented the company's finances when they sought his investment. Three days before Stern left the message, one of the Rhodia directors whom Stern was suing had been named France's minister of finance. "Should we downplay it [in the brief]?" Stern asks. "Or not mention it . . . It's pretty urgent. We have to give the brief tomorrow."

Rhodia had once been controlled by the French government and is still considered a creature of its origins. "I only found this out a couple of days ago, but a judge issued Edouard a concealed-weapons permit sometime last year," Keil is saying. "Edouard was carrying a concealed gun, a pistol, although I never saw it. The judge warned him that he was entering 'more dangerous territory than you know.'"

However far-fetched it sounded, Keil believed the murder might have been linked to the Rhodia litigation. This had been a subject of some debate within Stern's inner circle the day of CONTINUED ON PAGE 118



KATE MOSS'S PRINCE ALARMING

Not since Keith Richards and Anita Pallenberg cut their decadently glamorous swath through 60s London has a rock 'n' roll romance so thoroughly hooked the British press: model Kate Moss has fallen for one of the country's most notorious drug addicts, former Libertines front man Pete Doherty. She's even taken to singing with his new band, Babyshambles. Doherty says Moss has saved his life. But tallying the canceled concerts, rehab stints, and jail time, EDWARD HELMORE wonders how dangerous their liaison may be

PHOTOGRAPH BY HEDI SLIMANE

Pale Male

chicken feed to the well-heeled residents, but, says the source with a little eye roll, money that could have gone to a good cause such as homeless humans instead of nestless hawks.

On December 23, the installation of Pale Male and Lola's new nest support was completed. Benepe declared it a "crèche," and E. J. McAdams put on a safety harness and swung over the side of the building to drop in some sticks from the original nest, the one that the building had torn down in the 90s. Scaffolding erected for the construction remained in place through the Christmas holidays, blocking the birds' return and sparking talk of another demonstration. But on December 28, the barriers were removed, and Pale Male and Lola began to rebuild their nest. Inside 927 Fifth Avenue, the residents resumed their private lives. "The building is

not a building where everyone is best friends, so it has impacted relationships between people, I think," says one resident. "Nobody's talking to anybody," offers another shareholder. "Everybody's looking down on the ground if you walk by them." The first resident adds: "I think the real story is the board made a serious mistake, and it was harsh and, some felt, heartless and didn't recognize the importance of these hawks. But when they recognized the error, they fixed it. So Richard and the board should be in some sense scolded, but also lauded for recognizing the error and working aggressively to solve it."

By the time this article is published, the world may know whether the board of 927 Fifth approved the sale of Mary Tyler Moore's apartment, and whether Lincoln Karim will pursue a civil case as a result of his December arrest. And they will most certainly know what the hawk-watchers strongly and sadly suspect: that Pale Male and Lola will not produce a brood this season. In early

spring, though no one had seen any eggs, the birds were exhibiting behavior consistent with the incubation period. But as April turned to May, the typical 28- to 35-day period that red-tailed-hawk eggs take to hatch passed, and hawk experts began to suspect that, as could have been the case with Pale Male's first two nests at 927 Fifth, there may not have been enough nesting material between the eggs and the pigeon spikes—and, well, it's possible to guess what might have happened from there. But while this could be ammunition for another round of recriminations, no one among the hawk-watchers seems to be scratching that itch. "We want the building to feel good about this," Flicker says. "This is a good-news story. We can heal things and people can learn."

Besides, there's always next year, and for now, the hawk-lovers seem content in the knowledge that Pale Male has been returned to what they consider his rightful perch: the top predator of 927 Fifth Avenue. □

Edouard Stern

CONTINUED FROM PAGE 99 the memorial service, he says. When he arrived in Paris for the service, Keil found Stern's number-two man, Michel Garbolino, irate. "I told him not to bring this suit!" Garbolino seethed. "I told him!"

"Do you think that's what it is?" Keil asked.

Suddenly calmer, Garbolino replied, "No, I don't." He mentioned that in recent months Stern had been meeting quietly with a series of Russian "businessmen." It was clear from his tone that Garbolino found the men from Moscow a tad rough around the edges. "Some of these Russian people," he said, "I really hated."

But these were just theories. All those who worked alongside Stern were going over their boss's last hours in detail, hunting for any clue of something unusual. Stern had spent that last Monday in his seventh-floor office in the sleek eight-story green glass building he had bought on the Rue de Villereuse, across from Geneva's Museum of Natural History; his body was found the next day in the apartment he kept in the building next door, which he also owned. The Rhodia filing had been due, and there was a long conference call with lawyers in Paris and New York. From what he learned, Keil says, the last person to see Stern alive was probably his girlfriend Cécile Brossard, whom he described as a "nice girl . . . an artist of some sort." She had dropped by Stern's apartment Monday evening on her way out of town and saw nothing strange or suspicious about Stern's

manner. Keil felt sure she wasn't involved.

I ask what he knows about Stern's sex life. "The sex thing? I don't have a clue," Keil says. "A latex suit . . . I mean, no one knows what to make of that."

