

Los Angeles Times

Sunday August 17, 1986

A Borrowed Empire

Meshulam Riklis, Known to Most of the World as Mr. Pia Zadora, Is a Model for Today's Corporate Raiders, a Controversial Tycoon Who Built a Financial Kingdom on Debt

Home Edition, Los Angeles Times Magazine, Page

Times Magazine Desk

120 inches; 4275 words

Type of Material: Profile

By MICHAEL A. HILTZIK, Michael A. Hiltzik is a Times financial writer based in New York

The financial page is howling about yet another corporate raid, one more takeover at tempt destined to produce nothing much more lasting than speculation, creative financing, a raft of lawsuits and millions for the Wall Street types to whom value is something expressed in a blinking green light on a Quotron machine. In a penthouse office suite on Wilshire Boulevard in Beverly Hills, Meshulam Riklis feels entitled to wave a dismissive hand, as if to say: This is not how we did these things in my day.

"This is not empire building; this is jungle predators," he says. "Now, I'm not judging. I am yesterday's news. In my business I am not a factor any longer. I am known as Mr. Pia Zadora. Why? Because I got what I want." He smiles tolerantly. "None of them will make as much money as I do. Because I am already ahead of them in the game."

Certainly he has a longer history. Rapid-American, the company he cobbled together from two office-machine concerns, some garment companies, a liquor distiller and a chain of variety stores, has been a business legend for almost as long as some of today's Wall Street prowlers have been alive. Today, Rapid and its associated properties, including the Riviera Hotel in Las Vegas, give the Riklis family what he says is a net worth of a billion dollars. His salary last year from Rapid, which he owns as a private company, was \$3 million. And more deals are brewing, designed to set Rapid on a course that will overcome its lingering problems and take it by momentum into the next generation.

The sweep of his hand takes in the fruit of 30 years of doing what these Wall Street babies are only just learning: buying companies and selling them, to build an empire. On one dark gray wall is a Picasso, on another a Miro. Most of today's tycoons have such things, but Riklis' are what remains of a collection long since donated to museums such as New York's Museum of Modern Art, where there is a Riklis Gallery. Mounted directly over his shoulder, as if to kibitz, is a small, extremely intense portrait of an old nobleman with a beard red like the blaze of a sunset.

"This is a Nolde," he says, spelling out the artist's name to satisfy the didactic streak of the ex-Hebrew teacher. Emil Nolde named the painting "The Anarchist," Riklis says, "but I renamed him 'Moses,' because to me it looks like Moses. It has that look of anger and . . . , " he hunts for the right word, "morality."

That is the difference between being a mere entrepreneur and an impresario, confident and experienced enough to instruct the artist how to do his job, even a German Expressionist dead 31 years.

Meshulam Riklis was born in Istanbul in 1923, two months premature and two months short of his parents' completion of their immigration to Palestine from Odessa, in southern Russia. After a comfortable Tel Aviv childhood, he emigrated with his wife and two children in 1947, months ahead of the war of independence, to Columbus, Ohio, to study at Ohio State while teaching Hebrew on the side.

Today he stands in elegant ease in the hallway of the Beverly Hills office he established for Rapid-American to share with the production company of his wife, singer Pia Zadora. He wears a checked sport jacket and striped, open-neck shirt, his dark brown hair brushed straight back to show a streak of silver running down the center. Trimmer than his old photographs suggest, he works out regularly with a trainer who brings exercise equipment by van to Riklis' Truesdale Estates home.

Running through his telephone messages with a distracted air, he calls in Tino Barzie, Zadora's manager, for a consultation on her upcoming concert tour. Barzie, solidly built and almost entirely in white, down to his spotless deck shoes, runs through a schedule that would take her from Akron, Ohio, in July to a performance by invitation with the Boston Pops four months later--"a major victory," according to Riklis, after years of derisive reviews.

