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The Smoke & Mirrors of MODERN FORTUNES

Crypto was king, until it wasn't. The market is crashing, but you can't get a hotel room in Paris. And some of America's most extravagant moguls are suddenly penniless. Has there ever been a more confusing money moment? Just ask Wall Street's most famous enigma.

BY WILLIAM D. COHAN ILLUSTRATIONS BY JOE DARROW

In May 1989, four years after he shocked Wall Street by buying the cosmetics company Revlon for \$2.7 billion, Ronald Perelman, then 46, was named America's richest man by *Institutional Investor*. At the time, Perelman had a net worth estimated at \$5 billion, derived from a decade of buying and selling all manner of companies, from a grocery store chain and a group of jewelry stores to a cigar manufacturer and an obscure maker of licorice extract. In achieving this pinnacle of success in American capitalism, Perelman surpassed Sam Walton, the founder of Walmart, who had long occupied the top spot. Perelman, the magazine proclaimed, was a "latter-day Midas."

In a way it was fitting that Perelman was the country's richest person at the end of the 1980s, a decade that celebrated greed and glory on Wall Street and in its various practitioners. The '80s gave us Michael Milken and the junk bond, Lew Ranieri and the securitization of car loan, mortgage, and credit card receivables, and a murderer's row, including Carl Icahn, Asher Edelman, and Saul Steinberg, of newly dubbed "corporate raiders." Towering above them all was Perelman, an unlikely-looking titan who shaved his head before it was fashionable and wore tight dress shirts before they were fashionable too, but who nonetheless had all the trappings of modern moguldom.

Perelman's financial weapon of choice was also an '80s phenomenon. The leveraged buyout, or LBO, is an acquisition strategy in which

an individual or small group puts up a little of their own money and then borrows a lot more from banks and other institutional investors and uses it to buy companies they otherwise would be unlikely to be able to afford. If the buyers analyze the opportunity properly, or get lucky, they can use the company's cash flow to pay down the borrowed debt, making their initial investment of equity much more valuable. That's how Perelman got Revlon, as well as many other companies, and it remains a tried-and-true tactic for generating great wealth.

Perelman has been plying his trade since the late 1970s, when he left his hometown of Philadelphia to get out from under the yoke of his late father, Raymond. The elder Perelman, a financial pioneer and devoted philanthropist in his own right, had bought Belmont Iron Works in 1960 and wheeled and dealt his way to a large fortune. Ronald began attending Belmont board meetings when he was an adolescent, and by the time he was in graduate school at Wharton he worked there full-time. "My first job was the night foreman of the galvanizing factory, which was a terrible, terrible job," he once said.

He soon became his father's righthand man, but he was frustrated by what he perceived as a lack of career advancement. At the age of 35 he quit and moved to New York City. He borrowed \$1.9 million and bought a minority stake in a jeweler, Cohen-Hatfield Industries, and then sold it to Sam Walton, who made it Walmart's in-house jewelry offering. Perelman pocketed \$15 million and was off ➡

INFLATION HACKS: HOW TO SPEND IT NOW



TIMBER "The long-term nature of timber makes it very suitable as a multigenerational acquisition," says Tom Crowder, SVP and specialty assets manager of Bank of America's Timberland group. "Lumber, furniture, cardboard, those all come from a sustainably managed investment." ➤

to the races. He repeated the process with other well-known brands, including Coleman, Marvel Studios, Sunbeam, and Panavision. He assembled a string of local television stations into a company and sold it to Rupert Murdoch, who used it to form the Fox Television Network. Perelman also made a fortune buying and selling failed thrifts during and after the savings and loan crisis of the 1980s. He was not an operator of businesses—that may well be one of his biggest flaws—but he had a particular genius for reading a company’s financial statements and seeing opportunities others had missed.

Perelman reveled in his wealth. There were megayachts and private jets, glamorous and accomplished wives and litigious exes, a massive palazzo on East 62nd Street in Manhattan that served as his office and as a showcase for his much admired modern art collection. The office was connected by a secret tunnel to his home, an opulent townhouse on 63rd Street. Along with his famed 56-acre property in the Hamptons, “the Creeks,” there was another similarly gargantuan spread down the road. For the longest time, no one oozed more money and power on Wall Street than Perelman. (I’ve been fascinated by him since I worked as an M&A banker at Merrill Lynch in the ’90s and made pilgrimages with my old boss, Jack Levy, to the palazzo to chat with Perelman and his entourage about deals.)

As recently as 2018 Bloomberg pegged Perelman’s net worth at around \$20 billion. But then something happened. Only a year later that fortune had shrunk to around \$7.4 billion, and Perelman began a veritable fire sale of financial and personal assets. These days, getting on the Bloomberg Billionaires Index of the 500 wealthiest individuals requires a net worth of around \$5 billion. Perelman no longer qualifies. *Forbes*’s list of “real-time billionaires” puts his net worth at \$2.7 billion: 1,102nd among the world’s 2,668 billionaires.

If Perelman’s acumen and bravado defined an earlier era, the ongoing liquidation of his holdings and personal treasures appears to be flagging a new moment, one in which great fortunes disappear seemingly into thin air. In this unfortunate category, Perelman has the company of the likes of Phil Falcone, the onetime high-flying hedge fund manager; Mohamed Hadid, the Los Angeles real estate developer (and father of Bella and Gigi); and a growing number of crypto magnates. That’s not to say there aren’t still plenty of moguls whose wealth continues to hold steady. But given the recent market



2022 SPENDING HABITS
SERENA BOARDMAN
Top New York real estate broker

“For a while money was almost free. Now any savvy financial person is factoring in these new interest rates and other signs of economic distress. Nevertheless, we’ve been having a good run. And with a volatile market and high inflation, it’s not a bad idea to have a hard asset right now.”

structure, real estate, and hedge funds, among other things. There are limited partners, non-Blackstone shareholders, and a board of directors. Schwarzman has a designated heir apparent, Jonathan Gray, and a bunch of other partners who aren’t afraid to voice their opinions. In other words, there are serious checks and balances on what Schwarzman can do. Perelman’s operation has none of those things. He never raised a fund of outsiders’ money and has no limited partners who might question his decisions. Pretty much all the equity he has invested over the decades has been his own. And since he’s not a fiduciary for anyone but himself, he doesn’t have to listen to anybody else and generally doesn’t. (In this, Perelman’s operations resemble more closely those of Donald Trump, who once ran the Trump Organization based on his own gut instincts.)

Going it alone worked beautifully for Perelman for years, but forgoing outside equity investors meant that he had to rely heavily on debt to fund his acquisitions and to make changes to his portfolio. (The *New York Times* dubbed him “the debt king” earlier this year.) That’s important to note now that he seems to be either losing or selling nearly everything he ever owned. It is not happening just by accident, or because, as he once put it in a statement to me, he was “reset[ting] my priorities” because he wanted a “simpler life.” It’s happening because of the long established structure of his empire. And because of his old paramour: borrowed money.

Most major dealmakers house their collection of equity stakes (and other assets) under the umbrella of a holding company, either one that is publicly traded, like Schwarzman’s Blackstone Group or Henry Kravis’s KKR, or one that is privately held, [CONTINUED ON PAGE 136]

volatility, a broader trend may be taking hold.

To understand Perelman’s predicament, it’s worth looking at one of his professional peers, Stephen Schwarzman, who has a net worth estimated at around \$30 billion. Unlike Perelman, Schwarzman still has all his trophies, including a triplex at 740 Park Avenue, an ocean-front mansion in Palm Beach, a new home on Nantucket...the list goes on. Part of the reason Schwarzman’s wealth has held up relatively well during the downturn comes down to—believe it or not—structure.

Schwarzman is the co-founder and CEO of the Blackstone Group, a publicly traded firm with assets under management of more than \$800 billion. It invests in leveraged buyouts, distressed securities, infrastructure, real estate, and hedge funds, among other things.

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CRAZY MONEY

Is Pretty Money Harder to Lose?