Edouard Stern was a man out of Hemingway—or Danielle Steel. Lithe, mysterious, and craggily handsome, blessed with a quick mind and a temper to match, he had long been viewed as an up-and-comer in the loftiest circles of finance on both sides of the Atlantic. Men as disparate as Michel David-Weill and the late British financier Sir James Goldsmith coveted him as a protégé. Longtime friends say there was something primal about Stern, something hungry, almost animal-like, in his cold stare, his ruthlessness. A onetime Lazard banker told me, "I had one partner who said he only met one person in his life who made the hair stand up on the back of his neck, and that was Edouard."

As a member of Lazard Frères' executive committee, Stern was approaching the zenith of Wall Street power eight years ago, when a falling-out with his father-in-law, David-Weill, led to his resignation. It was a startling turnaround for a man who had seemed destined for greatness. By the time he died, Stern had been reduced to the life of a Swiss money manager—a fabulously wealthy Swiss money manager sitting atop \$600 million, but a Swiss money manager nonetheless. He spent much of his time jetting around the world, examining investment opportunities in Moscow, Tokyo, New Delhi, São Paulo, Mexico City, and elsewhere. A lover of modern art, opera, and history—he enjoyed quoting Chur-

chill and Napoleon—Stern spent an entire month each year hunting big game, mostly in Africa; he had an extensive gun collection. The dead animals' heads with their glistening glass eyes had been exiled by Béatrice to the walls of a coach house on his sprawling estate, an enormous 17th-century château on several hundred acres outside Paris.

Stern had been groomed for greatness. He was the only son of the banker Antoine Stern, whose family had been tending the needs of the French aristocracy since 1823. Friends who knew Edouard in his teens describe him as headstrong, impulsive, impatient, and brimming with confidence, a strapping young man certain of his own bright future. His closest friend was David Braunschvig. The two shared a math tutor and spent their free time racing motorcycles, chasing girls, and playing golf. Twenty years later Braunschvig renewed their friendship when both found themselves at Lazard, where Braunschvig still works.

"What I found remarkable was that, though in the interim he had been enormously successful, he was unchanged—the continuity between the teenager and the accomplished businessman, I found that so interesting," Braunschvig says. "The way he stood out, both in his youth and as a mature man, I would characterize it as dashing. He had a dashing personality in both senses of the word. Everything he did, he did with speed and brilliance. He was like that at 15. He always wanted to challenge the existing order of things. There were no taboos. This might seem a bit ordinary from an American perspective, but in France a high-school education is much

more strict than it is here, the discipline, the long hours. Many kids, as a result, develop a shy or introverted demeanor. Edouard was always outspoken and irreverent. That's because from an early age he had this sense of self—he was not going to be threatened by any existing order. He wrote his own rules."

There is a story, possibly apocryphal, that while at Essec, one of Paris's premier business schools, Stern bet a classmate that he could drive his Golf GTI at 120 miles per hour—inside the city limits. A group of friends armed with stopwatches gathered at three A.M. to watch. When Stern roared by in the car, they saw it was indeed going 120. Unfortunately, a policeman saw it, too, and detained Stern, whose driver's license was revoked. A short time later, Stern posted a notice on an Essec bulletin board, asking whether anyone wished to drive a sports car twice a day. Several classmates responded, which is how Stern got his first chauffeur.

Stern was 22 when he was tapped by his grandmother and uncles to replace his father as president of the faltering Banque Stern. French newspapers called him an *enfant terrible* and denounced him for ousting his own father. "To read the papers, he was just this monster," recalls decorator Robert Couturier, a family friend. Stern, who disdained publicity, never set the record straight.

Stern's grandmother—who, during the war, had fled the Nazis and worked in New York City as a saleswoman at Bergdorf Goodman—worried that Stern had no confidants his own age among the bank's graying staff, and she brought in a dapper young lawyer named Kristen van Riel, who remained Stern's attorney and sounding board for 25 years. A onetime member of the board at Sotheby's, van Riel is now executor of Stern's estate.

"Everyone said Edouard stole the bank from his father," van Riel tells me over coffee and cigarettes at Geneva's Hotel d'Angleterre, "but he couldn't have, because he didn't own a single share of stock. It was the grandmother and the two brothers who did it! They threw him out! His father was already on the way out when Edouard was brought in to save the bank! Which is what he did."

Stern not only saved the bank from bankruptcy, he returned it to profitability, eventually realizing a surprising \$335 million for its sale to a Swiss group in 1987. Overnight, speculation spread: What would he do next? His 1984 marriage to Béatrice gave Stern entrée to the powerful David-Weill family and made him a candidate to run something big. At 32 he already had a C.E.O.'s presence. Almost everyone I spoke to talked

of how Stern dominated any room he entered.

"He had immense charm," says Braunschvig. "It was almost irresistible. When he went into a room and started talking, it commanded people's attention. Not because of the seriousness of his intent, but just, you know, there are people who have a compelling presence. Charisma. He had that from the earliest years."

"Edouard had two sides," observes Sandy Koifman, his longtime office-mate. "In his personal life, at lunch, at dinner, he was charming, witty—the perfect French intellectual. He could remember just about any punch line Winnie [Churchill] ever threw. He could go on with endless discussions of modern art, music—you name it. But, ah, he had another side . . ."

