

## Oh, how the mighty have fallen

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John Elliott and Rodney Adler are the last to go, the remnants of a rapacious era that crashed with the stockmarket 15 years ago.

Like all the others - Alan Bond, Christopher Skase, Laurie Connell and many more - they never really recovered from that day, October 20, 1987, when the market turned against them. It has just taken a lot longer for events to unfold so publicly as they have done this year.

Elliott, once chairman and chief executive of Elders IXL, has as good as admitted in recent weeks that most of his wealth is gone. He was as much an '80s man as the others, a specialist in takeover acquisitions and corporate rationalisation.

Adler, once chief executive of FAI Insurances, was the inheritor who accepted the poisoned chalice from his father.

The men who occupied headlines during the 1980s built empires but not widgets. They borrowed big to finance their frenzied takeovers and when they toppled, the banks squeezed small borrowers in their desperation to recover the \$28 billion they had lent the so-called entrepreneurs.

Alan Bond, Russell Goward, Brian Yuill and George Herscu went to jail, Laurie Connell and Robert Holmes a Court died soon afterwards while the reviled Christopher Skase exiled himself on the Spanish island of Majorca and died fighting extradition.

Few of the next generation have followed in their fathers' footsteps. The exceptions, Peter and Paul Homes a Court and Caroline Elliott, are attempting to strike out on their own.

Alan Bond, the man behind the \$3.2 billion Bond Corporation collapse, then Australia's biggest corporate disaster, is out of jail. He is living in London and trying to resurrect his business career, putting together oil and gas deals in the former Soviet states of Kazakhstan and Turkmenistan.

Still reputed to be worth between \$60 million and \$70 million after his discharge from bankruptcy, Bond, 64, lives with his second wife, Diana Bliss, in a penthouse worth an estimated \$3 million.

His sons, Craig and John Bond, are usually described as wealthy businessmen but they are primarily involved in property dealings through Hastings Finance, a subsidiary of a Bond family trustee company.

Robert Holmes a Court was the most ambitious of all the corporate raiders, daring even to take a tilt at BHP until the stockmarket crash stopped him.

When he died suddenly in 1990 he left his wife, Janet, to take up the reins of a business that was \$430 million in debt and loaded with non-performing assets.

Mrs Holmes a Court was often referred to as Australia's richest woman, with a personal wealth of more than \$250 million, but her husband had left no will and under Western Australian law two-thirds of Heytesbury, which held the family's construction, pastoral, theatre and wine empire, passed to her four children.

Peter, then 21, Catherine, 20, Simon, 18, and Paul, 17, assigned her their voting rights and left her to turn it around and build a successful \$1 billion-a-year business. Last year Paul Holmes a Court, who cut his business teeth as a Perth restaurateur, assumed control of Heytesbury.

Brother Peter, a former New York theatrical producer, sold his share for \$30 million, invested half of it into Australia's biggest beef producer, Australian Agricultural Company, which is controlled by Futuris Corporation, and returned home as chief executive.

John Elliott lost his hold on Elders IXL in the aftermath of the 1990 management buyout that loaded up his takeover vehicle, Harlin Holdings, with crippling debt. He revealed later that he lost \$30 million on the Harlin collapse. Most of his remaining \$47 million appears to have gone into mostly unsuccessful businesses in rice, meat, gold and technology, and the legal costs of his battle with the National Crime Authority.

Caroline Elliott, one of three adult children by his first marriage, has been trying to establish her own business career with Dad's help. Elliott's investment vehicle, Ebek, holds a minority stake in Koshihikari, a sushi factory and shop in Richmond she set up in 1998. With two other partners she has since opened Qupi, a tiny sushi bar off Little Bourke Street.

Larry Adler, the insurance and investment guru who founded FAI, died in 1988, leaving his son Rodney, then 29, with a huge millstone around his neck. It included a \$250 million exposure to Bond Corporation, a \$62 million exposure to Christopher Skase's Qintex Australia, a 4 per cent holding in George Herscu's Hooker Corporation, and 27 per cent of Bruce Judge's Ariadne Australia.

Three of the Bond Corporation assets that secured the debt, the Emu Brewery site in Perth, the St Moritz Hotel in New York, and coal subsidiary Pacific Copper, weighed heavily on him right up to the \$300 million sale of FAI to the ill-fated HIH Insurance group.

Adler's assets have been frozen over the HIH debacle and earlier this year Justice Kim Santow fined him \$900,000 and banned him from managing a business for 20 years on civil charges brought by ASIC over the investment of \$10 million from HIH. The sentence is under appeal.

John Spalvins, former head of the Adsteam conglomerate, is retired but keeps his hand in, running his family's investment company, Galufo, with his sons John, a stockbroker with JP Morgan, and Richard, an Adelaide restaurateur.

In 1990 the Adsteam group's debt blew out to \$6.6 billion but a controlled liquidation allowed it to spin off good companies such as Woolworths, National Foods, David Jones and Adsteam Marine. Spalvins said this week: "I have every regret for my shareholders but I am delighted to see what has happened to those companies. Woolworths alone has paid back our group debt many times over."

Russell Goward, former chief of the Westmex conglomerate, is also out of jail where he was put for two years in 1998 for making false and misleading statements. He has taken a job as chief executive of Naughty Noodles, a chain of Brisbane and Gold Coast food franchises, with instructions to begin an aggressive expansion.

Bruce Judge was head of two companies, Ariadne Australia and Judge Corporation, that hit the wall after the stockmarket crash. Before that his wealth was said to be \$250 million.

Ariadne survived and Judge, after years of self-imposed exile in France, is said to be considering a return to Queensland and a new business career.

And that leaves Ron Brierley, the New Zealand knight, who founded Brierley Investments in 1961, moved to Australia in 1963 and took a tilt at Carlton & United Breweries that forced John Elliott into a reverse takeover. He continues in business through his private investment vehicle, Guinness Peat Group, and has taken the chair at Premier Investments, the company that holds most of Solomon Lew's stake in Coles Myer.

Sir Ron said GPG succeeded by taking up strategic positions in substantial old-economy stocks when the rest of the world was ditching them to get into the tech bubble. It makes him the standout success of the '80s men but he remains a bachelor with no children to take over whenever he chooses to hang up the gloves.

*This story was found at: <http://www.theage.com.au/articles/2002/10/18/1034561315209.html>*