

Late Billionaire's Net Worth Likely to Stay Unknown

INVESTMENT: Analysts expect smooth handling of Kirk Kerkorian's estate.

By **MATT PRESSBERG** Staff Reporter

Kirk Kerkorian was once the wealthiest man in Los Angeles – by a wide margin – and still ranked among the wealthiest Angelenos until his death last week at the age of 98.

The multibillionaire, worth an estimated \$6.5 billion, ranked No. 6 on the Business Journal's list of the Wealthiest Angelenos this year. His fortune, built over decades in the casino and entertainment industries, once topped \$16 billion, the biggest stack ever accumulated here. And for six years, he topped the Wealthiest Angelenos, a record run surpassed

only recently by biotech and tech investor **Patrick Soon-Shiong**.

Now that he's gone, though, it's not clear where his vast wealth will go – or what it amounted to in the end.

Through Beverly Hills' **Tracinda Corp.**, Kerkorian owned a 16 percent stake in Las Vegas casino operator **MGM Resorts International**, worth about \$1.8 billion. But other than those shares, Kerkorian had few disclosed holdings. (The Business Journal's calculations of Kerkorian's wealth relied substantially on estimates, as did valuations by other publications.)

His business was handled through Tracinda, a private holding company that doesn't have to publicly declare its investments, other than its big MGM stake. Executives there declined to comment.

Assuming Kerkorian handled his estate with the sophistication befitting a multibillion-

aire, there's unlikely to be anything that would give the outside world a peek.

Tim Lappen, a partner who runs the family office group at Century City law firm **Jeffer Mangels Butler & Mitchell**, said he expects Kerkorian's estate to be handled smoothly – and privately.

"Given what I know about him, I would expect that there'd be no court case and I'd expect that within a year or so all of the documents that need to be filed and transfers that need to be made will be done," Lappen said. "I'm not aware of any drama that would make this other than a straightforward situation."

Lappen, who has no involvement in Kerkorian's estate planning, said he would expect much of Kerkorian's remaining wealth to go to charitable foundations and to his two daughters, **Tracy** and **Linda**, for whom Kerkorian named both the holding company



Low Profile: Kirk Kerkorian in 2003.

Tracinda and his now-defunct charitable arm, the Lincy Foundation.

Though Kerkorian shut down the foundation in 2011 and gave its \$200 million in assets to **UCLA** to support medical research and other programs, Lappen said it's likely Kerkorian – a rare captain of industry who didn't splash his name across his donations – put a charitable component in his estate plan.

Wherever Kerkorian's wealth goes, it will not be distributed in the form of MGM Resorts stock. The company, in regulatory filings last week, said Kerkorian's will calls for Tracinda's shares to be sold, a provision Lappen said is unusual.

That type of language, he said, is more common in shareholder agreements for private companies, when remaining shareholders are given a right to purchase shares owned by the deceased.

In MGM Resorts' case, the casino and Kerkorian might also have wanted an orderly sale of the stock to prevent a glut of shares from hitting the market at once, possibly pushing prices down. Lappen said other similar provisions might be used to prevent a buyer from swooping in to buy a large block of shares.

But other than that, Lappen doesn't anticipate anything out of the ordinary with Kerkorian's estate. Given the privately held nature of his other investments – which don't require public filings – he can't envision a scenario, other than a lawsuit, in which outsiders will get a glimpse.

Marc Primiani, a principal and general counsel at West L.A. wealth management firm **Aspiriant**, which handles several ultrahigh-net-worth clients, agrees.

"Typically, the only visibility is through a lawsuit," he said. "But it's unlikely that we're going to get any details of the value of his estate."

Stealthy, wealthy

Though he ranked among the super rich, Kerkorian didn't seek out the kind of public profile sought by some of his billionaire contemporaries.

Former Chrysler Chief Executive **Lee Iacocca**, a Bel Air resident with whom Kerkorian planned an unsuccessful takeover of the automaker, said Kerkorian was anything but a larger-than-life character.

"His low-key, almost shy demeanor belied a warm and caring individual whose basic decency often was overshadowed by images of the mega deal-maker," Iacocca said in a statement after Kerkorian's death.

The son of Armenian emigrants, Kerkorian was born in Fresno and had his first taste of publicity after winning a boxing tournament – he fought under the name Rifle Right Kerkorian. But he proved to be less a seeker of fame than a born wheeler and dealer.

He started building his fortune during World War II, when he ferried airplanes from Canada to Scotland for \$1,000 each trip. He used that experience – and the cash he saved – to start an airline that flew gamblers from Los Angeles to Las Vegas.

One of his big early scores came in the late 1940s when he borrowed money to buy a fleet of surplus military airplanes, then sold the fuel left in the tanks to pay off the loan, owning the planes for next to nothing.



Asian BUSINESS AWARDS

The Los Angeles Business Journal is proud to present the 2015 Asian Business Awards.

Please join us as we honor businesses within the Asian American business community who are setting the example for excellence throughout Greater Los Angeles.

Awards Luncheon: Wednesday, July 8, 2015 • 11:00am-1:30pm
Omni Hotel Los Angeles, 251 South Olive St., Los Angeles, CA 90012
Individual tickets: \$95/person / Corporate table of 10: \$800

Please join us as we honor our 2015 Asian Business Awards Finalists:

Ashraf Ahmed
Entrepreneurs & RE Broker
of South Asian

Young Ahn
Asian American Real Estate
Association

Gunjan Bagla
Amritt Ventures Inc

Chanel Boutakidis
Five Acres

Thomas Chan
Royce Weddings & Events

I-Fei Chang
Greenland USA

Andrew Chou
NexGen Wealth
Management

May Chu
AirSplat

Brian Chun
New Creation Engineering &
Builders, Inc.

Robert / Eric Chung
Tri-Net Technologies

Steven Dai
IVC

James Huang
SGC International

Peter Huh
Pacific American Fish
Company

Kin Hui
Singpoli Group

Ryan Iwamoto
24Hr HomeCare

Evie Jeang
Ideal Legal Group, Inc.

Dan Kim
Vertiable Screening

Andrew Kuo
ACI College Prep

David SK Lee
Hing Wa Lee Group

Nanxi Liu
Enplug

Stella Liu
BYD

Grace A. Lou
The Law Offices of Grace
A. Lou

Jeffrey C. Lumen
Lumensource LLC

Amanda Ma
Innovate Marketing Group

Veera Mahajan
Malibu Chronicle magazine

Marianne Moy
Golden Horizon Enterprises
& Oaks Property
Management

Lawrence Ng
LNG Management CO LLC

Rainier de Ocampo
Rainier de Ocampo

Dayton Ong
Wing Hop Fung Inc.

R. Rex Parris
City of Lancaster

Ryan Patel
Pinkberry

Mercy T. Steenwyk
ForensisGroup, Inc

Meiko Takayama
Advancing Women
Executives

Dimple Thakkar
Synhergy

Sunil "Sunny" Tolani
Prince Organization

Frank Tong
Peking Noodle Company

Charles Tran
New York Life

Mike Tsai
K1 Packaging Group

Joanna Tsang
The Visual Master

Xiao Ying Wang
Xiao Ying Wang

Irene Lee Wyatt, Esq.
FPL and Associates, Inc.

Shiho Yamamoto
Conservatory of the
Performing Arts

Hong Lip Yow
Trident Case

PRESENTING SPONSORS:



COMMUNITY PARTNERS:



To nominate, please visit www.labusinessjournal.com/bizevents, or contact **Jennifer Hakim** at **323.549.5225 ext. 213** or jhakim@socialbusinessjournals.com