This was the side that terrified subordinates, prompted close friends to wince, and brought more than one dinner party to a screeching halt. "He had the lowest tolerance for stupidity of anyone I ever met," says Jeff Keil. "He, I would say unfortunately, didn't seem to let that bother him in the least. I remember one time in particular. Everyone was at my place in Amagansett, with families, Béatrice, their kids. France had just won the World Cup. The papers had suggested France won as a result of bad refereeing. Someone mentioned that. Edouard, at the dinner table, said to the poor person, 'That's the stupidest comment I've ever heard. How could you possibly know?' Everyone kind of froze. I remember poor Béatrice just said, 'Oh, Edouard.' That was how he was. Strangely enough, he might do that and later on, having coffee, sit next to the same person, engage them in a discussion on something they were expert in, and be totally respectful. In some ways he was a social disaster."

Stern's temper was even more severe in an office environment. "What he could not accept was stupidity, mediocrity," says Koifman. "If you said you gave him something, and you really didn't, he would blow a fuse. He would go from zero to Godzilla like that. It was very unpleasant. He would fire people on a whim. He would go into a fit of screaming. Screaming. 'You're a fucking moron! You fucking idiot!' Like that. They were a child's tantrums, although more often than not he would apologize later. We had a very high turnover rate."

Koifman cites the time that Stern, at I.R.R., hired a new stock analyst and a new trader. One day, when the analyst was on vacation, Stern asked the trader to do a bit of analytical work. "He gave it to Edouard, who then called him a fucking moron and fired him on the spot. I said, 'Why,

Edouard? He's not trained to do that.' But that was Edouard. A month later, he fired the analyst, who did a bit of bad trading. Well, he wasn't a trader! He was always so impatient. He must have been a spoiled brat as a child. If he wants something, he wants it now, no matter the training—you know, 'You're all my slaves. DO IT!'"

After the 1987 sale of Banque Stern, Stern spent five years stretching his legs, investing in various ventures (including a hotel in Vietnam) alongside his second cousin and close friend Sir James Goldsmith. Finally, in 1992, Stern accepted Michel David-Weill's invitation to join Lazard, where he was named to the executive committee. It was assumed he was being groomed to succeed David-Weill.

Yet it was a poor fit from the start: Stern's mind-set was that of a "principal," a wealthy investor, while Lazard's reputation is built on service, i.e., servicing wealthy clients. Worse, his arrival coincided with a rare period of tumult at Lazard—which Stern, with his abrasive, go-it-alone style, only exacerbated.

"You had a lot of forces going on at the same time," William Cohan says. "You had [Lazard senior partner] Felix [Rohatyn] making noises about wanting to leave the firm. You had a younger generation of partners who were far more ambitious than anyone in the past, loosely led by Steve Rattner, who wanted to resolve the looming succession issues at the firm. No one anointed Edouard. As Michel told me, he was sort of taking Edouard for a test-drive. But when the extremely wealthy son-in-law of the patriarch is brought into the firm, that makes people extremely nervous. And remember, Lazard has always been a firm that keeps people extremely nervous anyway. It was a very, very combustible mix."

Stern not only failed to calm the anxieties of partners such as Rohatyn—he also roiled them. "There are very few people who liked him," Cohan says. "He was absolutely ruthless. And remember, symbolism is very important at Lazard, the way you act, the way to kowtow to Michel. Edouard didn't give a shit about any of that. He was an iconoclast. He didn't care whom he pissed off. He was wealthy, used to doing things his own way. He had total 'Fuck you' money, and that's how he acted."

The number of complaints about Stern had been rising for some time when, in mid-1997, he engaged in a hot dispute with one of Lazard's partners in Paris over which of them should accept a seat on the board of a leading French aluminum company. For David-Weill, it appears to have been the last straw. Stern's severance package was generous, to say the least. A Lazard affiliate agreed to invest \$300 million in a fund

Edouard Stern

Stern would manage from a base in Geneva, a tax haven that was also one of Stern's favorite cities; Stern, in turn, agreed to put in \$300 million.

Banging out details took more than a year. In the interim, Stern busied himself with a bid to buy Israel's largest bank, Bank Hapoalim. The bidding group's nominal head was Jeff Keil, whom Stern had lured to Lazard to examine some Middle Eastern banks they might buy. Within weeks of his arrival, Israel announced the privatization of Bank Hapoalim. Keil quickly raised \$500 million for a bid: Stern secured a \$300 million commitment from the Lazard affiliate, then chipped in \$200 million himself.

In Israel, Stern supplied an introduction to Prime Minister Benjamin Netanyahu and other senior officials. But in the end it came down to numbers: in September 1997, the Keil-Stern group's \$1 billion bid was topped by a \$1.1 billion bid from a group led by the Miami cruise-line magnate Ted Arison. Afterward, Keil joined Stern at his chateau outside Paris, much of it planted with formal gardens. As they walked, Stern squatted to describe every flower and bush, impressing Keil with his knowledge of horticulture.

