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## Review: Kirk Kerkorian, ‘The Gambler’

Kirk Kerkorian bought and sold and bought again—airlines, casinos, movie studios—often restructuring his holdings to avoid default. Marc Levinson reviews ‘The Gambler’ by William C. Rempel.

*By Marc Levinson*

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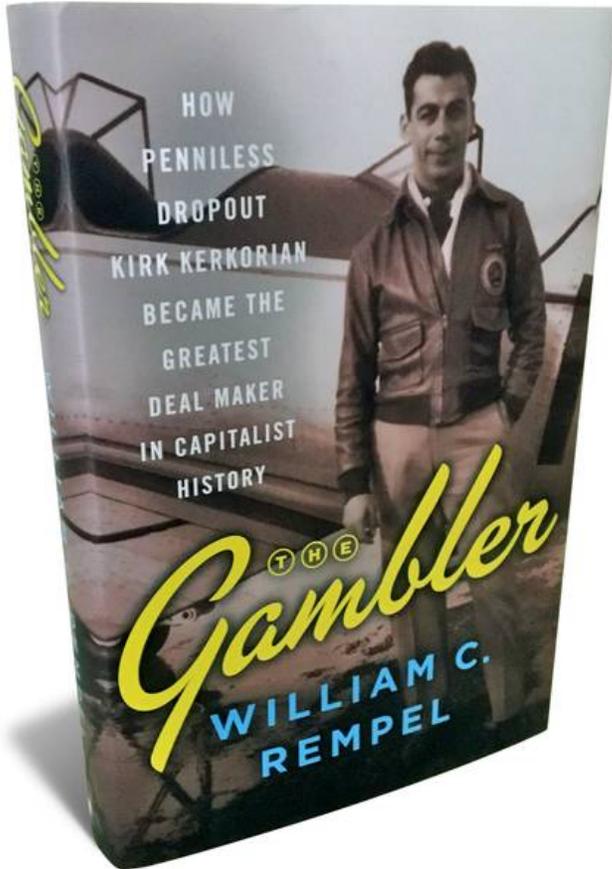
The long subtitle of “The Gambler” includes the claim that Kirk Kerkorian was “The Greatest Deal Maker in Capitalist History.” It is certainly true that the California billionaire, who died in 2015 at the age of 98, had a hand in a lot of major deals over his long and busy career, and William C. Rempel’s breezy biography offers an entertaining look at Kerkorian’s outsize life, but the question of his historical stature is still open to debate.

Mr. Rempel has come up with information that the secretive Kerkorian would no doubt have preferred to keep under wraps, and the investigative work couldn’t have been easy. Kerkorian apparently left no public papers, and his main lawyer bluntly told the author, “No one is going to help you.” Mr. Rempel’s research yields a portrait of a guy who took big risks that made him very rich but who had an unhappy personal life, including an on-again, off-again relationship with a professional tennis player who contrived a plot to persuade him that, at age 81, he had fathered her child. In his prime, he was accused of consorting with the mobsters who financed casinos when banks would not; in his extended old age, he was desperate for companionship and vulnerable to people who wanted his money. You might have liked to have Kerkorian’s wealth, but most reasonably balanced human beings wouldn’t have liked to be him.

The son of illiterate Armenian immigrants whose business ventures ended badly, Kerkorian grew up in California and dropped out of school in eighth grade. After stints in the Civilian Conservation Corps, the used-car business and the boxing ring, in 1940 he talked his way into flight school at the Happy Bottom Ranch and Riding Club, an establishment in the Mojave Desert run by a colorful Hollywood stunt pilot named Florence Barnes, and paid his tuition by milking cows and slopping hogs. To improve his career prospects, he obtained a bogus official letter stating that he was the graduate of a Los Angeles high school. The letter was unneeded: Amid wartime pilot shortages, the military was desperate for instructors with cockpit experience, and he was soon training pilots for the Army Air Force. Ferrying

planes across the North Atlantic seemed more challenging and paid better, so he spent the balance of the war flying Mosquito fighter-bombers from Canada to Scotland.

Unemployed at war's end, Kerkorian opened a flight school in a Los Angeles suburb, then bought a five-seat Cessna and launched a charter service. That business was soon dealt off to finance a batch of used airplanes, which in turn were sold to acquire a small charter airline. He turned his modest Los Angeles Air Service into the ambitiously named Trans International Airlines, sold it, repurchased it, sold it again. Deal making became a habit, or perhaps an addiction.



Much of Kerkorian's charter business had involved flying gamblers between Los Angeles and Las Vegas. Himself an avid gambler, he took aim at Sin City. His first small investment lost money. By 1968, he owned the Flamingo and Bonanza hotels, the land beneath Caesars Palace, and a second mortgage on

PHOTO: WSJ

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THE GAMBLER

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By William C. Rempel  
*Dey St.*, 414 pages, \$28.99

the new Circus Circus. He began construction of the immense International Hotel and Casino without the cash to finish the job; that problem

was solved by taking International Leisure Corp. public—and requiring investors to buy a \$1,000 bond for every 20 shares of stock. At the same time, an unsolicited tender offer won him 28% of Western Airlines, the better to transport gamblers to the desert.

Anyone could see that Las Vegas was burgeoning, but Kerkorian was among the few who could grasp the possibilities beyond the casino floor. “I thought it was going to become an adult Disneyland,” Mr. Rempel quotes him saying. When he paid Barbra Streisand more than \$100,000 a week to open the International in 1969 and then signed Elvis Presley to a five-year contract, he transformed the town.

In 1969, with no advance notice, Kerkorian made a tender offer for MGM, the venerable movie studio. He had little interest in the risky and unpredictable business of making movies. “What Kirk saw in a tired old MGM with its run of box office losers was something beyond the view of most investors,” Mr. Rempel writes. “He saw hidden value.” Specifically, he saw gold in MGM’s rights to a vast library of old films and to the esteemed corporate name. He redefined MGM as a leisure company and attached its name to the biggest hotel in Vegas, the MGM Grand, which would open in 1973.

This was only the beginning. Over the ensuing decades, Kerkorian sold International Leisure to Hilton, made a run at Columbia Pictures, bought United Artists, sold MGM’s film library to Ted Turner, made passes at Chrysler (very profitably), Ford (at a loss), and General Motors, and acquired still more properties in Las Vegas. At one point, according to Mr. Rempel, he owned nearly half the hotel rooms and casino floor space on the Strip. He often skated close to the edge, urgently restructuring his holdings to avoid default on his enormous debts.

Mr. Rempel paints a picture of a man who lived to do deals. Many interesting characters, from Bugsy Siegel to Lee Iacocca, crossed his path, and his philanthropy, undertaken late in life and mostly in secret, was substantial, featuring donations to Armenian causes and to UCLA. It adds up to an interesting portrait of a billionaire so shy that he rarely spoke in public, so secretive that when he applied for a credit card in 1996, at age 79, he was rejected for lack of a personal credit history.

But that bold subtitle notwithstanding, Mr. Rempel doesn’t have much to say about Kerkorian’s legacy. His wheeling and dealing appears to have left few traces. Three years after his death, Kirk Kerkorian is all but forgotten. Perhaps the problem is that making deals isn’t quite the same thing as making history.

*Mr. Levinson’s books include “The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger.”*

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