For millennia we’ve obsessed over the aesthetics of our cash. Can something as intangible as crypto ever compete? BY CHRISTOPHER BONANOS

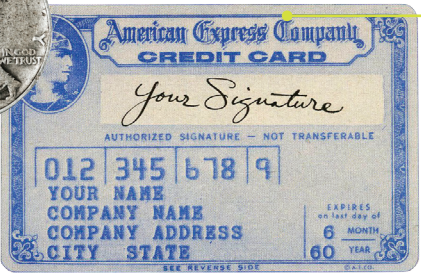
For a few years in the 1980s and ’90s, my father brought home really good money. I don’t mean his salary; he traveled overseas semiregularly, and he invariably returned with a little bit of currency that he hadn’t re-exchanged. From Greece, drachma coins reading Megas-Alexandros, or Alexander the Great, rendered in bronze. **From Japan, a few thousand yen**, with curious blank ovals on each printed bill that turned out to be watermarks. And, best of all, **from the Netherlands, a 50-guilder note** bearing an impossibly elaborate, colorful engraving of a sunflower, every seed and vein visible.

That splashy Dutch flower looked as it did for significant reasons. The design of legal tender requires a high-intensity mix of technology and aesthetics. Paper bills, for example, have to hold up to lots of rough handling. They have to be hard to fake, so they get redesigned often to stay ahead of counterfeiters. They ought to be beautiful, though they aren’t always, and they have to convey something about a nation’s heroes or its national character, all the while looking authoritative and official. Those aesthetic choices carry over to a variety of documents and objects that represent money without actually being it.

Stock certificates, in particular, mimic the lacy neoclassical borders of old cash.

The American dollar, despite being the world’s reserve currency, is an aesthetic backwater. That was not always so. In 1905 Theodore Roosevelt personally engaged **Augustus Saint-Gaudens, America’s premier sculptor, to redesign the \$20 gold piece. The Walking Liberty half-dollar**, created by Adolph Weinman and minted from 1916 to 1947, was another triumph, a little piece of government-issue art in everyone’s pocket. Even simple bills, like the **\$10 issued in 1901 with a big American bison** on the face, are great slices of Americana. That aesthetic was echoed around the world, in part because the American Bank Note Company, headquartered in New York City, printed money for 115 countries.

Paper currency, the thinking seems to



go, should not look too modern or minimal. The desirable qualities of stability, longevity, and durability all get a boost when delivered in traditional forms. Currency that doesn’t change much conveys immutability, the way a building with Ionic columns out front and a bronze vault door in the basement once telegraphed “safe.”

The desire for stability in a fast-changing world may be why Americans, who accept and embrace modernity in many things, are extremely leery of any change at all inside their wallets. Our notes, the size and portraiture of which were established in the 1920s, barely changed for seven decades, and by the 1990s they were stodgy relics—yet their relatively high-tech replacements were even worse. (Compare Great Britain, which has chucked £1 and £2 bills in favor of coins, and **switched all bills from rag paper to sheets of tough, thin plastic**.)

Our reluctance is odd, given that currency has so little to do with our spending today. Since the U.S. cut its final remaining tether to the gold standard, in 1971, our cash has been entirely fiat currency, backed by faith rather than the metal in Fort Knox. Most of the purchases we all make are even less concrete: You increasingly don’t even

need to drop a **credit card** to pay with one, as anyone with an Amazon account knows.

And now, with the unfettered, ungoverned rise of **Bitcoin and all its bizarre siblings**, the last relationship between currency and the nondigital world—the stability underlying every exchange that comes with the backing of a government and its army—has begun to disappear. Until you buy a house or a Tesla with it, Bitcoin has no expression in the physical universe at all. (Apart from the gold-tone icon with the double-slashed B.)

Earlier this year the value of cryptocurrencies began a steep decline, wiping out small and large investors alike. Would having something pretty to look at and easy to clench in a fist make it easier to hold on to? Probably not. But at least there would be something to show your kids. T&C



FARMLAND Since 2013 Bill Gates has quietly amassed so much farmland that he is now the largest private owner of it in the U.S. With his recent acquisition of 2,100 acres in North Dakota, the billionaire owns approximately 270,000 acres across 19 states. Their current estimated value? \$690 million.

GOLD Putting money in the precious metal as insurance during times of inflation has been a tried and true practice forever. Factoring in the latest crypto crash, gold, which was up 0.6% for the year in June (as opposed to Bitcoin, which was down more than 50%), may win as the far safer store of value for 2022.





PHOTO 12/UNIVERSAL IMAGES GROUP/GETTY IMAGES (STALIN); NATIONAL PALACE MUSEUM (MEAT-SHAPED STONE); MIKE CLARKE/AP/GETTY IMAGES (WINE)

I'm Rich, in Case You Hadn't Heard

Captains of industry used to at least pretend to be discreet. No more! Today's gazillionaires are going wild on the Gram, and they don't care who claps back. BY HORACIO SILVA ILLUSTRATION BY JOE DARROW

Kurt Vonnegut and Joseph Heller once attended a swanky party on Shelter Island at the home of a billionaire neighbor of their friend John Bogle, the index fund pioneer and philanthropist. At one point, Bogle later recalled in a collection of essays, Vonnegut informed Heller that their host, a hedge fund manager, made more money in one day than Heller ever earned for *Catch-22*.

"Yes," Heller replied. "But I have something he will never have: enough."

Bogle's anecdote was recounted as career advice for budding billionaires to: play by the

rules, give back, and curb their bottomless lust for more. Today it's an apt marker of a generational shift among the elite, from the Bogles of the world to the Elon Musks, who are as venal as Prince Charles accepting a bag of cash from a Qatari sheikh, or your average TikTok influencer thirsty for the acclaim of the metaverse. In the new pecking order, it's not enough to be rich. If you've got a fortune, you must flaunt it. The state of affairs is an inversion of the old Methodist adage about doing all the good that you can in the world, except now it's about flexing as loudly

as possible—in all the ways you can, in all the places you can, for as long as you can. At a time when every Tom, Dick, and Barry can post on main from his Lürssen while idling on the Bosphorus, or pontificate on Clubhouse from his Gulfstream on the way to Sun Valley, the mega-asset class has come down with a mean case of billionaire braggadocio. "Today's money is indeed shiny, brash, and vulgar," says Jill Spalding, author of *Luxury: A History*. "But so was Andrew Carnegie's until he cleaned it up through his foundation."

The vieux riche may bemoan the passing of

BRUNELLO CUCINELLI They don't call it cash-mere for nothin'. "Incipient sticker shock did not prevent the publicly traded Brunello Cucinelli brand from charging into a bear market with bullish confidence," wrote Guy Trebay in a June *New York Times* review.



COURTESY BRUNELLO CUCINELLI

"stealth wealth"—an oxymoron if ever there was one—but the battle between the establishment and the arrivistes is a timeless conflict that got its most recent dramatization in the HBO series *The Gilded Age*. Its hero, George Russell, is modeled on Carnegie and turn-of-the-century robber barons like the railroad tycoon Jay Gould, who in his day was mocked by the likes of Cornelius Vanderbilt. With more billionaires around today—their ranks exploded by 30 percent during the pandemic, and 86 percent of them are richer than they were before—it's inevitable that their hijinks would come into sharp relief, especially with the less discreet ones trolling for likes.

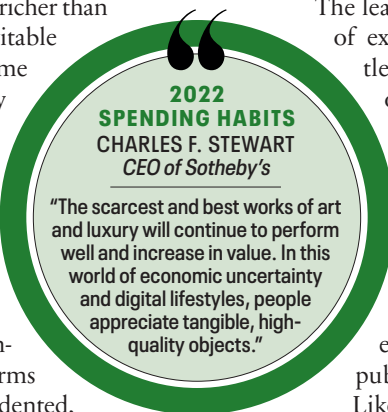
"A key difference is social media, which puts it all out there like so much dirty laundry," Spalding says. "At least to those of us holding on to old-fashioned ideals." These platforms offer a historically unprecedented,

instantaneous window into the lives of the ultrawealthy, but the censure they can trigger can grow as quickly as a newly minted tech fortune. And with good reason. While the follies of the upper crust have long been a spectator sport for the less privileged, at least the confounding extravagance of Carnegie et al. suggested an appreciation for and engagement with the world. In comparison, some of today's status-conscious billionaires seem less concerned with connoisseurship or patronage.