Stern was set to unveil his fund, and after their walk Keil agreed to run its New York arm. Sandy Koifman, meanwhile, left Edmond Safra to work beside Stern in Geneva. Koifman purchased two modern, marble-and-glass buildings for Stern to use as his new headquarters, the office block at 22 Rue de Villereuse, and an adjacent six-story building, where Stern moved into a 2,000-square-foot apartment on the top floor. When it came time to name the fund, Keil suggested a play on the most common measure of investment success, "internal rate of return," or I.R.R.; they agreed to name the fund International Real Returns. But when a Swiss attorney went to register the name, a clerk objected to the word "international."

"So Edouard, who was very impatient about these things, told the guy, 'Just change it to "Investments,'" " Keil recalls. "So the fund is called Investments Real Returns. It's a slightly ridiculous name. Everyone just calls it I.R.R. That was just so typical of Edouard."

As word of the new fund spread, opportunities began flowing across Stern's desk. I.R.R.'s first investment was the \$50 million purchase of Maille, the condiment company whose Dijon mustard has been a feature of French meals since 1747. Its second move was a \$20 million investment in Chrysalis, an India-based fund that sank money into

dozens of companies springing up across the subcontinent to serve American outsourcing. Unlike some funds, I.R.R. had no special focus. It spread its money across an array of companies around the world, wherever Stern saw an opportunity. By 2003 the fund had investments in Western and Eastern Europe, Russia, Japan, Mexico, and the U.S. "If someone wanted to criticize us, it would be for a lack of focus," says Keil. "Frankly, we invested in too many things. We were quite diversified. It made it hard to supervise so many far-flung things."

On a trip to Moscow, where Stern was investing with the Hermitage Fund, he and Keil were returning to their jet when an immigration officer pointed out that Keil's visa had expired. He couldn't leave the country. Stern angrily paced while Russian officials discussed what to do. In the meantime, another guard informed Stern that he too couldn't leave. He had too many Russian rubles in his wallet. "I don't see that as a problem," Stern fumed. "Do you have a cigarette lighter?" When the guard produced one, Stern took it and dramatically burned several thousand dollars in rubles. The Russians let them go.

In New York, Stern spent as much time analyzing restaurants as investments. He and Keil took long lunches near I.R.R.'s downtown office, at Da Silvano, in Greenwich Village, and especially at the noted sushi emporium Nobu. "The single most distinctive and unusual characteristic of Edouard's was how much sushi he ate," says Keil. "He could eat 50 or 70 pieces of sushi at one sitting. I'm not kidding. We took turns paying the bill. Usually \$300 or \$400." Later, when I.R.R. relocated its New York office to Midtown, Stern discovered Sushiden, on 49th Street. "We ordered so much, the waiter was always sure we were making a mistake," Keil recalls. "'You're expecting more people? It's enough for five people.' Edouard's metabolism must have been three times the speed of mine. I would gain weight. And he didn't."

Stern's ravenous appetite, coupled with his impatience, could be a problem in the financial world. Even when presented with an investment opportunity of \$50 million or more, he could make a decision in minutes. "His investment style was a blend of thoroughness and impulsiveness," says Keil. "He had great confidence in his abilities, and as such he made up his mind very fast. Sometimes too fast." Stern was so impulsive, in fact, that Sandy Koifman created "the 24-hour rule," that is, no money could be invested for at least 24 hours after an opportunity was presented.

Hastiness may have been the problem with Stern's third and largest investment at I.R.R., the \$89 million he sank into Rho-

dia. It was a disaster. Soon after, the stock began to sink. To make a long story short, Stern began screaming at Rhodia's management. When that didn't work, he launched a proxy fight to gain a seat on the company's board. In 2003 he lost. Later that year he sued. The litigation is complex and bitter.

Sometime in mid-2004, as the legal wrangling intensified, Keil says, Stern had a strange conversation with a judge in France, in which the judge suggested that Stern get a concealed-weapons permit. Stern later secured a similar permit for Switzerland. But he made no effort to increase his personal security, and he did not use a bodyguard. Still, he was openly worried, and that concerned his partners. Which is why on Tuesday, March 1, when Koifman found Stern's body, a number of his associates quickly thought of the Rhodia litigation. They might have thought otherwise had Koifman described for them the macabre scene that greeted him when he walked through Edouard Stern's bedroom door.

The view from the terrace outside Stern's old office is spectacular, west across the rooftops of downtown Geneva, out over the lake, past the white geyser of the Jet d'Eau, all the way to the snowcapped mountains, outside the city. Sandy Koifman's gaze, however, is directed downward, toward a balcony on the adjacent building, 30 feet below our perch. "That balcony," he is saying, "was Edouard's. That window is his bedroom window. So he was killed right there"—he gestures toward a steam pipe on the building's roof—"right under that pipe. That is where I found his body."

Koifman, a charming French mathematician turned trader with dancing eyes and a nest of unruly salt-and-pepper hair, is standing outside his eighth-floor conference room, outside what was until a year ago Stern's office. The two men worked side by side for six years, until Koifman formed his own firm, last spring. The split was amicable, and the men remained close, chatting about the markets throughout the day and sharing pizzas on Sunday; in the reorganization, Koifman stayed on the eighth floor, and Stern took over the seventh.

