

CULTURAL  
CAUDILLO

Jasper Johns's 1967  
*Flag* hangs over a  
fireplace in Eli Broad's  
house in Brentwood,  
California. *Opposite,*  
Broad at the National  
Arts Awards, in  
New York, 2005.




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# Eli Broad's

A black and white portrait of Eli Broad, an elderly man with white hair and glasses, wearing a dark suit, white shirt, and dark tie. He is looking directly at the camera with a slight smile. The background is dark and out of focus.

With a net worth estimated at \$5.8 billion, a billion-dollar modern-art collection, and board seats at museums from New York's MoMA to L.A.'s MOCA, Eli Broad is among the greatest powers of the international art world. He's also put his money, his name, and his considerable muscle behind biomedical research, education, the performing arts, and the redevelopment of downtown L.A.

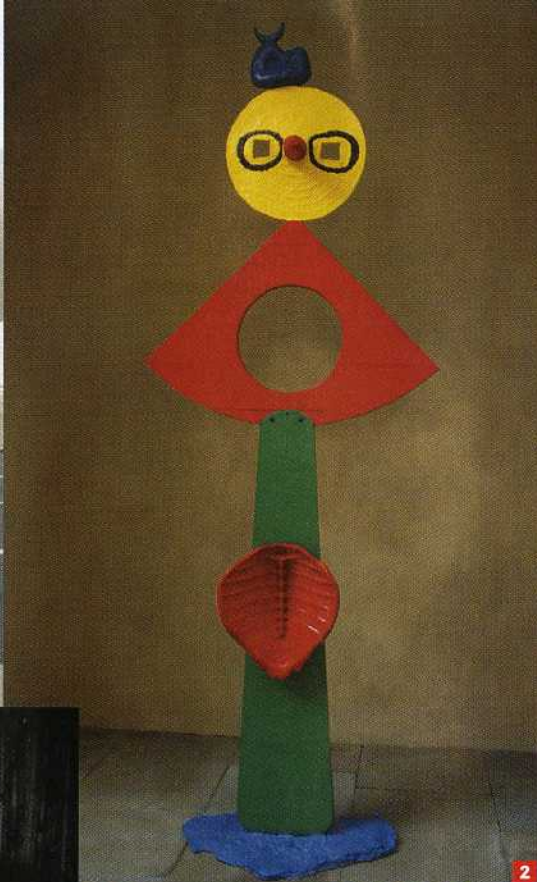
**BOB COLACELLO** profiles a philanthropist whose style leads to feuds, controversy, and extraordinary results



# Big Picture



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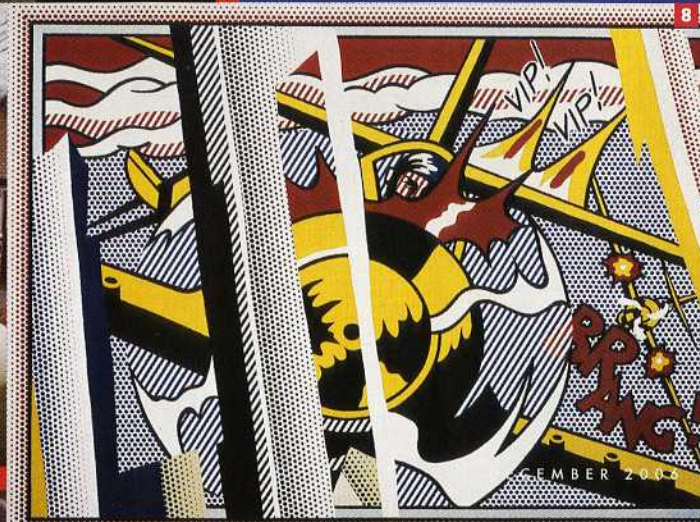
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**IT'S A WONDERFUL LIFE**

(1) Broad at Disney Hall. (2) Miró's 1967 *La Caresse d'un Oiseau*. (3) Warhol's 1962 *Small Town Campbell's Soup Can (Pepper Pot)*. (4) Edythe and Eli on their wedding day, 1954. (5) The Brentwood house. (6) Larry Gagosian, the Broads, Dennis Hopper, and Chuck Arnoldi in Gagosian's L.A. gallery, 2002. (7) Broad outside a K&B house near Paris, 1978. (8) Lichtenstein's 1989 *Reflections: Vip! Vip!*



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*The reasonable man adapts himself to the world.  
The unreasonable one persists in trying to adapt the world to himself.  
Therefore, all progress depends on the unreasonable man.*

—George Bernard Shaw,  
as quoted in the Broad Foundations'  
2006 annual report.

