

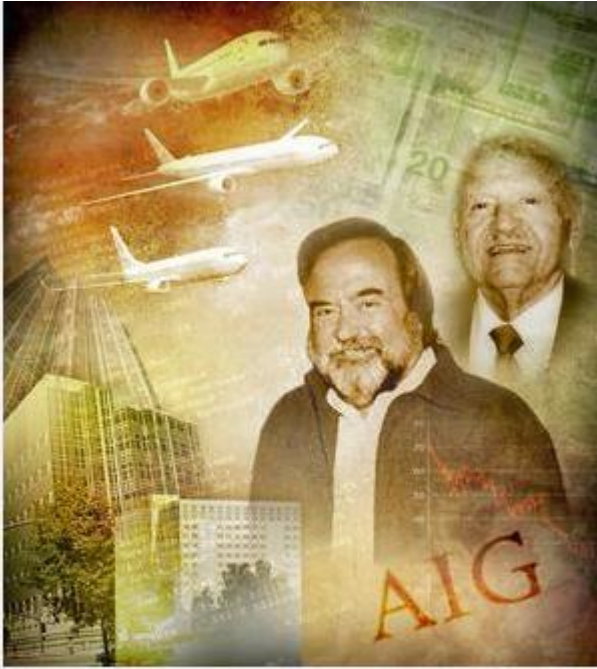
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## Gondas have less wealth to share

Hospitals, theaters and museums have long enjoyed their generosity. But as AIG shares fell, the father and son's fortunes shriveled.

By W.J. Hennigan



Louis and Leslie Gonda (Illustration by Alicia Buelow / For The Times; photograph of Louis Gonda, left, by Vince Buccia; photograph of Leslie Gonda by International Lease Finance Corp.)

Driving around Los Angeles, particularly around the UCLA campus, it's hard not to notice the hospitals and research centers that bear their name.

The father-and-son team of Leslie and Louis Gonda made a fortune from the sale of their aircraft leasing business, and they weren't shy about spreading their wealth around, giving to charities and medical research throughout the city.

"For years, they've given away a great deal of money," said Bob Safai of Madison Partners, a Los Angeles commercial real estate firm.

But now the highflying pair may be falling back to Earth, hit hard by the financial crisis that has left them scrambling to sell personal property and tighten their purse strings.

"It seems they've hit a rough patch," said Safai, who helped Louis Gonda, 61, unload two multimillion-dollar office buildings this year.

The fall-off in their net worth is a cause for concern among many local charities. The Gondas have given away hundreds of millions of dollars to dozens of charities, several in Southern California.

"People might not think that ultra-net people have been affected by everything that's gone on the past year, but I can assure you it has," said Judy Belk, senior vice president at Rockefeller Philanthropy Advisors in Los Angeles.

Although these donors are still giving, many charities are concerned that they can't give as much as they have in the past, Belk said.

Cheryl Zoller Simon, president of Foundation Management in Beverly Hills, which oversees Louis and Leslie Gonda's charitable organizations, among others, said the groups "are in a crisis mode."

"We're working to fulfill all our commitments," she said. "And we're not taking on any new projects."

In a rare interview, Leslie Gonda, 90, said he is bothered that he can't give as much as he once did or contribute to additional charities, but he simply "can't afford it right now."

Over the years, Leslie Gonda has converted huge swaths of his fortune into high-rise hospitals and research centers. "It's a wonderful feeling when you can actually help people in need," he said. "I feel a moral obligation to do it."

But for the first time since they rose to its ranks a decade ago, the Gondas fell from the coveted Forbes billionaire list this year. Louis Gonda has reportedly sold or is selling both commercial and private properties, including an eight-bedroom, \$35-million Beverly Hills mansion, a \$43-million Gulfstream V corporate jet and a \$3-million beachfront home.

Their fortunes rose and -- recently -- fell in line with American International Group Inc., the insurance giant that took one of government's biggest bailouts last year. The pair received millions of shares of AIG when they sold their stake in the Century City-based International Lease Finance Corp., now one of the world's largest aircraft leasing companies.

