



Sam Zell

Samuel Zell (born **Shmuel Zielonka**, September 28, 1941 – May 18, 2023) was an American billionaire businessman. A lawyer, Zell was the founder and chairman of Equity Group Investments, a private investment firm, founded in 1968. He had interests in and was the chairman of several public companies listed on the New York Stock Exchange: Equity Residential (EQR), Equity LifeStyle Properties (ELS), Equity Commonwealth (EQC), and Covanta Holding Corp. (CVA), and Anixter.

As of February 2023, Zell had an estimated net worth of US \$5.3 billion, according to *Forbes*.^[1]

Biography

Early life and education

Zell was born on September 28, 1941,^[2] in Chicago. His parents, Ruchla and Berek Zielonka, were Jewish immigrants from Poland, where his father had been a successful grain trader.^{[3][4]} They emigrated to the United States with their young daughter, Leah, via Tokyo.^{[5][3][6]} Soon after arriving, his parents changed their first and last names, becoming Rochelle and Bernard Zell.^{[3][7]} They then moved from Seattle to the Albany Park neighborhood in Chicago, where his father became a jewelry wholesaler.^[3] When he was twelve, the family moved to Highland Park, Illinois, where he graduated from Highland Park High School.^[3] In 1963, Zell graduated with a bachelor's degree from the University of Michigan, where he was also a member of the Alpha Epsilon Pi fraternity.^[3]

Career

While in school, Zell entered the real estate business. He managed a 15-unit apartment building in return for free room-and-board. Soon, he was managing the owner's other properties.^[3] By his graduation, that venture was netting \$150,000.^[8] Joined by his fraternity brother Robert H. Lurie, he won a contract with a large apartment development owner in Ann Arbor. By the time he graduated with a J.D. from the University of Michigan Law School in 1966,^[9] he and Lurie were managing over 4,000 apartments and owned 100–200 units outright.^[10] After school, he sold his interest in the management company to Lurie and moved to Chicago.^{[3][11]}

Samuel Zell	
Born	<div>Shmuel Zielonka</div> September 28, 1941 <div>Chicago, Illinois, US</div>
Died	May 18, 2023 (aged 81)
Education	<u>University of Michigan</u> (BA, JD)
Occupation	Businessman
Title	Chairman, <u>Equity International</u>
Spouse	Helen Herzog Fadim Zell (3rd wife)
Children	3
Website	<u>egizell.com</u> (https://egizell.com)

After graduation, Zell worked as a lawyer for one week before deciding that the legal profession was not for him. One of the senior partners decided to invest with him, enabling Zell to purchase an apartment building in Toledo.^[3] Zell also purchased several apartment buildings in Reno, Nevada, including Arlington Towers.^{[5][12]} In 1968, Zell founded the predecessor of Equity Group Investments and was joined a year later by his former partner, Robert H. Lurie. Together, they went on to grow the small firm into a vast enterprise, until Lurie's death in 1990.^[13]

Equity Group

In 2006, the Blackstone Group announced the purchase of Equity Office for \$36 billion,^[14] which was the largest leveraged buyout in history at the time. Blackstone then sold many of the portfolio's properties for record amounts.^[15] By early 2009, most of the properties sold were "under water" (worth less than the mortgage).^[15]

Equity Lifestyle Properties owns more than 400 trailer parks and has been heavily criticized for its treatment of tenants.^[16]

Other investments

Zell affiliates owned the Schwinn Bicycle Company,^[17] the drugstore Revco,^[18] department store chain Broadway Stores,^[19] energy company Santa Fe Energy Resources,^[20] and mattress company Sealy.^[21] In 1985, Zell took over ITEL Corporation.^[22]

Between 1992 and 1999, Zell's Chillmark fund owned Jacor Communications, Inc., a successful radio broadcast group that included a television station. The company was sold to Clear Channel Communications in 1999.^[23] On April 2, 2007, the Tribune Company announced its acceptance of Zell's offer to sponsor the going-private transaction of *Chicago Tribune*, the *Los Angeles Times*, and the company's other media assets. On December 20, 2007, Zell took the company private, and the following day he became the chairman and CEO. He sold the Chicago Cubs and the company's 25 percent interest in Comcast SportsNet Chicago. Under the burden of the debt incurred as part of Zell's leveraged buyout and in context of the unexpected severity of the Great Recession, the Tribune Co. filed for chapter 11 bankruptcy reorganization in December 2008.^[24]

In January 2008, Zell bought a controlling share in the Tribune Company, owner of the *Chicago Tribune*, among other newspapers. His decision to put Randy Michaels in charge was one of several moves that were sharply criticized by the employees. Besides creating a hostile workplace,^[25] Michaels laid off several employees while giving large bonuses to the executives. Less than a year after Zell bought the company, it tipped into bankruptcy, listing \$7.6 billion in assets against a debt of \$13 billion, making it the largest bankruptcy in the history of the American media industry. More than 4,200 people have lost jobs since the purchase, while resources for the Tribune newspapers and television stations have been slashed."^[25]