It has been a busy—and expensive—12 months or so for Eli Broad: retired tract-home king and insurance titan; third-richest resident of Los Angeles County (behind Kirk Kerkorian and Sumner Redstone), with an estimated net worth of \$5.8 billion; third-most-philanthropic American, with charitable gifts and pledges exceeding \$1.4 billion since 2000; and increasingly powerful player in the upper echelons of the international art world, with seats on the boards of the Museum of Modern Art (MoMA), in New York, and the Smithsonian Institution, in Washington, as well as the Los Angeles County Museum of Art (LACMA), where he is vice-chairman, and that city's Museum of Contemporary Art (MOCA), which he helped found.

In November 2005 at Sotheby's in New York, Broad cast aside his reputation as an overly cautious bidder and paid \$23.8 million for David Smith's monumental steel sculpture *Cubi XXVIII*, the highest price ever paid for a contemporary artwork sold at auction. While he was at it, he also picked up a 1961 Cy Twombly painting for \$7.9 million, informing a *Los Angeles Times* reporter that he had eight other works by the artist but none from that period. In December, Broad was one of the stars of Art Basel Miami Beach, holding forth on the satisfactions of art collecting and philanthropy on a panel that also included the art world's ultimate éminence grise, David Rockefeller, as well as its foremost collector and promoter of Latin-American modern art, Patricia Phelps de Cisneros, wife of the Venezuelan billionaire Gustavo Cisneros. Broad was not above engaging in some local boosterism of his own, telling the standing-room-only crowd, "Los Angeles ought to—I'll be immodest—become the art capital of the world."

A month later, ground was broken on the Broad Contemporary Art Museum at LACMA, a \$60 million museum-within-a-museum designed by Renzo Piano and paid for entirely by Broad. In February, LACMA announced the appointment of Michael Govan, the highly regarded head of New York's Dia Art Foundation, as its new C.E.O. and director—a brilliant hire that Broad was instrumental in engineering.

In April, the Broad Art Foundation

acquired a rare, nearly complete set of 570 "multiples" by the postwar German conceptualist Joseph Beuys, bringing its total holdings to almost 1,300 works by 100 artists, ranging from Roy Lichtenstein and Ed Ruscha to Cindy Sherman and Tony Oursler. In May, Broad made a splash at auction again, this time at Christie's, by buying Andy Warhol's *Small Torn Campbell Soup Can (Pepper Pot)* for \$11.8 million; this was for the personal collection of about 400 works that he and his wife of 52 years, Edythe, rotate among their homes in Brentwood, Malibu, and Manhattan. (One observer recalls that when the auctioneer shouted "Sold!" the down-to-earth Edythe, unaware that her husband had made the high bid, blurted out, "What dumb idiot bought that?")

And so it went, through the rest of this year, with Broad doubling his commitment, to \$200 million, to the recently established Eli and Edythe Broad Institute for biomedical research in Cambridge, Massachusetts; pledging \$25 million to the University of Southern California for new stem-cell research laboratories; donating \$6 million to the Los Angeles Opera to stage Wagner's "Ring" cycle; attending the opening of the \$23-million-plus, Richard Meier-designed Eli and Edythe Broad Art Center at U.C.L.A., with California First Lady Maria Shriver as guest of honor; and presenting the \$500,000 Broad Prize for Urban Education to the Boston Public Schools at a MoMA luncheon, where Bill Clinton made a speech extolling his generosity and vision.