"Theater is a very important part of business for Rik," says a businessman familiar with him. Now that Riklis, at 62, wants to run his companies more conservatively than in the past, it is convenient that Zadora's career

gives him an outlet for his theatrical instincts. "Frankly, he's much easier to do business with now."

To hear the Riklis life story first-person is a theatrical experience, a dramatic monologue with numberless digressions about Zadora's career, Jewish history or some point of debt accounting, until finally the monologue arrives back at a destination on which the impresario has remained focused while the listener has been distracted by the passing scenery. And it is all in an idiomatic English inflected with the courtly rhythms of Hebrew and punctuated with the occasional sharp Anglo-Saxonism, like the rap of a knuckle on a hardwood desk.

It's a stage piece, with Riklis starring in every role. He's the immigrant outsider and the old lion left behind by takeover artists who are bigger, smarter, with better bankrolls. "Today, they have unlimited resources. I had nothing."

He can run off in quick order the obstacles he faced, thumping the desk on each beat as he describes his first investment pool of \$750,000, raised in 1954 from his brokerage clients at Piper, Jaffray & Hopwood in Minneapolis: "I raised it, me, Riklis, with an accent, a Hebrew schoolteacher, in Minneapolis, Minn., where I was the only Jew working for the firm, and old men Piper and Jaffray took us to Christmas lunch at the Minneapolis Club. They had never seen a Jew there before." Here he lets out a long, low, self-satisfied chuckle. "But I guess because they took the whole lunchroom, I was in."

He's the Israeli patriot manque. For not returning to fight the 1948 war of independence because he had a young family in America, he says, "they haven't forgiven me yet." Some years ago, when his close friend, Ariel Sharon, became Israel's minister of defense, "he asked me if I would come and help him. I told him he was out of his mind, that I have to do everything from a distance because they don't like me in Israel. I think the man on the street likes me and admires me, but I think within the press the venom has always been a very hurting personal experience."

From Christmas lunch at the Minneapolis Club to two Los Angeles homes, a Park Avenue apartment, and a new home going up on 15 acres outside of New York was not a direct route. Two financial catastrophes, 10 years apart, came close to destroying the growing empire of Rapid-American. "How many people you know that survived twice being down? And come to heights which are un-be-liev-a-ble! And you're talking about survival--in 1974 I was broke!"

One genuine role he can claim is that of the pioneer. Think of many of the financial innovations of the last five years and Riklis was there first. Junk bonds? Today these low-rated, high-interest bonds are as much a fixture of corporate finance as yellow ties and insider-trading charges. By offering higher returns to investors willing to accept their supposedly higher risks, such bonds can be used to help growing companies or corporate raiders raise needed capital. Riklis floated \$600 million of this revolutionary funny money--that's what he called it, too--back in 1966, to finance his purchase of Schenley, the distiller and distributor of Dewar's Scotch.

"He's definitely one of the few survivors of the go-go '60s," says James Grant, editor of Grant's Interest Rate Observer, a Wall Street newsletter that views the freewheeling financial practices of those years--and their revival today--with acerbity.

Today the buzzword is leverage, the use of borrowed money to magnify the potency of cash. Today it is respectable for a company to have much more debt than equity, so that it resembles, say, a \$100,000 house with a \$90,000 mortgage. All the homeowner owns is the remaining \$10,000 wedge, but if the house rises in value to \$110,000, the bank still owns only \$90,000 of it and the homeowner has doubled his money. Of course, if the value falls to \$90,000, the bank owns everything and the homeowner zero. Same thing with a corporation. The more the lenders--banks and bondholders--own, the greater the potential return to the shareholders (the homeowners), but the greater the risk they'll end up with zero, too. In the 1950s and '60s, when this kind of structure was much less respectable but no less profitable, Riklis' companies squeezed leverage until it screamed for mercy.

In fact, the use of borrowed money is a Riklis article of faith. As long as one has a lot of cash to brandish in the face of other people, he discovered long ago, one can buy anything on credit. "I never used a dollar of cash," he says. "That was a Riklis principle: Money is to look at, not to use."