AIG's blue-chip stock status consistently landed the Gondas on Forbes' billionaire list. In 2000, Louis was worth \$2 billion and Leslie \$1.8 billion. But last year, the stock went from selling above \$70 to trading around \$2 -- taking the Gondas' worth down with it. Because they did not make the list this year, Forbes did not disclose their current worth.

Louis Gonda's assistant said he was traveling out of the country and could not be reached for comment. This year, he's sold two properties that belonged to his investment company, Lexington Commercial Holdings Inc.: an office building near the Miracle Mile district for \$44 million in May and a six-story building in Beverly Hills for \$11 million in July.

Louis Gonda has also sold personal property. As AIG stock began to weaken, he quickly sold a beachfront property in Playa del Rey for \$2.4 million in July 2008. He had bought the property for \$2.7 million in cash and razed the home it held, hoping to redevelop.

"When the AIG stock began to fall, it seemed like he had a cash flow crunch," said Dan Christian of Shorewood Realtors, the agent who sold the property. "There was no time to wait. The stock was going down, so we sold it."

To be sure, the Gondas weren't alone. From the peak of the market in October 2007 to last March, companies in the Dow Jones index lost \$11.2 trillion in stock value.

Plenty of wealthy people were hit hard, said Jack Barcal, a professor who teaches a class on wealth management at the USC Marshall School of Business. Especially investors like the Gondas, who were known to own a lot of stock in one company.

“There’s more pressure on those investors not to trade the stock,” Barcal said.

The Gondas had a large stake in AIG for almost 20 years, so any move to sell during the downturn would have squeezed AIG at a crucial time. It’s hard to make that decision, particularly if that company made you rich, Barcal said.

In 1973, the Gondas had formed an airplane leasing company with Steven Udvar-Hazy, a fellow Hungarian emigre. Louis Gonda and Udvar-Hazy had met as undergraduates at UCLA. Each of the three put up \$50,000 for what would later become ILFC. They would pioneer a business that is now a standard in the airline industry.

AIG bought ILFC in 1990 for \$1.3 billion in a stock swap. Within a decade, all three were billionaires. Udvar-Hazy, who remains on the Forbes list with about \$2.5 billion, has said he cashed out of AIG stock before it dropped.

The Gondas’ donations were essential in establishing the Gonda (Goldschmied) Vascular Center at UCLA and the Mayo Clinic in Rochester, Minn., said Phil Hampton, a UCLA spokesman. Other projects include the Mayo/Gonda (Goldschmied) Integration Center and the Gonda (Goldschmied) Neuroscience and Genetics Research Center at UCLA.

“Because of the Gondas, the experience of lab school students is fuller,” Hampton said. “Through the Gondas’ generosity, UCLA researchers and students are afforded new opportunities for discovery that have benefited countless patients around the world.”

Leslie Gonda was born Lazlo Goldschmied in Hungary in 1919 but changed his name during World War II to escape the Nazis. He and his wife, Susan, both Holocaust survivors, fled to Venezuela, where Gonda began to build his wealth from construction and real estate businesses. They immigrated to the U.S. in 1963 and settled in California.

On Friday, Susan Gonda, who played a key role in the family’s charitable giving, died after a long illness, family representatives said.

Leslie Gonda has given millions to the United States Holocaust Memorial Museum and the Los Angeles Museum of the Holocaust.

His son, Louis, has given to many charities through the Gonda Family Foundation. Among the organizations that have benefited from his largess is the Center Theatre Group, the nonprofit in charge of the Mark Taper Forum, the Ahmanson Theatre at the L.A. Music Center and the Kirk Douglas Theatre in Culver City.

Bruce W. Rise, the Center Theatre Group’s director of major gifts, couldn’t discuss the Gondas specifically, but said patrons weren’t able to donate large sums of money as quickly

as they did in years past. Instead, they're spreading their donations over longer periods of time.

In the downturn, the theater group has had to cut about 10% of its staff and institute furloughs. But the economics have forced the theaters to be more innovative and offer more progressive plays, Rise said.

As for Leslie Gonda, he hopes for a more stable financial situation so he can give as he once did -- without blinking an eye.

"I always found that giving money to charity was more gratifying than buying a diamond ring or taking a trip to the Mediterranean," he said. "As long as I am able to, I will continue to give to those who need it."