Then there were his ongoing efforts as chairman of the Grand Avenue Committee, a \$1.8 billion public-private partnership to redevelop downtown Los Angeles according to an extravagant master plan by the city's superstar architect, Frank Gehry, whose nearby Walt Disney Concert Hall, it is generally agreed, would never have been built without Broad's spearheading a \$220 million fund-raising campaign.

As this article goes to press, Broad is one of three local billionaires who have expressed interest in buying the *Los Angeles Times*. His declared rivals are his good friend Ron Burkle, the supermarket tycoon, who is the 12th-richest guy in town, and his not-so-good friend

David Geffen, the entertainment mogul, who is the 4th-richest—and whose collection of Abstract Expressionist and Pop-art masterpieces is said to have no equal west of the Rockies.

"Eli's the man here in Los Angeles. The go-to guy," says Wallis Annenberg, daughter of the late media magnate Walter Annenberg and a major supporter of the arts and education. "He has a knack for bringing other philanthropists together on projects. I know I'll put *my* money in what he's putting *his* money in."

"Eli Broad is *ubiquitous*," observes Los Angeles art collector Dagny Corcoran. "Just the name provokes people to have opinions, even people who don't know him. He tries to be a team player, but I think he feels it ends up being all action and no forward motion. Obviously when you're working in such a large community as Los Angeles, consensus-building is almost impossible. It'll be interesting to see how it comes down—I mean, the vision for downtown Los Angeles is huge. The vision for LACMA is huge. And on paper it all seems to be to the cultural advantage of the general populace."

"He's like the city father that everybody wants to have," says artist Ed Ruscha. "I try

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to imagine what that guy's agenda is like—it must be nerve-racking. But as they say, somebody's got to do it, and he stepped up."

Not everyone is thrilled with the idea of Eli Broad as the City of Angels' cultural caudillo. Some say he has gained such extraordinary prominence because he is operating in a near vacuum; they point out that the country's second-largest city lags far behind America's other biggest cities in charitable giving. "Cities have rich civic lives if the business community gets involved," says the computer-industry pioneer Max Palevsky, a longtime collector. "But out here the business community is showbiz, and they're on another planet. We don't really have any core group supporting cultural life, and it's pretty poor. So people like Eli come to the fore because there *ain't* anybody else."

Eli Broad himself, who is the son of Lithuanian Jewish immigrants and was raised in Detroit, seems happy to assume the role of public patriarch for his adopted hometown. "Los Angeles is such a great meritocracy," he tells me in the flat midwestern accent he still retains four decades after moving to California. "Where can someone with my background—don't have the right family background, the right religion, the right provenance or whatever you want to call it—I come here and I'm accepted. The city's been good to me. And I want to give back."

He is sitting in his office at the Westwood headquarters of the Broad Foundations—unrestricted net assets of \$2.25 billion—surrounded by several works by Jasper Johns. Tall and lean for a man of 73, Broad (rhymes with "road") looks 10 years younger, with his full head of neatly trimmed silver hair, intense brown eyes framed by silver aviator glasses, and a permanent tan from reading financial reports on his patio. He is wearing his customary banker's blue suit, white shirt, Hermès tie, and fiercely polished black shoes. Broad sees himself as a "venture philanthropist," who expects a return on his investment, not in profits but in results. "I've never been one who enjoys maintaining the status quo," he says. "I'm always pushing for new ideas, whether it's in business or philanthropy."

Broad is proud of his achievements. "I've started two Fortune 500 companies," he tells me matter-of-factly, referring to Kaufman & Broad Inc., which he co-founded with a relative of Edythe's in 1957 in Detroit and made into one of the largest builders of single-family homes in the country, and SunAmerica, which he bought for \$52.1 million in 1971 and sold to AIG for \$18 billion in 1998. (His 19 percent stake brought him \$3.4 billion.) "We had a lot of firsts," he says. "We were the first homebuilding company on the American Stock Exchange, the first on the New York Stock Exchange, the first to issue commercial paper. Then we acquired Sun Life Insurance Company, because we wanted to diversify. And I ended up changing that into a retirement-savings company." In 1986, Kaufman & Broad spun it off and renamed it SunAmerica, which, Broad is quick to add, "turned out to be the best-performing stock for a decade on the New York Stock Exchange."