He has never tired of finding new formulations of this principle. In his master's thesis at Ohio State, delivered in 1966 and covering his career up to that point, he called it "the effective non-use of cash."

Once, when he was in the thick of a deal and constrained by the Securities and Exchange Commission to remain circumspect about the negotiations, he could not resist the temptation to articulate his philosophy anew while delivering a lecture on Wall Street. "I made my famous statement that I don't do business unless I can give 'Russian rubles' or 'Castro pesos.' In other words, you give paper." He chuckles. "And the SEC called my lawyers and said, 'Will you keep Riklis' big mouth shut?'"

Rapid-American's balance sheet often resembled that of some Latin American country, with debt accounting for more than 80% of total net worth. When Riklis let his attention wander from his companies, there were disastrous consequences. But that, he says, was his fault, not the debt's. "If you make long-term investments

and pay for them with long-term debt, you will not be in trouble," he says. "You must understand a basic principle: I have 20 years to pay it. In 20 years the rabbi and the dog will be able to converse."

Fixing his listener in the eye, he inquires politely: "You know the story?"

It's a parable from the Jewish Diaspora about the Polish landowner who orders the rabbi to teach the landowner's dog to talk, on pain of exterminating the local Jewish community. "So the rabbi says, 'All right, but I want you to know, it's going to take 10 years.' So all the people say, 'But rabbi, you're crazy. You'll never be able to teach the dog how to talk.' He says, 'Well, in 10 years, who knows? Maybe the landowner will die, maybe the dog will die . . . or maybe the dog will learn to talk.'"

The sense of Rapid-American being a debt-heavy ship waiting for the wave to overturn it kept Riklis controversial. One of his essential techniques still gets today's raiders cursed: After he gained control of a company by paying the biggest shareholders cash, everybody else would get his non-cash--not dollars, but paper securities. These might be shares of stock, or long-term bonds, or promissory notes. But as far as the recipient was concerned, the dollar values imprinted on them could be anything from a fair measure of their worth to a figment of the Riklis imagination. Many such shareholders chose to believe the worst and further diluted their assets by hiring lawyers to sue Riklis over the matter. Sometimes they even forced him to raise his offer.

But Riklis always kept his eye on the essential: To pay someone a million dollars, he had to have a million, cash, in hand. To pay someone a million dollars face value in 6% bonds, he only had to have \$60,000 a year. The difference is the time left to make the dog talk. Riklis insists that the back end of the deal was always equal in value, if not better, than the front end, but tell that to the small shareholders who faced the chore of selling their Rapid-American funny money in a humorless bond market.

He would go to great lengths to cultivate the controlling shareholders, often tycoons like himself. Better if it was an older person inclined to cashing out, even if he did not realize it yet. That person was likely to find Riklis perched on his doorstep, making a gracious offer for his control block and being a pest for as long as it took.

So it was with Schenley International, the liquor distiller and distributor controlled by the imperious Lewis Rosenstiel, who was 70 when Riklis first approached him in 1961 and 75 when he closed the deal. "To make a deal with Lew Rosenstiel," Riklis says, "you had to sit down and listen to his crap and smother him with love and affection and cajole him and laugh at his jokes and get used to all the stories. When he calls you to come to Florida, you get on a plane and come to Florida, and normal businessmen don't do these things. They feel that a transaction is worth a certain price and that's it. That's not the way deals were made in those days. You had to be a real lover."

Another complaint was that he maintained too casual an air about the line dividing his part of Rapid from the public shareholders'. In formal terms, Riklis was Rapid's largest shareholder--but not its only one, for there were thousands of investors who had bought its stock on the open market. Nevertheless, he was often charged with running the company virtually as a private preserve, mixing his personal investments with Rapid business as if it were all one stew.