This is the first interview that Koifman, who was raised in the discreet world of Swiss finance, has ever given. On our way downstairs, he stops the elevator, and we step out into Stern's work area. The space is small and dim, a few glass-walled offices grouped around a bull pen, where a pair of assistants are studying multicolored columns of numbers on computer screens. Koifman motions to the left, toward Stern's corner office. The door is still sealed with two strips of red police tape.

"You see?" Koifman asks, arching his eyebrows.

On the street, he leads the way down the block to Stern's favorite restaurant, a storefront sushi parlor called Hashimoto. "The Monday of his death," Koifman says as we take seats in the middle of the room, "my wife and I were sitting in that corner, and Edouard was sitting there"—he motions to another corner table—"by himself. He was reading a newspaper. He gave my wife the customary Swiss three kisses on the cheek. Perfectly banal, perfectly normal. Monday noon." A waitress approaches. "This lovely girl," Koifman says with a smile, "told me later that Edouard ate here that night as well. Alone."

Koifman orders the sushi. "I spoke to him on the phone once or twice that afternoon. Don't ask me what it was—Eurobond rates, something," he continues, lighting the first of a string of Marlboros. "That night, of course, I didn't see him. I rarely saw him after work, except on weekends." Outside the office, Stern appeared to live a quiet life. Blue jeans and T-shirts were his typical attire. He was an avid reader, though Koifman had gotten him hooked on two American television shows, *The West Wing* and *24*.

On Tuesday morning, March 1, a former partner at Goldman Sachs had a 10:30 appointment with Stern. At 10:40 the man called Koifman from the lobby to say Stern hadn't shown. "That's when we knew Edouard was missing," Koifman says. "That was very unusual. Being late was common, but he would have called." Still, Koifman wasn't worried. He assumed Stern was in his apartment; he had bought a new Bentley just the week before, and Koifman had seen it in the parking garage that morning when he parked his own car beside it.

Then, at 11, Stern missed an appointment with his friend William Browder, who ran the Hermitage Fund. Stern's secretary telephoned Koifman. "Is he up there with you?" she asked.

"No," Koifman said. "I haven't seen him."

Koifman telephoned Stern's apartment. No answer. He called his cell phone. No answer. He called twice more before heading to Hashimoto at 12:30. Checking with Stern's secretary at 1:45, he was surprised to learn that Stern still had not appeared. Concerned, Koifman returned to the building and asked one of Stern's assistants for the key to his apartment. It couldn't be found. While the assistant telephoned the concierge of Stern's building, whose wife cleaned the apartment, Koifman called a nearby hospital. It took a half-hour to ascertain that no one named Stern or matching his description was there.

At 2:30, Koifman and two assistants met the concierge and his wife in the hallway

outside Stern's apartment. "I was thinking, Maybe he slipped and fell in the bathroom," Koifman recalls. "I had a friend who died of a heart attack at 45." They waited just long enough for a final word from the hospital. "That's when I told the concierge, 'Open the door,'" Koifman says.

He stepped inside, along with the assistants; the concierge and his wife remained in the hallway. The first thing Koifman noticed was the small table inside the door; on it sat Stern's cell phone, his wallet, and his keys. "Edouard?" he called.

No answer.

Koifman glanced to the right, into the kitchen. It was empty. The living room was spare, paneled in blond burl wood. Works of modern art lined the walls. Two of Stern's Windbreakers lay across a sofa.

"Edouard?" Koifman asked.

He stepped to the bedroom door. It was ajar. Beside it sat a pair of sneakers.

"Edouard?"

No sound came from the bedroom.

"I went to the door, pushed it with a finger; it opened," Koifman says. "The bedroom is plain, a big bed—king-size, Americans would call it—nothing else. Very Zen. You see nothing laying about. Everything's in built-in closets. Just behind the door was a body on the floor, with a huge pool of blood behind the head. I have to admit, at first glance, I thought it was a piece of modern art. The French would call it Surrealist art. I thought it was something to step over, just a piece of art. I've seen weirder things in people's apartments.

"It took a moment—a minute, 30 seconds, 5 seconds, I don't know—for it to sink in that I was looking at a dead body in Edouard's apartment. It was covered head to toe in this, this flesh-colored suit—I later learned it was latex. There were no holes in the face—I don't know how someone could even breathe. You know when you walk past Macy's and they haven't dressed the mannequins yet? That was what it looked like. He was lying on his side.

"I couldn't see the face, the head. If I'd seen that same body in a Manhattan subway station, it would never have occurred to me it was Edouard Stern. You couldn't see anything." There was a thin white rope draped over the body. Beside it was a chair. More ropes lay on the chair. "It was really a nasty scene," he says. "You know that movie *Seven*? That kind of scene. It was just, you know, I don't mean to be dramatic, but it was . . ." Koifman taps his cigarette; ash crumbles silently in the tray. "It was evil."

Koifman says he then flipped out his phone and called the police, telling them he had found what appeared to be a dead body. They were on the scene within minutes. His next call was to Kristen van Riel's country home in France, where the butler

told him van Riel was indisposed. "This is really, really urgent," Koifman said. "Get him now." A moment later, an annoyed van Riel came to the phone. "What can be so urgent at this time of day?" he demanded.