As one close friend from the art world says, "Eli's remarkably effective. Everything he does, he does with a seriousness of purpose

"Eli is a control freak. But so what? He gets the job done," says dealer Larry Gagosian.



and lots of background research. He doesn't just give money away because he wants to be well liked. He wants to change things. Everything is plotted, methodical.

"There's a puritanical aspect to Eli," this friend continues. "Eli and Edye gave me a ride on their G-4 once—they got it just a few years ago, *way* after everybody had one. And you know how everybody who has a private plane has a stewardess or steward? Eli thinks it's wasteful and unnecessary. He orders a platter of food from Flight Services. He doesn't use china or linens—he uses paper plates and napkins. He unwraps the plastic and serves lunch himself."

"I was born in the Bronx in 1933," Broad says when I suggest we start at the beginning. "Only child. I was seven when we moved to Detroit, without my consent. I went to Detroit public schools and Michigan State University, a land-grant college. The first thing I started collecting was stamps. Until I started discovering girls. That was the end of stamps."

Eli's father had been a housepainter in the Bronx, but he managed to open two five-and-dime stores in Detroit. His mother, a dressmaker by trade, worked the stores. Eli helped out, too, he says, "but it was not my thing."

Did he have any idea back then of becoming a big-time entrepreneur?

"I had no such dreams. The first dream I had was just to get a college education. I got through college in three years, taking extra classes in summer school. I was in a hurry to go out and work, get married, start a family. I married Edye. I was an accountant—the youngest C.P.A. in the state of Michigan—for two years. I had some clients who were homebuilders. They weren't very bright and making a lot of money. And I was making, like, \$75 a week. And I thought, Gee, I could do that. So I met Don Kaufman, who was married to Edye's cousin. He started out as a carpenter-contractor and was building a few houses. We got together and, with \$25,000 in borrowed money, started Kaufman & Broad in the suburbs of Detroit."

According to published accounts, Kaufman & Broad's great innovation was eliminating basements and garages so that its houses could be sold for a few thousand dollars less than the competition's. But hadn't William Levitt done that a decade earlier, with Levittown?

"I was aware of Levitt. But I found in Ohio they were building houses without basements. I didn't understand why you couldn't do that in Michigan. So we came up with a product, which I modestly called 'the Award Winner,' that sold for \$13,740, and vets could move in for, like, 300 bucks. My idea was if they could move out of garden apartments into three-bedroom houses for less than rent and have equity and the tax benefits, it worked. We optioned 13 lots and built two models. They sold very quickly. And then we went out and got a lot of other lots in the area.

"Then we started looking at other markets. This was three years after we started. The first move was to Arizona. Then we went public in November of 1961, when I was all of 28 years of age." And became a millionaire?

"Before that. Became a millionaire by the time I was 25 or 26."

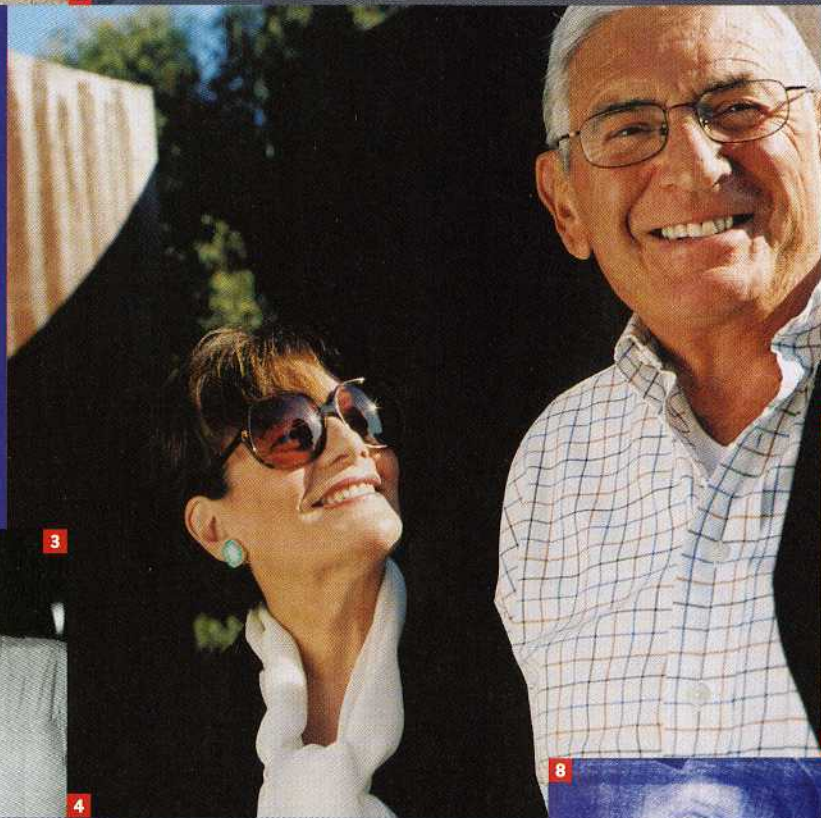
By then, Eli and Edythe had two sons, Jeffrey, born in 1956,