In 1978, the mixing of Riklis and Rapid affairs had become so thorough that the SEC hauled him in for some lengthy testimony about his financial condition, which Riklis delivered as if from the bottom of a very, very deep financial hole. He owed \$60 million, personally, because of his private investments, and the SEC sued him for a series of transactions in which he sold off parts of Rapid to pay down its debt, then took personal loans from the buyers to help pay down his own debt. Riklis agreed to an injunction forcing him to separate Rapid's affairs from his multitudinous private deals. He also nursed a sour view of the typical stockholder as being some five-share owner who bought into the Riklis vision, only to start grousing and second-guessing. Three years later, he rid himself of these holders by taking Rapid private.

Many people who work for him, and several who have sat across the table, genuinely admire his way at a negotiating session. Last year he negotiated the sale of Rapid's 800 Lerner Shops to The Limited, the up-and-coming marketer of fashion to the masses; he approached Limited chairman Leslie Wexner with a \$300-million price, and after months of exasperating talks, he got it. (He used the money to pay off a huge chunk of Rapid's inexorable debt.)

Though he admires Wexner, the two men are as different as any could be. Both made their start in Columbus, Ohio, but Wexner is a tightly wound bachelor of 48 with an aggravating eye for the niggling detail. Riklis, theatrical and expansive, emperor of the handshake deal, dismisses details with a wave of the hand and leaves it to the lawyers to write the contracts.

"Les deserves his success because he's brilliant," Riklis says, "but I think he has some very mean and uncouth people around him." Riklis took such exception to Wexner's vice chairman, Robert Morosky, that he told Wexner, "Every time that guy opens his mouth the price goes up 5 million bucks. And it ended up that they paid 25 million more than I agreed to sell it at." Morosky and Wexner declined to talk about the negotiations, citing an ongoing lawsuit they filed in which they challenge \$25 million of the value of inventory included in the sale.

As Riklis talks, he stabs impatiently at the buttons on his intercom to ask, "Where is Mrs. R?" Pia Zadora and Kady, their 2-year-old daughter, are due to meet him for lunch. Finally, at 1:30, they're waiting downstairs.

Taking the elevator down six floors, Riklis finds not only Zadora, the very definition of petite, dressed head to toe in pink with the exception of the word "Firenze" stenciled in turquoise across the front of her loose sweat shirt, but also a vast brood of children, grandchildren, nannies, with their equipage of strollers, dolls and toys.

"We counted; we have 21 people in our house this week," he says, with a pleased chuckle. Riklis tots them off like a producer counting receipts. "My father, he's 93 years old, with the woman who takes care of him; my sister is here in town; and of course now my two grandchildren and a helper; and Tino's three grandchildren and their parents; and Tino and my wife and I and the baby and the nanny; and then we have two girls working and a guy working and the security guys." He laughs again in amazement as he takes Kady's hand in one hand and a granddaughter's in the other, enveloped in children and nannies chattering and gossiping among the fleet of strollers, to strut up Camden Drive and across Wilshire to lunch at Cafe Casino. "But we love it."

Pia Zadora is never farther from Riklis' thoughts than the next anecdote. "She was a baby when I met her. Spoiled. Now I understand I have to make a lot of money on my own.

"She's a fabulous wife; she's a fantastic companion. When you are 30 years older, it's a great pleasure to know your wife is not--Hebrew has a phrase that means, 'with eyes roaming.'"

Riklis would have you believe that domestic life is slowing him down, that he can't compete with today's breed of jungle predator who lives on three hours of sleep a night and is up at 5 in the morning to trade stocks. "There's no way that I will wake up in the morning to be on the phone with all the world. I got to sleep. I got to go with my wife to dinner. And I have a little girl now. I got to take her to the park. She tears at my pants leg and says, 'Park, park,' so I can't go to the office."