The leader of this modern league of extraordinarily loaded gentlemen is Musk, who not only entered a wasteful space race against Richard Branson and fellow divorcé Jeff Bezos but defied ordinary mogul logic when he went after Twitter in April for \$44 billion, one of the largest leveraged buyouts of a publicly listed company. Like Rupert Murdoch, who,

desperately seeking relevance in 2005, bought Myspace and quickly ruined the once thriving online community, Musk saw hundreds of thousands of Twitter users quit the social media platform only to announce in July that he was pulling out of the deal. Still, he has a cult leader's hold over his followers. After the news broke that he had fathered twins with a female executive at one of his companies while married to the musician Grimes, with whom he also had a secret child, the father of nine gleefully tweeted, "Doing my best to help the underpopulation crisis."

The other card-carrying members of the billionaire braggart's club include Oracle co-founder Larry Ellison, who continues to use his spare change to buy large parts of Malibu. You'd think his 117,000 Twitter followers would clap back in his replies, but they include fellow tech colossi Michael Dell (676,000 followers) and Uber's Travis Kalanick (226,000), after all. Bezos bests them all with some 4.9 million followers on Twitter, but it was on Instagram that he made headlines in July, slipping into [CONTINUED ON PAGE 137]



It Was a Steal!

People in power have always found a way to fund their exploits.

"Unprecedented and illegal" was how some members of the international community described the suggestion this spring that the assets seized from Russian oligarchs by the U.S. and its allies be given to Ukraine to help fund its fight against Russian invaders. But heads of nations, not to mention aspiring revolutionaries, have long used unorthodox methods to fund their geopolitical agendas. Test your knowledge of who took what from whom and when.

► **1.** In June 1907 these future world leaders organized a

gang of revolutionaries who robbed a bank's stagecoach in the city of Tiflis (now Tbilisi, Georgia), killing five police officers in the process.

THE TAKE: They netted loot worth \$5 million in today's dollars.

HINT: The comrades called this and other similar robberies "expropriations."

2. After breaking with the Catholic Church, this monarch needed money to fight wars with Scotland and France (both ruled by Catholic kings) and so signed a law in 1536 that allowed his state to seize property and assets held by the church.

THE TAKE: Roughly \$613 million.

HINT: They called it "Dissolution



of the Monasteries."

3. Starting in 1777, states in this young nation passed laws allowing "committees of sequestration" to seize and sell property owned by their enemies.

THE TAKE: It's hard to calculate a single total, because some property was returned after the war. But "the enemy's" government paid reparations of \$20 million to its citizens who left the country.

HINT: The laws were titled "Confiscation Acts."

4. In 2011 a group of loosely aligned rebels fighting to topple the longtime dictator of this North African country drilled a hole in the wall of a state treasury.

THE TAKE: They made off with \$505 million.

HINT: The finance minister for the victorious rebels later said, "We robbed our own bank."



► **5.** Which nationalist leader on the losing side of an Asian nation's lengthy civil war spent 12 months, starting in 1948, secretly transporting gold from government banks, as well as cultural artifacts, to an island nation that he would go on to lead

until his death in 1975?

THE TAKE: No one knows the exact amount.

HINT: The current leaders of the larger nation claim to be the rightful rulers of the smaller.

6. Which nation conquered a foreign power for the sole purpose of stealing its treasures, appropriating its resources, and exploiting the labor of its people?

THE TAKE: Still calculating.

HINT: Of course there's a German word for it.

Answers on page 111

WINE "Wine embodies significant characteristics that make it a preferred asset class," says Irvin Goldman, CEO of Acker Merrall & Condit, the world's largest auction house for premium vino. "Less price volatility, a hedge against inflation, extraordinary supply-and-demand imbalance, and no currency risk."



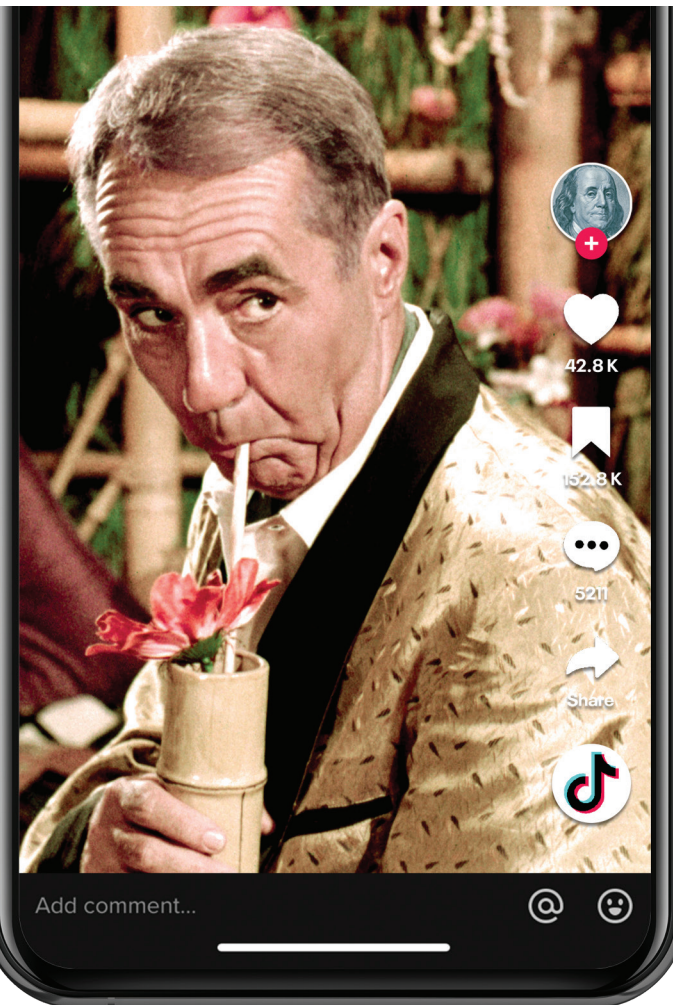
TikTokcrats at the Gate

Twitter may be consumed with #eattherich, but Gen Z's favorite platform made a most elite term go viral and turned Thurston Howell III into its most unexpected fit king. BY TAYLOR LORENZ

A TikTok influencer who goes by @eileen_darling recently posed a question to her audience. “Why be California rich,” she asked, as clips of Kylie Jenner surrounded by designer shopping bags flashed across the screen, “when you can be Connecticut rich?” The post, which segued to a loop of vintage Ralph Lauren ads, a woman in a suit outside the St. Regis, and men with sweaters draped over their shoulders, exploded on the platform, amassing 5.4 million views.

“Old money rich is goals,” read a top comment. And so, counterintuitively enough, at a time when an “eat the rich” sentiment is coursing through mainstream media and Twitter, a retro mood of champagne wishes and caviar dreams is consuming Generation Z on TikTok. Videos with the hashtag #old-money have raked in a collective 1.5 billion views and growing. There are thousands of accounts dedicated solely to glamorizing the trappings of wealth, including that of Christina Najjar, aka Tinx, whose 1.5 million followers include Gwyneth Paltrow, who cameo'd in Najjar's bit “Rich Mom Starter Pack: Brentwood Edition.” (“Before buying some heirloom tomatoes and some gluten-free macrobiotic bread, head over to Tracy Anderson for a workout,” Paltrow quips, a little too in on the joke.)

The millions who have watched the video and others like it don't have your grandmother's concept of old money. They ignore the classic low-key signifiers—Sperry Top-Siders, worn Barbour jackets, the right class ring—and embrace luxuries that once screamed nouveau riche: logomania, horsebit loafers, private jet and yacht selfies. The distinction between the two modes doesn't seem to resonate or matter to Gen Z. The Kardashians have been ubiquitous for their entire lives, after all. To a teenager, *they* are old money.



