

July 28, 2008

A Media Powerhouse Everyone and Nobody Knows

By [TIM ARANGO](#)

Over the Fourth of July weekend at the billionaire [Ronald O. Perelman](#)'s 57-acre East Hampton estate the Creeks, Vivi Nevo was in his element.

Mr. Nevo, with his fiancée, the megawatt Chinese actress Zhang Ziyi (the star of "Crouching Tiger, Hidden Dragon"), sitting on his lap, watched [Jon Bon Jovi](#) give an impromptu performance before taking a turn on the dance floor to Dave Mason's "Feelin' Alright."

A wind-up doll of kinetic energy, who bounds about like a shortstop, Mr. Nevo, who is 43, is said to be the largest individual shareholder of [Time Warner](#), was once the largest private investor in [Goldman Sachs](#), is engaged to China's most famous actress, vacations on [Rupert Murdoch](#)'s sailboat, is the godfather of [Lachlan Murdoch](#)'s son, counts Lenny Kravitz as a good friend and attended Madonna's wedding in 2000.

And many people, including even some of his close friends, a few of whom joined him at Mr. Perelman's estate over the Fourth of July — and spoke about the party anonymously because it was a private event — have no idea what his background is or how exactly he made his fortune.

Twenty years or so ago, Vivi Nevo, his first name a nickname for Aviv, was living in a studio apartment in the Concorde building on the Upper East Side of Manhattan. Today he is the media industry's Zelig, often referred to among his media friends as "the international man of mystery."

"He is everywhere, all the time, like no one I have ever seen," said [Graydon Carter](#), the editor in chief of Vanity Fair, which frequently hosts Mr. Nevo at its high society parties.

Who is Mr. Nevo? An Israeli who took a modest inheritance from his family and parlayed it into a sizable fortune through savvy investing, much of it in media and Internet companies — and into connections in the media world.

Behind the scenes, his influence on the media industry is subtle. For upstart Internet companies, he has been an important broker of relationships with traditional firms; and for Time Warner, in particular, he was an advocate, when the [Yahoo](#) takeover battle erupted, of trying to assemble a three-way partnership among Yahoo, [Microsoft](#)'s MSN and Time Warner's [AOL](#).

Of all the characters the media business attracts — and creates, for that matter — perhaps no one is more remarked upon, wondered about or marveled at than Mr. Nevo. Among his many overlapping circles of friends, nearly all say that Mr. Nevo is a force in their lives: a loyal friend, a trusted conveyor and keeper of information and someone who never forgets a birthday or a bar mitzvah.

"He's someone I've really liked," said [John J. Mack](#), the chief executive of [Morgan Stanley](#), who met Mr.

Nevo several years ago while he was at the helm of [Credit Suisse](#). “I trust him. He’s got great instincts for the business.”

Gordon Crawford, senior vice president and a director of Capital Research and Management and one of the best-known media investors, met Mr. Nevo around 10 years ago and the two became close. This month they flew together to Sun Valley, Idaho, for the investment bank Allen & Company’s annual media conference. “I don’t know anyone who’s worked harder at developing contacts,” Mr. Crawford said. “It’s definitely more than social. I think he’s a pretty astute observer of what’s going on in the media.”

Mr. Nevo has an uncanny ability to network and a knack for putting himself in the right place at the right time.

In the spring of 1999, John Thornton, who was then president of Goldman Sachs, was in Los Angeles for the bank’s road show before it went public, and after giving a presentation, he sat down. “The guy sitting next to me was Vivi Nevo, and we just started talking and developed a nice rapport right then.” Later, Mr. Thornton became an adviser to Time Warner. “So I dealt with him a lot there,” Mr. Thornton recalled. “He was very active in talking with management. I can’t think of anyone who is principally a private investor who is that focused on one industry.”

Mr. Nevo’s discretion, combined with a lack of a paper trail, equates to a constant chirping of questions in the media industry about his back story.

“He’s a great character, so that draws attention to him,” said Lachlan Murdoch, explaining the growing fascination that people in the media business have about Mr. Nevo. “He’s also a very private individual.

“When I moved back to Australia” — after leaving the [News Corporation](#), where his father is chairman, in 2005 — “we spoke a lot. He’s been a friend through thick and thin.”

Those who knew Mr. Nevo in the 1980s, after he moved to New York from Israel, have watched his rise with curiosity.