"I said, 'Kristen, get your ass over to Geneva right now.' Those were the exact words I used," Koifman recalls. "[I said,] 'Either I've just found Edouard's dead body in his bedroom, which means you've got all sorts of administrative paperwork to handle, or I've found someone else's body, in which case you've got a whole different set of problems to handle.'" Koifman said the body was the same size as Stern's; he was beginning to realize it had to be Stern.

After Koifman hung up, van Riel called him back. "How do you know it's Edouard?" he asked. "Are you sure it's Edouard?"

Koifman, who insists he knew nothing of Stern's sex life, described the latex suit and explained that it made identifying the body impossible without disturbing the scene. "Kristen said, 'That's Edouard,'" Koifman says. He takes a long drag on his dying Marlboro, then stubs it out. "That's when I realized Kristen knew about the latex suits and of these issues in Edouard's life. He knew."

It's always difficult to pin down the facts of a person's sex life. It's even harder when that person is wealthy and can pay for secrecy. When that person lives in Switzerland, the world capital of secrecy—well, you begin to get a sense of the dense clouds of obfuscation that enshrouded Edouard Stern's private life.

He was adventurous, that much appears likely. Even before his death, co-workers speculated openly about his sexual orientation. "There's always been the supposition that he's gay," says one former Lazard banker. "Repeated supposition before this, absolutely—and of course after." Since his death, the rumored details of Stern's sex life have been a staple of dinner parties in Paris and New York. One international businesswoman claimed that she and Stern shared a lover in Paris, one gossip told me: "She was overheard saying that this girl was kinky and adored Edouard, because he had the most beautiful cock in the world. But the girl's was impressive as well, because she had this large black dildo she was known to use on her lovers."

Like the stereotypical Frenchman, Stern had his share of mistresses, to whom he could be exceedingly generous. When he got too generous, Kristen van Riel would intervene. In the early 1990s, Stern informed van Riel he was poised to buy one mistress a \$1.5 million Manhattan apartment. After a skeptical van Riel suggested he tell his paramour he was prepared to buy the apartment and rent it to her, the mistress

Edouard Stern

soon left Stern, as van Riel wagered she would.

Stern's vaunted analytical skills, it appears, did not extend to the fairer sex. "Every god-damned man in the world," says a Stern-family adviser with a sigh, "from Edouard to my father, when a woman tells him he's the most handsome, the most intelligent, he believes it."

Not all of Stern's romantic entanglements were so easy to unwind. In 1997, Stern began carrying on a passionate affair in Paris with a Russian woman named Julia Lemigova. The daughter of a Red Army colonel, she was a former Miss Soviet Union. The two shared a passion for guns and practiced together at shooting ranges. Reportedly, Stern discussed marriage with her several times, but would always back off. Once, he allegedly even had his psychoanalyst meet her for breakfast in order to determine if she would make a suitable wife. Supposedly, the psychoanalyst told him no.

The family adviser confirms a story that circulated at the time: Julia, now 32, became pregnant and gave birth to a baby boy in 1999. She told Stern it was his, and he accepted responsibility, visiting the infant daily and paying for an Eastern European nanny. When Stern told van Riel what had happened, van Riel suggested they administer a paternity test.

Van Riel launched a private investigation that established not only that Stern was just one of three men Julia was then sleeping with—throwing his paternity into doubt—but that she had relocated to New York's Pierre hotel, where she fell into the arms of a certain paper-industry magnate. When van Riel showed him photographs to prove it, Stern angrily threw them aside. He cut Julia off.

Amid these developments, however, the baby was suddenly rushed to a Paris emergency room. It died soon after. According to the family adviser, an autopsy confirmed that the infant had died from a brain injury, apparently caused by excessive shaking. Julia was detained, then released. The nanny, a Bulgarian woman, disappeared; the crime, if there was one, was never solved. After Stern's death, Lemigova wondered to the press whether someone had paid the nanny to murder her baby.

One of Béatrice's old friends says those around her were repeatedly surprised by her refusal to acknowledge Stern's sexual adventures during their marriage. "Béatrice was just madly in love with him, and always had been, since she was 15," this friend says. "She had no idea that he was gay or kinky or whatever it was. I know

one of her closest friends told me that she talked about this with Béatrice, you know, that so many people are saying he's come by with this boy or that girl. Béatrice said, 'Oh, they just make up these stories.' Either she really didn't know or she didn't want to know."

Though few outside their immediate family were aware of it, Edouard and Béatrice had divorced in 1998, the year after he left Lazard. They remained close, however, sometimes talking several times a day; Béatrice even managed to keep loose track of Stern's new girlfriends. In the weeks before his death, a family adviser says, there were at least three of them, scattered around Geneva and Paris. In conversation with Kristen van Riel, Stern rarely mentioned their names, but he had taken to nicknaming one of them. He called her "Latex."

Sandy Koifman, who endured six hours of police interrogation after finding the body, initially assumed Stern's death had been an accident during rough sex; seeing the ropes draped on the bedroom chair, he guessed that Stern had fallen and hit his head. Not for two days did he learn Stern had been shot.