Is that a real blueblood on your screen, or is #oldmoney just another social media pose? 1.3 billion inquiring minds want to know.

unless we were born into it, but we can still dress like them,” a creator named Ange Mariano explained in one TikTok that got 2.6 million views. She checked off the must-have items of her ensemble: Chanel-inspired tweed sets, Blair Waldorf headbands, and a “fur coat that no one needs to know you got from the thrift store.”

The boom of e-commerce means that items once available only at Gorsuch in Vail and Murray's Toggery Shop in Nantucket have gone viral. “There are so many online boutiques that specialize in this style,” says Gabriela Vascimini, a 23-year-old TikToker who has amassed a following of some 121,000 on the strength of posts itemizing her shopping hauls, which trends more LoveShackFancy than Lilly Pulitzer. [CONTINUED ON PAGE 138]

Where the 1980s gave us *The Official Preppy Handbook*, TikTok's “For You” page is now a 24/7 pipeline of aspirational content. For a demographic reared on the garish excess of influencer-driven hustle culture and crypto's get-rich-quick schemes, the wardrobe of Thurston Howell III is a novelty. By and large these parvenu acolytes are not Main Line WASPs, nor do they care to be. Theirs is a largely visual fascination. “Before, old money was based on class and the prestige of where you went to school,” Najjar says. “This time around, it's truly about the look.”

“It's a very romanticized lifestyle and a beautiful aesthetic. It gives you room to dream,” adds Karina Achaeva, a 24-year-old TikTok content creator in New York City whose posts boast some 36 million likes.

A lot of this content is standard wealth porn set to Lana Del Rey songs like, um, “Old Money” (*Cashmere, cologne, and white sunshine/Red racing cars, Sunset and Vine*). And some posts are more tongue-in-cheek than others.

“Obviously, none of us are literally going to be old money

The Real Dollars Behind Fake Drama

Are TV's deepest pockets on its shallowest soaps? The stars of Bravo and Netflix aren't just dressing the part of Alexis Carrington Colby—they're the genuine article. BY BRIAN MOYLAN

It all started with Sky Tops. When *Real Housewives of Orange County* premiered in 2006, the biggest fashion statement on the show were these often ruched, often satiny, often sleeveless blouses with embellishment and jewels around the (often surgically enhanced) décolletage.

These days, if you tune into one of the eight *Real Housewives* programs on Bravo (or the two more on the Peacock streaming service), it's quite a different story: Gucci prints, high-end logos on everything from sunglasses to scarves, and a pair of earrings reading CHA on one lobe and NEL on the other that are so ubiquitous you'd think Andy Cohen gave them out as part of an initiation ritual.

“It has totally changed,” says the journalist and *Housewives* diehard Amy Odell. “Now part of the reason people watch is to see what the ladies are wearing.” It's not just fans who have noticed a shift. Ur-Housewife Bethenny Frankel acidly commented on her podcast that behind the scenes is an army of “glam squads and costumes and hair pieces and a whole fashion show.” And yet the fashion show onscreen may be more real than what walks the red carpet, where celebrities more often than not are playing dress-up for the step-and-repeat.

The *Housewives* don't borrow clothes—luxury brands won't lend to them—and they don't rent the runway. To keep up appearances, they're buying their Alexis Carrington Colby finery at their own expense. To quote Dolly Parton, it costs a lot of money to look that cheap. “It's all from my closet,” says Sutton



Selling Sunset's Christine Quinn at a Balenciaga show at the New York Stock Exchange.

Stracke, of *Beverly Hills*. “When people write, ‘Sutton needs to fire her stylist,’ I just want to write back, ‘I am my stylist!’”

And here's something else: The *Housewives* move merchandise. A lot. Even though they're not pulling viewers the way they used to (around 1 million an episode at their peak), they still command Instagram followings that range from 4 million (*Beverly Hills*'s Kyle Richards) to 10 million (*Atlanta*'s Kandi Burruss).

All the franchise's stars, especially in New York, have always attended fashion shows, of a sort. Ramona Singer walked one runway—as part of Brooklyn Fashion Weekend. For the

most part these appearances were photo-ops aimed at impressing the tabloids. Then Erika Jayne broke out on *Beverly Hills* in 2015, weaponizing her outrageous closet to turn herself and her team into meme machines. Before her recent legal troubles, Jayne was signed up by Rihanna as an ambassador for her lingerie line, Savage X Fenty, and attended shows by Marc Jacobs and Vera Wang.

Seven years later nearly every member of the *Beverly Hills* cast hires stylists, and so do many of the women in other cities, even *Potomac*'s Gizelle Bryant, whose colorful ensembles are regularly mocked by fans. ➡➡➡



TRADING CARDS “Unlike art and wine, trading cards are highly liquid,” says Jesse Craig, director of business development at industry leader PWCC Marketplace. Since 2020, the PWCC 500 Index, which tracks the sales performance of key sports cards, has been up 398 percent. ➡



ART In May the marquee New York spring auctions netted a combined record-shattering \$2.8 billion. “Art is a true portfolio diversifier,” says Rebecca Fine, managing director of art finance at investment firm Yieldstreet. “In past recessions art sales have often rebounded faster than the S&P 500.” ➡

“This is going to sound so weird, but what to wear is the hardest part for me on the show,” says Crystal Kung Minkoff, who is in her second season of *Beverly Hills*. “I am not into fashion. It’s not my thing. But fashion is its own character on the show.”

So she spent tens of thousands of dollars on clothes, an investment that cut into her \$60,000 take-home as a first-year cast member. Minkoff, an entrepreneur who is married to filmmaker Rob Minkoff, initially asked two friends, the stylists Andrea Lublin and Dana Asher Levine, to help her out as a favor. With a demand for 100 outfits a season, she eventually had to start paying them. Now Lublin handles every-day filming and Levine the confessional shoots and reunion episodes.

“It’s lunches, dinner, vacations. It’s a lot of content to fill,” says Andrew Gelwicks, a New York stylist who worked with actress Lisa Rinna (of *Beverly Hills*), Carole Radziwill (formerly of *New York*), and Chrishell Stause, of Netflix’s *Selling Sunset*, a reality upstart that is trying to take the crown for fashion with a capital F. The vacations are particularly daunting, since the cast can wear three or more outfits a day, and god forbid one of the ladies turns up in the same sunglasses twice.

To make things difficult, most stylists can’t call in samples from the major fashion houses. One issue is logistics. *Housewives* shoots on such last-minute production schedules that the cast is often not sure whether they’re going to a black tie event or to Turks and Caicos.

Then there’s a more delicate problem. “I tried to pull from designers, and they didn’t want their names attached to the show,” says Leslie Christen, an Orange County-based stylist who worked with the former sitcom actress Heather Dubrow on her first season in 2012. Therein lies the ultimate irony of dressing for the show: The *Housewives* play celebrities on TV, but they’re not offered the same freebies—not the ones they want, anyway. Even Jovani, the cheesy eveningwear line made famous by Countess Luann de

Lesseps, makes the women of Bravo hand over a credit card to wear their prom gowns.

The network’s casting directors look for cast members who can independently dress the part because they don’t extend much in the way of a stipend: less than \$2,000, and that’s just for the high-stakes reunions.

It was Stracke’s “couture lifestyle” that got her on the show in the first place, she tells me, all but doing air quotes over the phone. Not only is the ex-wife of PIMCO executive Christian Stracke a luxury shopper herself, she sells a legitimate couturier,

Alexis Mabille, at her namesake shop in West Hollywood. (She reportedly gets \$300,000 a month in spousal support.)

Other cast members pony up retail prices for their socialite uniforms and, more important, to keep their slots on the series.

Inevitably, expensive bad clothes can make for good TV, and they also—*shhh*—drive sales. When Minkoff wore what

Stracke called “ugly leather pants,” the item in question, by Andrea Lieberman’s ALC label, immediately sold out on Net-a-Porter. Stracke is herself accommodating fans by offering items at her store for all budgets, including Mabille’s tees and day dresses.