PHOTOGRAPHS BY TODD EBERLE (2, 51), DENNIS HOPPER (41), TED THAI (11); HAIR BY ADIR ABERGEL; MAKEUP BY DAWN BROUSSARD (4). FOR DETAILS, SEE CREDITS PAGE



**NOTHING BUT THE BEST**

(1) Broad in 1987, with Rauschenberg's 1954 *Untitled (Red Painting)*. (2) Works by Twombly, Johns, Calder, and Warhol in the Brentwood house. (3) Roy Lichtenstein, Broad, and Robert Rauschenberg, 1990. (4) Edythe and Eli, photographed by Dennis Hopper, 2006. (5) Rear of the Brentwood house. (6) *Balloon Dog*, by Jeff Koons. (7) The Malibu house, designed by Richard Meier. (8) *Untitled*, by Rauschenberg, 1963.



and Gary, born three years later. The family lived in Phoenix for three years, and after Kaufman retired in 1963, they moved to Los Angeles, where Eli had started building attached town houses in middle-class Huntington Beach. The sprawling metropolis overwhelmed them at first. "I didn't understand Los Angeles," Broad explains. "You'd start in Ventura County, you'd go down to Orange County—it's a hundred miles across, and there's no real center." Edythe hated it so much that she begged her husband to move back to Phoenix.

But they bought a house in Brentwood—"I didn't like the glitz of Beverly Hills, frankly," says Eli—and while he flew around the country overseeing his ever expanding empire of low-cost housing developments, Edythe dipped her toe into the emerging Los Angeles gallery scene. Her earliest purchases were mostly works on paper, including a small Braque lithograph.

"My wife had appreciation for art," Broad says. "I have no background in art. I became interested out of curiosity. I found it a relief from spending all my time with bankers and other businesspeople. I thought there was more to the world than the way we businesspeople think. Around 1973, I got involved with art, as a result of my wife buying a Lautrec poster and some other relatively inexpensive things."

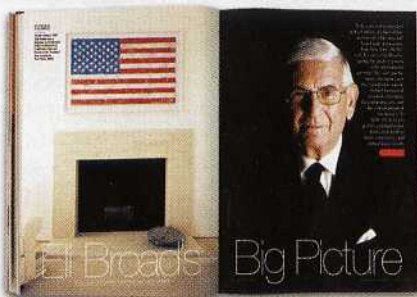
Like any savvy real-estate developer, Eli, who had been brought up a Democrat by his "leftist" parents, was also befriending local politicians. In 1968 he ran the winning campaign of former state comptroller Alan Cranston, a Democrat, for the U.S. Senate. In 1972, however, Broad signed on as vice-chairman of Democrats for Nixon, mainly because he feared that George McGovern was too weak to stand up to the Soviets. He had also developed a friendship with Taft Schreiber, an MCA executive and Republican power broker, who was one of the city's most knowledgeable art collectors.