“You’re asking questions I’ve asked myself many times,” said Nicolas Rachline, who met Mr. Nevo in the late 1980s when both were part of a fashionable New York expatriate crowd that hung out at Le Bilboquet, a French restaurant on the Upper East Side. “What the hell does Vivi do? He seems to be a powerful player in the entertainment industry. How, I don’t know.”

Mr. Perelman met Mr. Nevo years ago on the Los Angeles social scene — either at [Barry Diller](#)’s or at the house of a Creative Artists Agency partner, Bryan Lourd, he said — and the pair’s relationship is purely social. “There’s no business element,” Mr. Perelman said. “It’s purely social, but it’s a deep social. He’s around my family, I’m around his fiancée. We take a lot of trips together.”

The glittery social world that Mr. Nevo inhabits is secondary — and the byproduct of — what is the core of his professional existence: a sizable stake in Time Warner he has maintained for years, apparently with impeccable, buy-and-sell timing. Mr. Nevo, through his firm NV Investments, has never owned 5 percent or more of the company, which would require public disclosure, but it is widely believed in the industry that he is the largest private shareholder; Mr. Nevo himself often says so.

A Time Warner spokesman said that Mr. Nevo is a shareholder but could not verify the size of his holding. But Mr. Nevo does have, and has had for years, the ear of management.

Mr. Nevo, whose workaday uniform is snug, black Christian Dior suits, has a particularly close relationship with [Richard D. Parsons](#), Time Warner's chairman, who stepped down in January as chief executive. Like many of his media mogul friendships, his relationship with Mr. Parsons started years ago in Sun Valley. "I first met Vivi at the duck pond in Sun Valley," Mr. Parsons recalled in a phone interview. "In typical Vivi Nevo fashion, we shortly became best buds."

The personal connections are part of how Mr. Nevo makes investment decisions. "He informs his instincts by being in the space," Mr. Parsons said. "This is how he absorbs what's going on, and decides where to place his bets."

For a man who has become a ubiquitous figure in a very public industry, Mr. Nevo is, and has remained, largely a private, unknown quantity. "He's not so much mysterious, as he just doesn't want to be public," said Mr. Parsons, who is an executor of a trust Mr. Nevo established for his daughter, Lilly, age 6, from a previous relationship. "The mysterious part is, you can't [Google](#) this guy and get his whole story."

Mr. Nevo has always refused requests for interviews, and he declined to comment for this article. In private conversations with some friends and associates, however, Mr. Nevo has provided glimpses into his background.

The silhouette of Mr. Nevo's story goes like this: he was an only child who was born in Bucharest, Romania, and moved with his parents to Tel Aviv when he was a baby. His father was a chemical engineer and his mother was an anesthesiologist. As a boy, Mr. Nevo would vacation with his parents in Los Angeles, where he became enchanted with the glamour of Hollywood.

There was family money — his father ran a chemical company, according to several people, including Mr. Nevo's friend and tennis partner Frank Biondi, the former head of Universal Studios and chief executive of Viacom. But the driving force of his life is the memory of his mother, who died of cancer in the late 1980s, leaving him an inheritance that allowed him to start investing.

"It's all about the respect he had for his mother," said Elizabeth Saltzman, international social editor of Vanity Fair, who met Mr. Nevo on the New York social scene in the 1980s (the second time she met him she shared a helicopter with him to the Hamptons). "His mother was everything. I think there's a huge mama complex, of trying to make her proud."

With the inheritance — which one business associate of Mr. Nevo's, who spoke anonymously because his conversations with him were meant to be confidential, pegged at around \$10 million — Mr. Nevo set about investing and networking. He opened trading accounts at Goldman Sachs and Morgan Stanley, as well as Allen & Company, which eventually won him an invitation to Sun Valley, the place that became the locus for so many of his relationships, including those with Mr. Parsons and Lachlan Murdoch. Through diligence and hard work, the right contacts and a lot of the right trades during the dot-com bubble of the late 1990s, he turned his inheritance into a sizable fortune.

Mr. Mack said: "He took the money his family left him and he really created this media, trading empire. At

Credit Suisse we did a lot of trading business with him, either outright or with derivatives.”

How much money he made is really anyone’s guess. When Mr. Nevo began appearing a few years ago on certain lists, like Vanity Fair’s New Establishment list, Forbes tried to gauge Mr. Nevo’s wealth to see if he belonged on the magazine’s list of billionaires, but ultimately gave up trying. Mr. Nevo owns homes in Malibu, Calif.; the Los Angeles-area neighborhood of Brentwood; the TriBeCa neighborhood of New York; London; and two homes in Tel Aviv, including his modest childhood home outside the city, which sits empty. In addition, he and Ms. Zhang recently bought a home in Beijing.