Luxury’s heavy hitters are paying attention. For proof that the establishment is softening its stance, just Google “Kardashians at the Met Ball.” Reality TV’s first family pioneered the practice of buying clothes until they got invited to the party. Cut to this summer, and *Selling Sunset*’s Christine Quinn was front row at Balenciaga’s show at the New York Stock Exchange. The label may project an aloof public image, but no one in fashion is above making coin, and Quinn’s 3 million Instagram followers speak to the spending power of her platform. The realtor wasn’t just there in her capacity as the new queen of Netflix pyrotechnics but as a founder herself. In the waning episodes of her series’s fifth season, Quinn had announced she was leaving the real estate brokerage Oppenheim Group to hang her own shingle, RealOpen. Naturally, it’s aimed at the crypto crowd. **T&C**

2022 SPENDING HABITS
ROBERT FRANK
CNBC wealth editor and author of Richistan

“Luxury spending is like a light switch—purely discretionary, so it shuts off quickly.”

Still Dancing on the Lip of the Volcano?

The last time there was a disconnect this vast between economic realities and one-percent spending was 35 years ago, and Julie Baumgold was its keenest observer. She weighs in on the current moment. BY LEENA KIM

The year was 1987. A week after the stock market crashed, Christian Lacroix staged his first show in New York—at the World Financial Center. As frantic traders flitted about upstairs, models downstairs twirled in tutu skirts and neon, taffeta and mink. Julie Baumgold was there to capture it all for *New York* magazine, trailing Lacroix and his Whirlers—a crew that included Blaine Trump, Nan Kempner, and Gloria von Thurn und Taxis—in a week of revelry, dancing on the lip of the volcano. *T&C* caught up with Baumgold.



A week after the stock market crashed in October 1987, Christian Lacroix brought his extravagant couture creations to New York.

PHOTOGRAPH BY HARRY BENSON



BUNHILL/GETTY IMAGES (BEAR MARKET); E+/GETTY IMAGES (KEYS); ROBERT HRADIL/GETTY IMAGES (ROLEX)

<p>1973 OUT OF GAS Duration: 630 days. Catalysts: Watergate and Nixon’s resignation; the Arab oil embargo and subsequent fuel crisis. This bear market didn’t begin with a crash but rather a slow downward slide. At the time, only the Great Depression trumped this slump in longevity. Outrageous Fortune: Months after the downturn began, a record was set for the largest sum ever raised at an annual charity ball: \$1.8 million at a benefit for St. Mary’s hospital held at the Everglades Club in Palm Beach.</p>	<p>1980 STAGFLATION Duration: 622 days. Catalysts: High inflation, high employment, a stagnant economy—sound familiar? In August 1982 the <i>New York Times</i> described the mood around the market as a mix of “confusion and fatalism.” In response to the downturn, Ronald Reagan cut top income tax rates from 70% to 50%. Outrageous Fortune: Though Reagan was entering the White House during a recession, his inaugural ball was a glamorous affair that cost \$4.5 million more than President Carter’s.</p>	<p>1987 BLACK MONDAY Duration: 101 days. Catalysts: In just one day the Dow dropped a whopping 22.6 percent. “People are dumping stocks with reckless abandon,” one analyst told <i>Time</i> magazine. “As trite as it may sound, the market is going down because it’s going down.” Outrageous Fortune: The crash was no match for late ’80s excess (see: every party thrown by Saul and Gayfryd Steinberg, Malcolm Forbes’s 70th birthday festivities, and the Christian Lacroix extravaganza at the World Financial Center days after Black Monday).</p>
<p>2000 DOTCOM BUST Duration: 929 days. Catalysts: Excessive speculation around the value of internet companies over several years led to the NASDAQ falling 78% from its peak. The 9/11 attacks didn’t help. Many tech companies shut down; others, like Cisco Systems, lost the majority of their value. Outrageous Fortune: Blackstone co-founder Stephen Schwarzman paid around \$35 million for a triplex at 740 Park, then the highest price ever paid for a Park Avenue apartment.</p>	<p>2007 GREAT RECESSION Duration: 517 days. Catalysts: The biggest decline since World War II had myriad complicated causes (remember Margot Robbie trying to explain mortgage-backed bonds from a bubble bath in <i>The Big Short?</i>) and just as many casualties (RIP Lehman Brothers). Outrageous Fortune: As signs of doom mounted, Schwarzman once again showed no signs of financial weakness, throwing himself a \$3 million birthday party featuring a 50-foot silkscreen of the aforementioned apartment.</p>	<p>2020 COVID SPIRAL Duration: 33 days. Catalysts: Fears surrounding the coronavirus pandemic sent the S&P down 34% in February and March. Outrageous Fortune: The rich have always loved buying a compound, but perhaps never more than now. Real estate prices shot through the roof, and a record was set in California when Jeff Bezos purchased David Geffen’s 9-acre Beverly Hills estate for \$165 million. (This was shortly after Bezos spent \$80 million on three adjacent NYC apartments.)</p>
		<p>2022 CRYPTO CRASH Duration: 184 days and counting. Catalysts: A slow recovery from Covid, the war in Ukraine, and high inflation. Cryptocurrency has imploded, with Bitcoin dropping 70 percent from its high. Outrageous Fortune: Elon Musk claimed to have a significant chunk of the \$44 billion needed to purchase Twitter. Larry Ellison broke Florida’s real estate record with a \$173 million purchase near Palm Beach. And you can’t fly first class to Europe for less than a year’s tuition. Need we say more?</p>

REAL ESTATE Don’t be deterred by rising mortgage rates, says Jonathan Miller, president and CEO of real estate appraisal firm Miller Samuel. “It may be painful to first-time buyers, but the Fed’s move has also created more volatility in the financial markets, reaffirming that real estate is a long-term asset,” he says.



WATCHES “The strength of the collectors’ market is extraordinary right now,” says Paul Boutros, head of watches, Americas, at Phillips auction house. “From independent makers like F.P. Journe and De Bethune to Rolex and Patek Philippe, international demand has reached new heights, with no indication that this momentum will slow down.”



Nice. Frickin'. Tapestry.

Meet the original NFTs. And they're making a comeback.

BY SPENCER BAILEY

Over the course of her lifetime, Lady Helen Hamlyn, the 88-year-old widow of the late publishing magnate Paul Hamlyn, has amassed one of the world's most impressive collections of rare textiles. Last year she decided to sell a slim selection of her hoard at Bonhams, including a mythic Flemish tapestry, of Rothschild family provenance, that was woven sometime in the early 16th century. When the gavel came down, the piece had fetched more than \$330,000, roughly double the estimate.

Tapestries, it turns out, are enjoying a 21st-century renaissance. Even if the market remains decidedly niche, recent auction sales demonstrate an intense desire on the part of a competitive, upper-crust collector pool seeking a tangible distinction from the New New Money: cryptocrats and nefarious NFTers.

"We're living in the mega moment," says historian Glenn Adamson. "Not just the megarich, but mega-ambitious domestic architecture. If you've built a 20-foot-high, 50-foot-wide wall, how are you going to make that wall perform? Boy, a 16th-century Flemish tapestry would be hard to beat. There's nothing more mega than a historic tapestry."

Once used for ceremonial rituals and palace decor, tapestries were the Jeff Koonsees of their time, bragging rights that telegraphed gravitas. The most prized examples were highlighted with gold and silver thread, meticulously woven in Flemish and French workshops over months or even years. "They were considered the most valuable thing other than jewelry, gold, and silver," says Frances McCord Krongard, the European art specialist for the Washington, DC, auction house Potomack Company. "Nobles would have them rolled up and travel with them to their military camps and castles. At home they often had guards protecting them."

In some respects such tapestries were a



A 16th-century asset class enjoys a 21st-century renaissance.

literal store of wealth or, as Adamson puts it, "a tremendous amount of value condensed into a single object." In times of crisis, these tapestries were often taken apart for their materials. "The reason we've lost a lot of them," he adds, "is because they were melted down for the gold and silver—which gets across just how much metal there was in them."

By the mid-17th century, as wars depleted fortunes and dynasties fell, tapestries had lost their luster. Their fate was sealed with the arrival of the Jacquard loom in 1804.

"Tapestries went from being just about the most powerful status symbol you could have in the upper echelons of European society to,

fast-forward maybe 400 years, your elderly, doddery relative might have a 19th-century French one that's got lots of leaves, no text, no figures. The colors have faded. There are no metal threads," says Helena Gumley-Mason, a tapestry specialist at Bonhams. "It's a completely different animal."