Schreiber introduced Broad to leading New York gallery owners, such as Paul Rosenberg and Klaus Perls, who dealt mainly in modern European art. Edythe, by her own account, was "thrilled to pieces" and "would've bought everything." The Broads made their first important acquisition at a Sotheby Parke Bernet sale in October 1972, paying \$95,000 for a van Gogh drawing. When Schreiber told Broad he overpaid, the fledgling collector retorted, "I'll listen to your advice about quality, but not about price."

Eli Broad's rise in Los Angeles power circles came at a time when the old civic order, dominated by a clique of downtown Protestant businessmen known as the Committee of 25, was fading away. Broad went on his first civic board in 1972, at Pitzer College, in suburban Claremont, where he formed another key friendship, with fellow trustee Richard Riordan, a multi-millionaire venture capitalist who would go on to serve as mayor of Los Angeles from 1993 to 2001. Broad and Riordan are still extremely close. "We go hiking virtually every Sunday up in the Santa Monica Mountains," Riordan told me. "People ask me, 'Does he ever stop and smell the flowers?' He does, for 10 seconds. And the next day he can tell you what flower it was, the fragrance it had, and what artists have painted it."

Broad's reputation not only for getting things done but also for wanting things done his way—"He's a real toughola," says a prominent hostess—goes back to his role in the founding of MOCA, in 1979. Pushed by downtown lawyer and MOCA founding president William Norris, Broad and Max Palevsky were the first big donors, throwing in \$1 million each. Broad became founding chairman, and Palevsky headed the architectural search committee. Broad was also on that committee, which ultimately chose the Japanese modernist Arata Isozaki, though not before some heated

CONTINUED ON PAGE 379



CONTINUED FROM PAGE 330 discussions. At one board meeting held in a restaurant, Palevsky recalled, Broad even got into a fistfight. (Broad says, "That never happened.")

Broad personally recruited the highly esteemed Pontus Hulten from the Pompidou Center, in Paris, to run the new museum, but he left after two years. Some say Broad's constant second-guessing of Hulten caused his departure, but Broad maintains that Hulten, who was accustomed to the European system of state-supported museums, "was unhappy about having to make fund-raising calls with me and

other trustees." Broad had a better relationship with Hulten's successor, Richard Koshalek, but Broad took it upon himself to negotiate the purchase of Count Giuseppe Panza di Biumo's collection—which included seven Rothkos, 12 Klines, and 11 Rauschenbergs among its 80 works—for an eventual \$11 million, considerably less than its appraised value. "I operate in a General Patton style," Broad told the *Los Angeles Times* in 1985, "and just charge ahead." Art dealer Larry Gagosian, who has been selling to Broad since opening his first gallery, in Los Angeles in 1978, concurs. "He is a control freak. He rubs people the wrong way. He's difficult. But so what? He gets the job done."

The TV producer and art collector Douglas Cramer, who was also an early MOCA board member, says, "Eli was very outspoken, and he was right a tremendous amount of the time. He just hadn't developed his skills in working with people and become the statesman he is today. The biggest mistake MOCA made was to let Eli go. The final straw was they wouldn't show the permanent collection. They kept having funny little shows that were only occasionally interesting. Mean-

while, they were sitting on the Barry Lowen, Taft Schreiber, and Marcia Simon Weisman Collections, as well as the Panza Collection."

Broad resigned as MOCA's chairman in 1984, and four years later he opened the Broad Art Foundation in a remodeled 1927 telephone switching station in Santa Monica. By then he had amassed more than 200 works by some of the biggest stars of the 80s—Julian Schnabel, David Salle, Eric Fischl, Ross Bleckner. He was an early collector of Jean-Michel Basquiat's paintings, and he was one of the first to recognize the importance of Cindy Sherman, systematically accumulating 114 of her photographic self-transformations. "He thinks strategically about what he's buying," says the foundation's director, Joanne Heyler.

In 1994, Broad made headlines by charging a \$2.48 million Roy Lichtenstein he bought at Sotheby's to his American Express card, donating the frequent-flier miles to local art students. Lichtenstein is a longtime favorite of Broad's, but, he admits, "it took me a while to get Warhol." Currently, the foundation has a floor devoted to each of the late Pop masters, but its exhibitions are open to the public by appointment only. Its primary mission is to