Philanthropy

Zell and his wife, Helen, philanthropic efforts focus heavily on education and the arts. In 1999, at the University of Michigan the Zell Lurie Institute for Entrepreneurial Studies^{[26][27]} and the Master of Fine Arts Creative Writing Program,^[28] Northwestern University's Kellogg School Zell

Center for Risk Research^[29] and Zell Scholar Program,^[30] the University of Pennsylvania Wharton School's Zell/Lurie Real Estate Center,^[31] The Ounce of Prevention Fund,^[32] the Museum of Contemporary Art^[33] and the Chicago Symphony Orchestra.^[34]

Zell, according to *The Forward*,^[35] is also "a major donor to causes in Israel. His donations include a \$3.1 million donation to the Herzliya Interdisciplinary Center in Israel and separate donations to the Israel Center for Social and Economic Progress, a free market oriented Israeli think tank founded by Daniel Doron. In the United States, he has given major gifts to such Jewish causes as the American Jewish Committee and the Bernard Zell Anshe Emet Day School, a Chicago Jewish primary school named after his father." Zell donated to Chicagoland Jewish High School renaming the school to Rochelle Zell Jewish High School, after his mother.

Political involvement

Zell donated \$100,000 to Restore Our Future, the Super PAC supporting the 2012 presidential election campaign of Mitt Romney.^[36] In 2015 he donated \$50,000 to the John Bolton Super PAC.^[37]

Criticism and controversies

Zell was known for using "salty" language in the newsroom.^[38] In February 2008, the website *LA Observed* reprinted an internal memo that said:

Last week you may have encountered some colorful uses of the lexicon from Sam Zell that we are not used to hearing at the Times ... But of course we still have the same expectations at the Times of what is correct in the workplace. It's not good judgment to use profane or hostile language and we can't tolerate that... In short, nothing changes; the fundamental rules of decorum and decency apply ... Sam is a force of a nature; the rest of us are bound by the normal conventions of society.^[39]

In a June 2008 opinion piece for *The Washington Post* entitled, "The L.A. Times' Human Wrecking Ball", veteran Los Angeles-based editor and columnist Harold Meyerson took Zell to task for "taking bean counting to a whole new level", asserting that "he's well on his way to... destroying the *L.A. Times*." Comparing Zell to James McNamara, who was sentenced to life in prison for the notorious 1910 *Los Angeles Times* bombing (which killed 21 employees), Meyerson concluded his article by opining that "Life in San Quentin sounds about right" for Zell.^[40]

In 2008, Zell confirmed a plan to place the Chicago Cubs and Wrigley Field up for sale separately in order to maximize profits. He also announced he would consider selling naming rights to Wrigley Field. These announcements were widely unpopular in Chicago^{[41][42]} and a poll taken by the *Chicago Sun-Times* showed that 53% of 2,000 people who voted said they would no longer attend Cubs games if the field were renamed.^[43]

In 2010, *The New York Times* ran an article about Zell's and new top executive Randy Michaels's management of The Tribune Co. entitled "At Flagging Tribune, Tales of a Bankrupt Culture." The report details a culture promoting sexual harassment and debasement, with executives openly discussing the "sexual suitability" of employees in the office and a tight circle of executives who

were earning tens of millions of dollars in bonuses despite being deep in bankruptcy and a failure to stem declining profits.^[25]

In June 2018, at a conference organized by Nareit, Sam Zell stated "I don't think there's ever been a 'We gotta get more pussy on the block'" when explaining his views of female discrimination on the workplace.^{[44][45]}

Personal life

Zell married three times and divorced twice; he had three children:^[46] son, Matthew and daughter, JoAnn, from his first marriage; and an adopted daughter, Kellie, from his second marriage.^[3] His third wife was Helen (née Herzog) Fadim Zell.^{[3][47][48]} He lived in Chicago, Illinois, and had homes in Sun Valley, Idaho and Malibu, California.^{[46][49]}

In May 2017, Zell released his book, *Am I Being Too Subtle?: Straight Talk From a Business Rebel*. The book was published by Portfolio^[50] and details his business philosophy on finding business and investment opportunities anywhere.

Zell died on May 18, 2023, at the age of 81.^{[51][52]}

Awards and honors

- 1987, Golden Plate Award of the American Academy of Achievement^[53]
- 1999, Hall of Fame of the Chicago Association of Realtors^[54]
- 2007, Kellogg Award for Distinguished Leadership^[55]

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