Today scarcity accounts for tapestries' resurgence. They can no longer be crafted the way they once were, and many of the existing masterpieces are in private hands; the British royal family, which controls what may be the world's largest private collection, has about 50 adorning the walls at Hampton Court Palace alone. Sales are few

and far between, but when they take place, in-the-know modern-day Medicis (or their art advisers, anyway) champ at the bit. And while some art collectors these days may be plonking down millions for NFTs, which are also built on a model of scarcity, a monumental Beeple collage, \$69 million auction price and all, pales next to the immaculate craftsmanship of a five-century-old Flemish masterpiece.

Auction prices keep climbing, too. An early 16th-century Flemish tapestry depicting King Charles VIII on horseback went for \$336,000 (four times the estimate) at Sotheby's in May 2019, and in October 2020 a Franco-Flemish tour de force, circa 1500, sold for \$930,000 at Christie's.

On the online marketplace 1stDibs, certain historic works can command nearly half a million dollars; one recent listing was \$750,000.

The pandemic only turbocharged this eclectic and acquisitive cohort of collectors. "I have noticed an appetite coming back," Gumley-Mason says. In a milieu that's all about scale and projecting clout, a tapestry is a most elite flex. "People need to have enough space—a big wall," says the art dealer Didier Marien, of the New York gallery Boccara. "Antique tapestries are for big houses."

It's not just mansion dwellers stoking the market. Modern and contemporary artists have done their part to exalt ancient techniques and bring them into the future. Alexander Calder and Joan Miró worked with weavers in Aubusson, France, and Pablo Picasso fashioned tapestries that were collected by Nelson Rockefeller. Phyllis Lambert, the heiress to the Seagram fortune, paid \$50,000 in 1957 for Picasso's 19-foot-tall stage curtain *Le Tricorne*, which hung at New York's Four Seasons restaurant until 2014, when the building's new owner, Aby Rosen, dumped it in favor of works from his private collection. (The New-York Historical Society rescued the beleaguered shroud, now valued at \$1.6 million.)

During this year's Salone del Mobile, British interior designer Ashley Hicks displayed

at Nilufar Depot a series of digitally printed tapestries based on his paintings, and at Palazzo Francesco Turati the graphic design studio 75B showed a tapestry called *Milano* (produced by TextileLab in the Netherlands) that featured more than 130 symbolic references to the city. Contemporary African artists too are revolutionizing the medium by elevating everyday materials such as burlap, which makes tapestries more current and, in turn, coveted. The Ghanaian master El Anatsui was the subject of a retrospective appropriately titled "Triumphant Scale" that broke attendance records in 2019 at Munich's Haus der Kunst; in March, the winning bid at

Sotheby's for his bottle cap tapestry *Wade in the Water* was \$1.5 million. And a younger generation continues to push the practice forward, like the 40-year-old South African Igshaan Adams, whose sprawling work *Bonteheuvel/Epping*, prominently featured in the 2022 Venice Biennale, channeled the "desire lines," or footpaths crossing through segregated neighborhoods in apartheid-era Cape Town. (The phrase doubled as the title of his largest U.S. show to date, which closed in August at the Art Institute of Chicago.) Interest in Adams's elaborate wall hangings has been slowly creeping upward since 2019, when a piece sold for \$24,106 at auction; in March 2021 he set a new record, at \$94,500.

Even as the meaning of the word has evolved, there's no debate about why the tapestry as a form has kept our gaze. Its very essence is as old as man himself. In 1965 the pioneering Bauhaus fiber artist Anni Albers observed with awe that the Incas of Peru had a refined, sophisticated textile culture even before they developed written language, and that was before the conquistadors invaded. "Along with cave paintings," she wrote, "threads were among the earliest transmitters of meaning." Strung together, they form a catenary that stretches from the earliest Andean weavings to what Le Corbusier came to call "the mural of the modern age," connecting us all in the long arc of history. **T&C**

2022 SPENDING HABITS
MELISSA BIGGS BRADLEY
 Founder and CEO of Indagare

"We are in a massive travel boom that's not waning despite high prices. Covid created pent-up demand; we have more bookings for 2023 than in any previous year at this time. The Ritz Paris, where rooms begin at \$1,900, is our top booked hotel."

CRAZY MONEY



▲ BACCARAT CHANDELIER

The centuries-old crystal manufacturer has stayed fresh with collaborations, including one with the late Virgil Abloh. **BACCARAT** 19TH-CENTURY CHANDELIER (\$124,853), 1STDIBS.COM

BUY! SELL! BUY!

If the tapestry can mount a comeback for the 0.01 percent, these just may too.



▲ BOSENDORFER IMPERIAL GRAND

Liszt and Brahms played on the 194-year-old Austrian firm's instruments, which have been called the "Rolls-Royce of pianos."



▲ LOUIS XIV FURNITURE

The frenzy for French antiques peaked in the mid-aughts, when a Louis XIV desk sold for more than \$5 million at Christie's London.

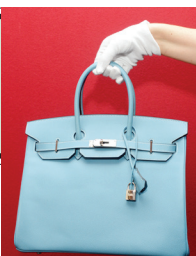


▲ JOHN SINGER SARGENT PORTRAIT

Anyone can commission an oil portrait. But a Sargent painting of your great-grandmother in the attic? That's a flex.



AIR JORDANS "With sneakers, it's hard to find a brand that delivers more consistent price appreciation," says Drew Haines, merchandising director at StockX. As for Jordans worn by the GOAT himself? Stratospheric returns. Heritage Auctions set a record in February with a pair that sold for \$1.01 million.



BIRKINS "The Hermès Birkin has mythological status," says Rachel Koffsky, international head of the Handbags & Accessories department at Christie's. "As it has become more widely known—and as the market for collectible handbags has grown, with more millennials participating in auctions—the demand outpaces supply each season." ■



SMOKE & MIRRORS

[CONTINUED FROM PAGE 102] such as Perelman’s MacAndrews & Forbes. Very little is known about MacAndrews & Forbes, and Perelman likes to keep it that way. (He declined repeated requests to be interviewed.) According to its website, there are now only four companies in its portfolio, and three of them aren’t in particularly great financial condition.

What’s more, according to interviews with a variety of Wall Street bankers and former Perelman employees, MacAndrews & Forbes has borrowed a considerable sum from a group of large banks. This is not particularly unusual, especially with a private holding company. But if, hypothetically, those creditors were to put the squeeze on MacAndrews & Forbes for repayment of the loans because protective covenants in the debt agreements (an early warning system for the banks in case of potential financial distress) had been tripped, it would certainly present a set of challenges for Perelman, especially if the holding company debt is secured by personal assets.

On June 15 Perelman’s beloved Revlon filed for bankruptcy protection in the Southern District of New York. He had nurtured Revlon for 37 years, basking at times in its perceived glamour and at other moments saving it from financial ruin by injecting much needed capital. In 2018 he installed his daughter Debra as the CEO, and she was at the helm when Revlon filed for bankruptcy with some \$4.5 billion in debt and other liabilities. Perelman still owned 87 percent of the company, a stake that was worth around \$100 million on the day of the announcement. (Revlon’s equity value shot up in the days after the filing, due to takeover rumors.) Some former Perelman employees wonder why he didn’t sell part of his Revlon equity when he had the chance. “He could have easily maintained control of the company by owning 51 percent,” one former adviser told me. “And that extra 36 percent would have netted him hundreds of millions of dollars had he decided to sell down.” But he didn’t. Now, unless a minor miracle occurs, Perelman’s equity in Revlon will be wiped out during the bankruptcy proceedings.

It’s possible that Perelman will end up with

nothing for his equity in Vericast, too. This is the strange company he patched together by combining the old Harlan-Clarke check printing business and Valassis, a company that made advertising inserts that show up in Sunday newspapers. It remains a challenged business, but it offers something quite valuable to Perelman. According to former employees, cash flow from Vericast (which he owns outright) can be sent directly to MacAndrews & Forbes to help pay down the holding company’s various obligations and for other purposes.