Riklis met Pia Zadora in 1973, when she was playing in Ohio in a roadshow of "Applause" and he was taking time to fulfill his final requirement for his MBA at Ohio State, a series of lectures to the business students. She was 17. "Everybody's joking about us," he says. "It's a--what do you call it?--a June-to-December marriage, and it will never work, and she married me for my--I was broke when she started with me; not many people know that." Four years later, when Zadora was 21 and Riklis 53, they married. "Pia's an unusual girl."

She would have to be, to put up with the derision after Riklis began to finance her career. "She became a football. Not that some of it was not justified as criticism, but what was not justified is the vindictiveness with which they went after her."

Perhaps it is not surprising that the press regarded his sponsorship of Zadora's career as a funny-money deal worked on a human being. Publications such as People magazine portrayed Riklis as a big movie producer whose wife just happened (a snicker here) to get the starring roles in his films. Of course, that was to twist the truth, which was that Zadora wanted to be in movies, and "since I don't want any favors, I don't want anybody to finance my wife's movie. When I agree to do a movie, I finance it. If I lose 5 million, I lose 5 million."

Her first film, "Butterfly," was drawn from a James M. Cain novella about an incestuous couple, played by Zadora and Stacy Keach. It got mixed reviews. "Did you see it? Great movie, and Pia is very good in it," Riklis says. "But I know that my wife took it on the chin."

Riklis is scornful of the second movie, "The Lonely Lady," based on a Harold Robbins book. "Did you see it?" Riklis asks. "We're ashamed."

That movie was trouble from the beginning, he explains. The first director quit, and the second one, "he didn't understand it has to be very sensual, but it's about women's lib. But instead of making it a sensual women's-lib movie, the guy made it sexually explicit. And lousy. So Pia went from a good movie to a bad movie, and she really got shellacked."

Riklis' voice has dropped off, losing the voluble edge it has when the subject is his own career. Now it takes on a chill of resentment. "I knew she was very, very hurt. And because in business I know that I will come up and come down and I'll come up again, what they write doesn't mean anything because it's yesterday's newspaper. But with her, it's her entire life." At every step she takes in her career, critics see Riklis casting cash about and pulling strings. "I was on the verge of committing suicide, just to help her," he says (adding sotto voce, "I am not talking literally").

So Zadora returned to singing and dancing, developing a cabaret act. One day in 1985, she received an effusive review in the Los Angeles Times from jazz critic Leonard Feather.

"I was glad it was Feather," Riklis says. "It had to be a guy whose integrity was so strong that nobody could say I got to him." Feather's review was like a papal imprimatur, and it prompted the industry to take new notice of Zadora. She garnered similarly respectful reviews for a Linda Ronstadt-style album of torch songs with the London Philharmonic, "Pia & Phil," and is awaiting the release of a second.

Zadora's career on track, Riklis returns to his own. Today, the lecture covers empire building, the one quality he believes lacking in contemporary junior Riklises. The impresario is a little reluctant to criticize current Wall Street practice, perhaps for fear of questioning what is in good measure his own legacy. Still, he says, "They're all predators. They go into a company, say the parts are worth more than the total, and say we will make the money and walk away and try to find the next one to break apart." But as for the fearsome mountain of debt being accumulated by today's corporations, he is not stirred. "I think the detractors are foolish. Junk bonds are not sold, they are created by junk management."

Riklis likes to maintain that he seldom made an acquisition without a vision of how to build it into something greater. It's not an opinion entirely shared even by his admirers. "Some of those financings were pretty unfocused," says one, "and they cost him millions because he didn't have anything to spend them on."

Riklis' first acquisition was Gruen Watch of Cincinnati, financed with money from his Minneapolis brokerage clients. He called it a "sleeping beauty," meaning that its stock was selling almost for less than the cash in its till.

Riklis being an apprentice impresario, the investors fell to squabbling. "I was not yet enough of a glue to hold them together," he says. One group bought out the other, and Riklis was kept on to manage the sellers' \$400,000 profit.