Bizarre as the case appeared, one could see it might not be the toughest for police to crack. The only way into Stern's apartment was through a garage and a lobby that had been outfitted with security cameras; whoever killed Stern would appear on surveillance tapes. And from what little information was leaked to the Swiss press, it appears that that was almost all the detective work it took. One person was seen entering Stern's apartment that night, and one person alone: his girlfriend Cécile.

Her name is Cécile Brossard, she is 36, and she's some kind of artist, all right: in addition to sculptures she creates in her spare time, her principal employment appears to have been as a very expensive call girl specializing in sadomasochistic sex. Brossard's is not an unusual story. The troubled daughter of a French advertising executive, she had held a series of low-level jobs: waitress in the Parisian suburb of Roissy, clerk at a leather-goods shop, some modeling assignments. According to interviews her father gave the Geneva press, she decided about 10 years ago to become a full-time prostitute. Father and daughter hadn't spoken much since.

Like most call girls, Brossard preferred older men, the wealthier the better, for she had expensive tastes—Chanel, Hermès, a gray Mercedes, possibly a gift from Stern. She dipped into her savings in 1993 to buy a small house in the village of Nanteuil-le-Haudouin, outside Paris. She used it as a getaway, and to sculpt the odd, erotic nudes she hoped one day to display in her own stu-

dio. In 1996 she married—in Las Vegas, of all places—a 56-year-old herbal-medicine therapist named Xavier Gillet, who runs a clinic in Aigle, outside Montreux, an hour's drive from Geneva. The couple's apartment overlooks Lake Léman, in the Montreux suburb of Clarens. According to a Geneva paper, the couple was waist-deep in debt.

Throughout, Brossard appears to have worked for escort services, often sliding into Geneva hotel rooms as "Alice," a leather-clad dominatrix. By some accounts, this is how she met Stern. Their relationship, which her attorney dates to 2001, seems to have begun on a purely professional basis. According to some sources, Brossard may have been affiliated for a time with the infamous Margaret Network, a Paris-based trans-European escort service that had been run by a British woman named Margaret MacDonald and that was loudly dismantled by French police in 2002.

This much seems clear: what may have started as paid sex evolved into something more complicated. Brossard wanted to pursue a career in sculpture and interior design, and Stern wanted that as well. He hired her to decorate his apartment. At least twice, Stern took her on business trips. According to associates, their destinations likely included Russia and India.

Stern kept his personal life so private that Koifman and others deduced Stern and Béatrice's "separation" only last summer, and they learned of the divorce only after his death. It was last summer that Koifman met Cécile, when she joined Stern at one of their Sunday lunches. "I never even knew she existed until that day; he kept that part of his life completely separate," Koifman says. "She was a lovely woman, pleasant, not beautiful, very plain-looking, I thought. Just a run-of-the-mill, basic woman."

According to another longtime friend, Stern's relationship with Brossard was not what you might expect. It wasn't Brossard who pushed to be with Stern; it was the other way around. Each time Stern pleaded with her to leave her husband, she demurred, saying she feared a scenario in which she left everything she knew, only to have Stern lose interest and leave her without moorings. At one point last fall, this friend says, Brossard disappeared. Stern tracked her to Las Vegas, then surprised her at the airport upon her return to Geneva. "Edouard was very upset at the time," this friend recalls. "She didn't want to give up her life. She thought she would be left with nothing."

Soon after, Stern devised what he hoped would be the solution. On January 12, he opened a bank account for Brossard and deposited into it \$1 million. In the weeks

since his death, several explanations for this payment have circulated. One suggested it was for the purchase of eight paintings, said to be Chagalls, that Brossard was to buy for Stern. But this appears to have been a cover story. The \$1 million, Brossard later told police—and two Stern associates confirm—was money Stern had given her to leave her husband and establish her financial independence, apparently in anticipation of a more permanent relationship with Stern. “My sense was, this was Edouard’s solution to the problem—you know, ‘Now you won’t have to worry about money,’” one of the associates says.

It didn’t work out that way. On February 24, the Thursday before his death, Stern called and told Kristen van Riel he had a problem. (His first words were “You’re not going to like this.”) For the first time Stern briefed his attorney about Brossard, about the \$1 million—and about the fact that she had once again disappeared, or at least wasn’t returning any of his calls. (Stern didn’t, however, mention that Brossard was the girl he had nicknamed Latex.) Van Riel rolled his eyes, then, taking Brossard’s numbers, phoned her apartment, her country home, and her cell phone. None of the lines answered. With Stern’s approval, van Riel ordered the bank account frozen.

Stern was morose. “I’m never going to see her again,” he said.

Van Riel wasn’t so sure. Now that her account was frozen, he predicted, “she’ll call tomorrow.”

“And—surprise, surprise—she did,” says the family adviser. “She called Edouard on Friday.”

Apparently Brossard was less than pleased to find herself cut off. By Friday, van Riel had returned to his country home in France. Only after Stern’s death did he and other family advisers learn that Stern had arranged for Brossard to fly from Paris to Geneva that same day, February 25, and that Stern met with her at least twice that weekend, presumably to discuss the frozen bank account. They met one final time when Brossard went to Stern’s apartment on the night of Monday, February 28.