But that perquisite may soon be ending. On May 16 Chatham Asset Management sent a letter to John O’Malley, the Vericast CEO, offering to buy Vericast for \$2.85 billion, the amount of its indebtedness. Normally, a company could choose to ignore such an unsolicited “credit bid,” especially one that offers nothing for the company’s equity. But this is an offer that neither Perelman nor O’Malley can afford to ignore, since Chatham is by far Vericast’s largest creditor. The options are limited: sell and lose the equity, or choose not to play ball and likely face bankruptcy. In either case, there goes a vital source of cash and control of another of Perelman’s portfolio companies.

What about VTV Therapeutics and SIGA, the remaining two companies? Perelman owns 85 percent of VTV, which has a total market value of roughly \$60 million, down about 70 percent in the last year. If Perelman could sell the company, he might be able to eke out his \$50 million or so stake in cash, or in the stock of an acquiring company. But if he were to try to sell that stake in the market, the stock would collapse further—a function of supply and demand—and he’d be unlikely to get that much for it.

The prospects are better for SIGA, especially lately: It’s a pharmaceutical company specializing in antiviral treatments, and it seems to have benefited from concern about monkeypox. In May and June SIGA’s stock jumped 80 percent, increasing its market value to around \$1 billion. Perelman’s 33.4 percent stake in SIGA is worth around \$330 million. That’s real money, if he can figure out a way to get at it. Again, he’d have a hard time selling his stake in the market without driving down the stock price.

There isn’t much else left to be sold. Other companies that Perelman used to own or control through MacAndrews & Forbes are long gone, including AM General, the maker of the Humvee; Deluxe Entertainment, a post-production film services company; Merisant, a manufacturer of noncaloric sweeteners; and Scientific Games, a leading purveyor of lottery

games and sports betting tools.

Perelman has divested many of his personal assets as well. He parted with around \$350 million worth of his world class contemporary art collection, including *Grande Femme 1*, a 1960 sculpture by Alberto Giacometti that Sotheby’s sold privately in a sealed bid auction with a starting price of \$90 million. In January Perelman sold his second, mostly unused, house on Lily Pond Lane in East Hampton for \$84 million. He is said to be “shopping” the Creeks for \$180 million. His townhouse in Manhattan has also been listed for sale, at \$60 million. He sold two private jets and has put up for sale his 281-foot megayacht, dubbed C2 (after his second wife, Claudia Cohen).

Then there is the curious saga of the real estate on East 62nd Street. He owned three adjacent buildings there, one of which serves as the headquarters of MacAndrews & Forbes. The combined debt on them was \$193 million, owed to Citigroup. In 2021 Citigroup hired Cushman & Wakefield, the real estate firm, to sell the debt, and in April the family office of billionaire Tony James bought the loans on the buildings for \$115 million, a 40 percent discount. Also in April the Chapman Group, a real estate company owned by Perelman’s father-in-law, bought two of the buildings for a combined \$35 million. A 15 percent stake on the third, and largest, building was also sold in April, for \$60 million. Then in May the Chapman Group put its two buildings up for sale for \$160 million. While it’s not clear how this deal will shake out for the Chapmans, it seems likely Tony James will be the big winner. (James declined to comment.) In the meantime, Perelman was relieved of debt to Citigroup and pocketed \$35 million from his father-in-law.

There has been a lot of speculation on Wall Street and by financial observers about what precipitated Perelman’s selling. “When I first noticed he was selling the mansions and yachts, I thought that either he had just been advised he had limited time left to live, and/or his Revlon ATM card was no longer working,” said Mark Cohen, an adjunct professor and director of retail studies at Columbia Business School.

It’s easy to feel schadenfreude when a billionaire has to part with a yacht or a plane, but there can be more serious consequences from the downsizing of an empire. During Perelman’s years of plenty, he gained a well-deserved reputation as an ardent philanthropist. He established the Ronald O. Perelman Department of Dermatology at New York University Langone Medical Center in 1991;

the Ronald O. Perelman and Claudia Cohen Center for Reproductive Medicine at Weill Cornell Medical Center in 2008; and the Ronald O. Perelman Heart Institute at New York Presbyterian Hospital in 2009. He created, for \$25 million, the Perelman Center for Political Science and Economics at the University of Pennsylvania in 2013. In June 2016 he announced a \$75 million gift for the 90,000-square-foot Perelman Center for the Performing Arts near the World Trade Center.

Yet some of his other philanthropic efforts have gone awry. In December 2018 Perelman’s family foundation pledged \$65 million to Princeton University (Debra Perelman is a 1996 graduate) for a new residential college at the university. But in 2021 Princeton announced that the residential college—Princeton’s seventh—would no longer be named for Perelman because the foundation failed to make the gifts as promised. According to the latest Form 990 filed for the foundation, it has “approved for future payment” a \$25 million donation to Brown University for a new performing arts center, set to open in 2023, but without the Perelman name, since it has yet to make the payment as pledged.

His \$100 million pledge in 2013 to help pay for the cost of one of two new buildings for Columbia Business School’s new campus was “redirected,” according to the school, toward creating a new Perelman Scholarship Fund. In the meantime David Geffen, the music mogul, replaced Perelman as the building’s benefactor. “We don’t see this kind of thing happen very often,” said Maria DiMento, a senior reporter at the *Chronicle of Philanthropy*. “It’s embarrassing for the donor and the institutions. And it can have a negative domino effect.”

The foundation has reduced its giving over the years. It donated \$11.75 million in 2015, nearly \$10 million in the two subsequent years, but only around \$3 million in 2019, the latest year for which information is available.

Aside from the perils of debt and hubris, is there a cautionary tale to be gleaned from Perelman’s slide from feared corporate raider to milquetoast serial liquidator? One former colleague likens Perelman’s saga to the story of Wall Street over the last 40 years. “You have go-go times and crazy vast amounts of wealth being made, and then the consequences of not having the discipline to push yourself away from the buffet counter,” he said. “You see it over and over. This is a man who could have ridden off into the sunset by doing what he ultimately did anyway, selling it all, but in an orderly and rational fashion. But guys like Ronald, they just can’t let go.” **T&C**



I’M RICH

[CONTINUED FROM PAGE 105] Drake’s comments on Instagram with the not so subtle humble-brag, “Started from the bottom now we’re here.” Mark Zuckerberg, whose Meta owns Instagram, is not the least bit embarrassed to share Reels of himself wakeboarding for his 10 million followers. Sometimes the oversharing backfires, as when David Geffen Instagrammed in the early days of the pandemic that he was “avoiding the virus” in the Grenadines aboard his yacht. Perhaps he should have followed the example of pal Barry Diller, who comes across as a cuddly grandpa when he posts candids from his schooner. Then there’s the Texan hedge fund manager Bill Perkins, who set a record in May at Christie’s when he paid \$15.3 million for *The Sugar Shack*, a work by the late African-American painter Ernie Barnes most famous for its appearance on the end credits of TV’s *Good Times*. For a work that was originally estimated to fetch between \$150,000 and \$200,000, he brought down the hammer after 10 minutes of bidding.

“A childhood dream come true,” the 53-year-old Instagrammed, adding #LuckyAF, seemingly unbothered by the exorbitant premium. With 294,000 followers on Instagram, he has upped the ante for his peers by routinely sharing his high-stakes misadventures with the trustafarian turned poker and social media star Dan Bilzerian, who has 33 million followers on the app, more than Madonna.

It’s easy to understand why these tech robber barons would take to social to move markets and shape the political agenda of the day. At a time of record income disparity and wholesale market volatility, it’s harder to compute why they’d be inclined to peacock like influencers at Pitti Uomo. At Allen & Company’s annual conference in Idaho this summer, the three comma club ditched the dad jeans, software convention polos, and discreet luxury of Brunello Cucinelli for showier duds, throwing on Dior (Barry Diller), Moncler (venture capitalist Aviv Nevo), and Stone Island, rappers’ favorite small Italian label (movie producer Brian Grazer). Contrast Jack Dorsey’s regular appearances during Paris Fashion Week (at Rick Owens during

the women’s shows last September and at Louis Vuitton’s men’s in June) to Berkshire Hathaway honcho Warren Buffett, who yet again upcycled an old short-sleeve button-up crawling with a lizard print at the proceedings in Wood River Valley. Not for him the wardrobe of the modish hypebeast.