By 1962, Riklis had built his first empire, initially out of two office equipment concerns, Rapid Electrotape and American Colortype. The merged product was Rapid-American Corp., a name sufficiently ambiguous to serve whatever purpose he might have in mind.

After Smith-Corona angrily fought off his takeover bid, he soured on the equipment business. "I said, 'Where can a Jew go without being attacked?' So I went into merchandising." After making \$50 million cash from selling a wholesale dry-goods company, Butler Brothers, Rapid borrowed to buy 51% of the McCrory-McLellan retail chain, which included the H. L. Green and J. J. Newberry variety stores. It added Lerner Shops, National Shirt Shops and Oklahoma Tire, a hard-goods retailer. (After all that, Rapid still had the \$50 million. The money was to look at, not to use.)

But in 1962 came the first reckoning--a stock market crash that halved the value of Rapid's holdings of McCrory stock, which in turn brought a serious credit squeeze. Rapid was close to defaulting on its debt.

McCrory's 1963 profits came in at less than half what its executives had forecast. "You must remember," Riklis says, "I was the financial wizard rather than the company's operating guy." In 1963 he took over the operating reins and set to work shoring up the Rapid empire's failing credit. He sold everything Rapid owned except for McCrory, which itself sold much of what it owned, including National Shirt. Rapid's banks agreed to refinance its vast debt, for six months at a time. Within three years, the company was back in the black.

Riklis then began what he calls "the second empire building"--consumer goods. By 1970, Rapid-American had acquired Playtex, B.V.D. and Schenley. Riklis was again playing impresario, leaving the actual management of his empire to professional executives who were more than happy to have him stay out of the office.

Bored, Riklis was on the prowl for investments. His marriage was collapsing. There were political and military developments in Israel he was viewing with increasing alarm. In 1970 and 1971, with an elemental inevitability, came the greatest crisis of his career.

From a vantage point 15 years down the line, Riklis looks back on the early 1970s with a certain pride that a man can face such ruin and survive, even prosper ("come to heights which are un-be-liev-a-ble!"). Even from a decade-and-a-half away, he can paint it as a true nightmare of dissolution, a period in which his personal behavior merited contempt, his business judgment spiraled wildly into the ether, a self-destructive impulse bloomed full bore into a death wish. "From 1970 to 1973," he says simply, "I went berserk."

"I did not have a good marriage," he says. More trouble arose. He started investing, not with a specific purpose in mind, but because something on the market piqued his interest. "I wanted some action," he says. "So I invested money in all this crap. Real estate in Italy. A company in Germany; they ended up with a \$20-million loss. That's how my fortune was dissipated."

He took over Kenton Corp., the owner of Cartier, Mark Cross and Valentino, "because if you go out with girls, it's very impressive."

He bought the Riviera Hotel in Las Vegas "because I thought the glamour of Las Vegas would help me get over my problems." Instead, what he got over in a hurry was the glamour of Las Vegas, probably as soon as he entered licensing proceedings in Nevada. "Those people hold me six hours standing to testify. The snakes. I don't think I deserve this type of attitude, but people like to show that since I need the license, they can show their authority. It's just not nice." The venture has been an ego-massaging toy and a fiscal disaster. It does give him standing to critique Zadora's act with a certain knowing professionalism ("Pia's 10 times better than Liza Minnelli, but Liza's a great showgirl. I know; she worked for me, at the Riviera," and so on). With Atlantic City siphoning off customers and the recession cutting everyone's business, the Riviera's casino revenues

dropped to \$41 million in 1984 from \$53.7 million in 1982; the casino entered bankruptcy proceedings in 1983. Although the Riviera has since emerged from bankruptcy, Alan King, Buddy Hackett and Merv Griffin have all sued Riklis for cutting their show dates during that time.

In October, 1973, the Israeli-Arab war began. Riklis went on a jaunt to the Syrian front with a couple of reporters. "I wanted to die," he says. Under bombardment, his group was forced to abandon its cars in an open field. "At that moment you sort of look around and say, 'Hey, you can get killed here.' But subconsciously, the desire to live is just too much for the desire to die. I made up my mind to go back and fight for my vindication. I wasn't going to let anybody take me down."