What is known about that night is all second- and thirdhand, related by attorneys and local reporters who fielded a leak or two from the police. “Only two people know what happened in that bedroom,” Koifman says, “and one is dead.” Given his attire, Stern was apparently expecting a sexual rendezvous. (“I don’t think you negotiate financial transactions wearing a latex suit,” Koifman says.) Brossard’s attorney in Switzerland refused repeated requests from *V.F.* to be interviewed.

An article in the French magazine *Paris Match* recently offered an account of what

happened in the bedroom, one which seems to have come from the defense camp. According to this version Brossard came to the apartment to discuss Stern’s repeated offers of marriage and the frozen bank account, but Stern was interested only in wringing a sexual thrill from the situation:

He presses a button concealed in the living room furniture, and two hidden drawers slide open. One contains sex toys for lovemaking sessions. The other holds four loaded firearms. Cécile Brossard continues to ask questions, but Stern doesn’t answer her; he is elsewhere. He slips into the latex suit that she gave him, and begins to lead her on. She plays along. His hands are bound, and he’s sitting on a “pleasure accessory.” At this point, she reportedly heard him tell her, “a million dollars is expensive for a whore.” At this, she grabs a gun and shoots four bullets in a row, two in the head, one in the chest, and one in the stomach. Stern falls to the ground.

However accurate this account, there is little disagreement about the result. By the time Brossard left the apartment and locked the door behind her, Edouard Stern lay dead on his bedroom floor, one bullet in his chest, one in his stomach, and two more in his brain.

Whatever Brossard’s sins, excessive premeditation seems not to be among them. Her movements in the following days suggest a woman in panic. Detectives found the garage surveillance tape and watched her drive away in her gray Mercedes. She first returned home, to the apartment in Clarens. But if Brossard thought she could slip back unnoticed into her routines, she quickly realized otherwise. A few hours after leaving Stern she purchased an airline ticket—apparently at random—to Sydney, Australia. She took a taxi to Milan and caught the flight.

When she reached Sydney, Brossard placed at least three phone calls. “Five minutes after landing, she made two calls,” says the Stern-family adviser. “One to a banker in Montreux to see whether the account is open yet, and one to a lawyer, asking him to speed up [the process] of opening it up.” The same day, Brossard telephoned Stern’s half-sister Fabienne in Paris, asking about a rumor that “something had happened to Edouard.” Fabienne put her on speakerphone with van Riel sitting beside her. They listened as Brossard, who was not yet suspected of involvement in the crime, volunteered that she had visited Stern the night of his death and had broken up with him. “Tell her she has to come back to testify,” van Riel whispered.

For whatever reason—either she was rethinking life as a fugitive or was convinced she wasn’t a suspect—Brossard promised to come back, and, after persuading her hus-

band to buy a return ticket, she left for Switzerland. Before she did, she mailed a package to an aunt and uncle in the French city of Nancy. Some reports indicated it contained a dildo and other sex toys—one can only imagine what her aunt and uncle thought—but Brossard’s attorney told the Geneva papers it held only clothes: a blouse and strapless bra, slacks, stockings—the things she had worn the night of the shooting.

Swiss police were waiting when she arrived in Geneva. They took her into custody on Saturday, March 5, and questioned her for nine hours. Brossard reportedly cried throughout, claiming she knew nothing of Stern’s death. She was allowed to return home, but police kept her under surveillance the following week. In the meantime, an examination uncovered Brossard’s fingerprint on the latex suit. (“It’s not like in those leather magazines; it’s like a condom,” van Riel explains. “A life-sized condom.”) It was more than enough for an arrest warrant.

On the morning of Tuesday, March 15, five days after Stern was buried in a cemetery outside Geneva, police appeared at Brossard’s apartment and searched it, then took her in for more questioning. At this point, police told reporters, she broke down and admitted everything. Afterward, she took detectives to the spot on the shore of Lake Léman where she had tossed away the murder weapon, a pistol. A diver found it, along with two other handguns and a key to Stern’s apartment. Brossard has been in a Swiss jail ever since, awaiting a hearing in June, when, Stern’s family hopes, they will learn the full details of the killing.

“The investigation is not over yet,” says van Riel. “It’s one thing to have someone confess to the crime. It’s quite another to know the motivation of the killer. Don’t you think the family wants to know why this was done? Of course we do. And we don’t.”

In the meantime, van Riel and his colleagues have to deal with the sordid spectacle Stern left in his wake—denying speculations on everything from Stern’s supposed homosexuality to his supposed ties to the Russian Mafia. “It has been a tsunami of mud,” says van Riel. “You wouldn’t believe all the lies.”

For those closest to the Stern and David-Weill families, the sadness of Stern’s passing is deepened by the stain his death leaves on the families’ legacies. “What is so dreadful,” says Robert Couturier, “is that the way he will be remembered is for something that was such a minuscule part of their lives, that people won’t remember what Edouard was, only the way he left. The unfairness of his passing, it will tend to be so, so negative, and so little to do with who he really was.” □