Buffett, as a matter of fact, is the standard bearer for the low-key arm of today’s ruling class. In May he and Bill and Melinda Gates gathered the 200-strong members of the Giving Pledge network for their annual convention, a drum circle in Ojai, California, so quiet its sounds can be heard only by those with a net worth in excess of \$1 billion. Attendees did not pose for paparazzi when getting off their jets nor did they story their fire fits. This was Bohemian Grove for do-gooders. They were adhering to the oldest establishment precept of all: discretion. If you must appear in the newspaper, the Main Line thinking went, stick to the milestones: birth, marriage, and death.

They seem to have heeded the lessons of the past, unlike many of today’s masters of the universe, who are going for Ceaușescu levels of mindless ostentation. They would be well advised to hit the history books for a warning, and they wouldn’t even have to go back too far. It was in 1999 that Musk, newly flush after selling his startup Zip2 to computer giant Compaq, showed off a new toy on CNN, a McLaren F1 worth \$1 million. The young dynamo, sporting his former teeth and hairline, clearly relished his newfound “creature comforts” while smugly recalling his miserly days. His then fiancée, Justine Wilson, later the author of the fantasy novel *BloodAngel*, appeared apprehensive. “It’s decadent,” she said. “I just worry that we will become spoiled brats and lose a sense of appreciation and perspective.”

If only Musk had paid attention to his ex, or at least stuck to buying supercars. Twitter’s stock slid following his July withdrawal, and the company sued to force him to honor the deal. Musk lost his bid to delay the trial, and the two parties are expected to face off in October. Even if the company prevails, nothing in his past suggests that he has the chops or the self-control to make a go of it despite himself, or to rein in his impulse buying. His likely rolling back of moderation policies might please free-speech maximalists, but it doesn’t augur well for the rest of us. Nor does the old McLaren. Encouraged to do something reckless by his billionaire pal Peter Thiel not long after the CNN segment, Musk totaled the car in an accident. **T&C**



TIKTOKRATS

[CONTINUED FROM PAGE 106] And the sharing economy has democratized formerly prohibitive spaces, if only for a day (and for the likes). There is Airbnb and Onefinestay for mansions in far-flung locations, sure, but there are also private pools rentable by the hour, and GetMyBoat and Boatsetter, which allow anyone with a phone to charter a yacht. Just a small taste of an exclusive experience can then be repackaged for millions of views.

“People are realizing you don’t have to have a summer house to experience the old money lifestyle,” says Vascimini, who takes the Hampton Jitney out east for daytrips with her sorority of makers. “One of our favorite things to do is walk around the Upper East Side and sit at Ralph’s for coffee. People say, ‘How do you spend so much money?’ All we did was get a cup of coffee and go to the Met. It’s about how you showcase things.”

Zoomers are not unaware of the sometimes problematic history behind these status symbols, but they’re inclined to pick and choose the totems that suit them, like items from a costume closet. It’s telling that one of the dominant fads of the moment is the “coastal grandmother,” an archetype derived from the films of Nancy Meyers or Ina Garten’s garden or both. Nostalgia is the driving factor—as it is behind the comeback of vintage maximalism in home decor and the sudden buzz around such classic haunts as Bemelmans in New York—but so is the timeless appeal to the young of going against the grain.

Of course, the OGs would never flaunt their escapades on TikTok, but what fun is cosplaying as a WASP if you can’t post about it?

“Dressing in an alternative style has been so expected of Gen Z. When you see someone wearing something more classic, it’s actually seen as different,” says Vascimini. In other words, the pose itself is the act of rebellion, and in an age when nothing is what it seems, on social media or elsewhere, getting away with it is an integral part of the thrill. “If TikTok has taught us anything,” Najjar says, “it’s that anyone can be anything they want with the right Amazon Prime order.” **T&C**



A GAME OF THRONES

[CONTINUED FROM PAGE 127] businessmen and politicians and selling the compromising information to their rivals. (Villarejo, whose trial is ongoing, denies the charges, saying the Spanish secret service is responsible for the recordings.) In a recorded 2016 meeting in London with Villarejo, zu Sayn-Wittgenstein, as reported in *El País*, came forth with a series of stunning revelations. She talked about \$7 million in cash bestowed on the king from the leaders of Kuwait and Bahrain in 2008 and 2009; and a \$100 million payment in 2008 from King Abdullah of Saudi Arabia—a reward for Juan Carlos, she said, for brokering a multibillion-dollar contract between Saudi Arabia and a consortium of 12 Spanish and two Saudi firms to build a high-speed railway between Mecca and Medina. That money, in turn, was the source of \$65 million that Juan Carlos transferred into a Bahamian account belonging to zu Sayn-Wittgenstein—in 2012, after the Botswana debacle. “I think it was recognition of how much I meant to him, how much [my son] meant to him,” she would tell the BBC in 2020. She said that when Juan Carlos had demanded the money back in 2014, she refused, claiming it was an “irrevocable gift.”

The recordings were leaked to two small online Spanish publications in 2018. That was enough for Swiss prosecutors (and, later, Spanish ones) to open probes into the ex-king, which, *El País* reported, uncovered documents connecting a foundation and a labyrinth of accounts in Switzerland and the Bahamas to money from Arab leaders. In the end, Swiss and Spanish investigators would determine that no proof existed of quid pro quos for the gifts. But public perception that the king was wheeling and dealing, supporting his lifestyle through secret transactions with foreign billionaires, coupled with more allegations of a string of extramarital liaisons, shattered what was left of Juan Carlos’s reputation. Coming at a time of indifference toward the *corona* from a new generation of Spaniards, and overt hostility from secession-minded citizens in Catalonia, such revelations “put the Casa Real in the center of a

political storm, and it was terrible for King Felipe,” says Carlos Pérez Gil, editor of the Spanish news service Agencia EFE. The final straw, Irujo says, was Felipe’s discovery that his father had named him as a beneficiary in the Lukum Foundation fund, one of those secretive financial structures being investigated by the Swiss—an apparently paternal move that backfired badly. Felipe was “furious,” Irujo says, that he had been dragged into his father’s shenanigans.

On March 15, 2020, the first day of Spain’s coronavirus lockdown, Felipe issued a statement announcing that he had renounced his inheritance from his father and terminated the former king’s pension. On August 8, Juan Carlos boarded a private jet in the city of Vigo, near Sanxenxo, and flew to Abu Dhabi—the oil-rich emirate controlled for centuries by his close friends the Al Nahyans—to begin an indefinite exile.

How could Juan Carlos have botched things so badly? For one thing, Peña-fiel and other longtime observers say, his obsession with attaining the stature and lifestyle of the Windsors had clouded his moral judgment and driven him to accept cash handouts without regard to how they might look. Compounding that was his belief that the affection of the population he had won by staring down the coup plotters in 1981 was eternal. “Juan Carlos had been elevated to a kind of saint, the man who brought democracy to Spain,” says José Álvarez Junco. “He thought he was invulnerable.” And, living in a bubble of hunting trips and yacht races, surrounded by courtiers willing to cater to all his appetites (“There were no limits to his behavior,” says Irujo), he badly misread the mood of Spaniards and of the Spanish media. In an era marked by a newly aggressive press at home and relentless exposure of the bad conduct of celebrities worldwide, including monarchs, Juan Carlos remained hopelessly out of touch.

And then, of course, came his fatal misjudgment—of character. A charismatic romantic (the charitable view) who had cut a swath over six decades, Juan Carlos had met his match in Corinna zu Sayn-Wittgenstein. “She took him down,” says de Cozar. “It was a huge miscalculation on the part of Juan Carlos and of the Spanish deep state. Nobody fully realized the trouble that this woman was going to cause.” (And she’s not done with Juan Carlos yet. In 2020 she filed a civil suit against him in London’s High Court charging him with harassment and “great personal injury”