Whether or not he really experienced such an epiphany on the battlefield, in early 1974 he returned to the United States. Scrutinizing the balance sheets and profit-and-loss statements of the companies whose affairs he had so badly neglected, he says, "I realize all my companies are going down the drain.

"We owed six . . . hundred . . . and . . . fifty . . . million . . . dollars . . . to the banks! One company!" His voice rises and his face flushes as if in astonishment at the audacity of this Riklis. "There wasn't a Jew ever in America that dared to owe this kind of money! Interest rates climb up. Big recession. All this you can survive if your management is good. Our management was not good."

So, for the second time in 10 years, Riklis returned to operations, moving desperately to repair the damage of four years of wild living by refinancing Rapid's immense debt and stripping down the company to its essentials.

He also began to hire crack operating executives. Today, the attention shows. Rapid is divided into three units, each run by a respected chief executive. Still, companies need improvement. The largest part of Schenley's sales come from Dewar's White Label, the country's best-selling Scotch. But Scotch drinkers are disappearing fast. The more popular white spirits, gin and vodka, are a tiny portion of Schenley's sales, which have dropped in the last two years by \$37 million. Schenley is looking for a major acquisition--possibly a soft-drink company--to improve its sales at the weak end of its line.

The MacGregor division makes Botany '500' suits. "That's a feast-or-famine business," Riklis says. "Right now, it's famine." In 1984, MacGregor bought Faberge, the cosmetics business, for cash and 10-year notes. It was a purchase that his advisers opposed, and now that Faberge has doubled its profits, "he doesn't let anyone forget it was his deal," says an assistant. McCrory, the third division of Rapid, last year concluded a two-year campaign to acquire T.G. & Y., another variety store chain, designed to greatly expand its reach and improve profits. The goal is to have 1,200 productive stores under McCrory's control.

Overshadowing everything is Rapid's vast debt, sucking down profits. In the year that ended in January, 1985, all of its divisions made \$174 million in profits but had to pay \$180 million in interest. In all, the company lost \$9.4 million. Last year, after some refinancings and major debt retirements, the picture improved. Rapid booked a \$65.5-million profit because Riklis was able to double Faberge's profits, more than triple income from buying and selling stocks and bonds, and cut the debt.

"The whole principle," Riklis says, "is that whatever you buy, if you make it worth twice as much, you make money." In a way there is a new Riklis, intent on building his net worth by improving the performance of the businesses he owns. "I'm not the guy they suspect of buying this company or that company. I'm not available for that. Now I'm concentrating on the beautiful lambs that are in my pen."

So today he observes his successors practicing his game with an amused detachment colored not a little by pride that he was there first and annoyance that while he, the visionary, was once vilified, the latter-day plunderers are being enshrined.

He tries to belittle his interest in that point while delivering it unmistakably. "The only opinion I have is that they should put my bust up in gold in every goyische investment bank and say, that's the guy that we went out and called all kinds of names, and now we're doing the same thing, so at least we should pay tribute to him." He shrugs. "But it's not important."

NOTE: Photos are uncropped archival versions and may differ from published versions.

[Information on missing images.](#)

PHOTO: Home in Malibu: "There wasn't a Jew ever in America that dared owe this kind of money!"

PHOTO: "This is not empire building; this is jungle predators," Riklis says of corporate raiders, though he has used similar strategies for 30 years.

PHOTO: With Pia Zadora and daughter, Kady, at Malibu: His financing of his wife's career was criticized. "She became a football," he says.

PHOTO: Riklis, at home in front of an Andy Warhol painting, says his net worth is \$1 billion.

PHOTOGRAPHER: CHAD SLATTERY

PHOTO: The impresario: Riklis in 1963.

PHOTOGRAPHER: Los Angeles Times Library