“Vivi is a very hard worker, and we’d begin chatting about the markets in the early morning, and then we’d talk late in the afternoon,” said Bob Packer, who ran Goldman Sachs’s institutional equities unit in San Francisco and handled many of Mr. Nevo’s trades. “He loved working with the markets. He’s just a really affable, wonderful, loyal guy.”

In the case of Time Warner, his relationship with the company and its executives began in the early to mid-1990s, when he established a relationship with [Gerald M. Levin](#), then chief executive.

“It was in a social context,” Mr. Levin said, trying to recall how he met Mr. Nevo. “I would go to every major fight that [HBO](#) had in Las Vegas. It was either at the fights in Las Vegas or at some movie premiere. No, I think it was in Vegas.”

“I spoke to him about Time Warner and what we were doing. Increasingly, he got interested. Unlike some other financial players, he has an interest not just in the financial aspect itself but also the personalities. The social nexus is part of his understanding and analysis.”

Joseph Ravitch, a prominent media investment banker at Goldman Sachs, said Mr. Nevo was “extraordinarily Zelig-like in the sense that he endears himself to a totally diverse group of people from C.E.O.’s to artists and rock stars.”

“But it’s not really Zelig,” he continued, “because he is always the same, open and straightforward Vivi.”

Several years ago, Joseph R. Perella, who led investment banking for Morgan Stanley and was the senior banker on the Time Warner account, received a phone call from Mr. Parsons. “Parsons said, I know a guy you’d like to meet,” Mr. Perella recalled. “Interesting guy. Knows a lot about the business.”

Mr. Perella said they hit it off almost immediately over lunch at San Pietro, a Manhattan restaurant favored by investment bankers. “He’s one of the least boring types I have ever met,” Mr. Perella said. “My sense is he’s a self-made guy who made it himself. He’s just a smart investor. As for the building blocks of his fortune, I have no idea.”

Of late, Mr. Nevo has been sprinkling money around in private companies, many of which are new media ventures. He has around 25 private investments, according to a business associate, including stakes in Demand Media, a social networking company; CityVoter, a social site that allows city dwellers to post about things like where to eat and where to shop; an online music site, Buzznet; Spot Runner, an online advertising company; and the Internet video company Joost. He also has an investment in the Weinstein Company, the film company run by the brothers Bob and [Harvey Weinstein](#), and had a small investment in

Bette, a now-shuttered New York restaurant that was owned by Amy Sacco, a prominent nightlife entrepreneur.

Many of the investments are modest in size — about \$1 million in the Weinsteins; six figures in Demand Media — but Mr. Nevo's association with a company brings value beyond the size of the check he writes. "He's sort of like a media Wizard of Oz," said Tyler Goldman, the founder of Buzznet, who approached Mr. Nevo last year about investing. "He had some strategic advice, but mostly relationship advice. We were working on a number of deals with bigger media companies, and he had advice on how to approach those."

Nick Grouf, the chief executive of Spot Runner, said that Mr. Nevo was instrumental in brokering relationships, including with Lachlan Murdoch, who also invested. "Vivi has been very helpful to us in making introductions to his friends," Mr. Grouf said. "Lachlan is a great example. And with Time Warner, I met Dick Parsons through Vivi."

In fact, Mr. Nevo's value — beyond friendship — to many executives is his wealth of information and contacts. "Vivi is plugged in to everything," Mr. Parsons said. "He hears everything."

For others, Mr. Nevo is a great friend with a comfy house in Malibu in which to crash, as Lenny Kravitz did during the West Coast part of his 2004 world tour. "It was nice to just have a place to put your stuff," Mr. Kravitz said in an interview. "If I had to say anything about Vivi Nevo, it's that he's all heart. He operates on trust, heart and feeling."

And about Mr. Nevo's business? "I don't go there with him," Mr. Kravitz said. "And that's part of our understanding. I'm interested in Vivi Nevo the person."

[Copyright 2008 The New York Times Company](#)

[Privacy Policy](#) | [Search](#) | [Corrections](#) | [RSS](#) | [First Look](#) | [Help](#) | [Contact Us](#) | [Work for Us](#) | [Site Map](#)
