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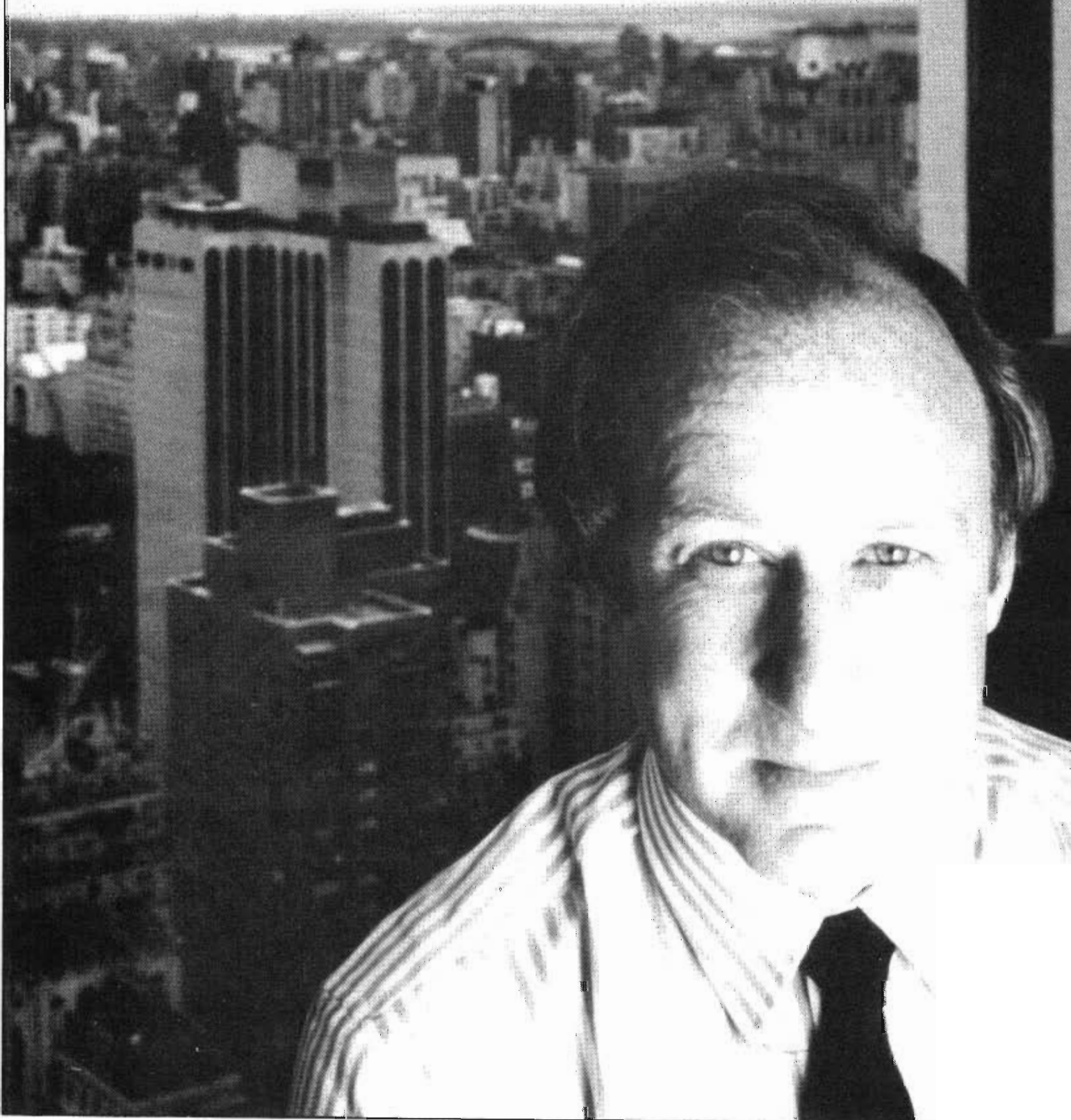
NOT POPULARITY, IS THIS BROKER'S GAME

By **ROXANNE TAMARKIN**
Daily News Business Writer

KEN LAUB IS THE BIGGEST deal maker in New York real estate. But that's not to say he's the most popular. Laub's controversial style of doing business may be the secret to his phenomenal success. Yet the antics of the 50-year-old president of Kenneth D. Laub & Co. often make industry bigwigs squirm — in private.

Seventeen of the industry's top figures contacted by the Daily News, among them developer Larry Silverstein, brokers Julien

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LET'S MAKE A DEAL: Ken Laub averages between \$2 million and \$3 million a commission.

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**N.Y. LIFE
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New York's No. 1 deal maker

LAUB FROM PAGE ONE

Studley and John Dowling and First Boston Corp. real estate honcho Tom Lavan, declined to talk publicly about Laub.

"A lot of people in the real estate industry are of the school that says, 'If you don't have anything nice to say, you shouldn't say anything at all,'" says Martin Turchin, another top deal maker who spent 14 years working for Laub.

That, counters Laub, is just a lot of sticks 'n' stones. "I'm too busy to care what anybody says about me, but I think you would be hard pressed to find a client who doesn't think I did a good deal for them," says the Brooklyn-born broker. "I am a target, though. Maybe these people who talk about me are jealous."

Laub, who not only does some of the biggest deals in the city but also is the biggest real estate deal maker in the nation, could easily inspire jealousy. According to the consulting firm Deloitte Haskins & Sells, Laub & Co. is the 36th largest real estate firm in the U.S., based on 1987 gross revenues of \$31 million — but Laub himself ranks No. 1, based on his average transaction: \$183.3 million.

That figure, in turn, translates to an average commission of between \$2 million and \$3 million.

Not exactly a household word

As a broker — the person who brings together buyer and seller, tenant and landlord — Ken Laub's name isn't exactly a household word. It's not on any buildings. He doesn't advertise in the general press. He's not a fixture at huge industry functions.

But two years ago, Laub was the guy who arranged the \$400 million purchase of a commercial condominium at 1166 Sixth Ave. from Teachers Insurance & Annuity Association by International Paper, and the subsequent sale to First Boston Corp. Last year, he put together the \$151 million sale of 222 Broadway by Swiss Bank Corp.

More recently, he arranged huge downtown leases for the securities firm Tucker Anthony Day at the World Financial Center, and insurance brokers Corroon and Black at 7 Hanover Square.

These days, Laub is representing media mogul Rupert Murdoch in negotiations for more than 1 million square feet — larger than the 970,000-square-foot Chrysler Building — to consolidate his

'A firm doesn't retain a Ken Laub so he'll beat up on them; it hires a Ken Laub to beat up on the other guy.'

Martin Turchin, former Laub associate

publishing empire and its 2,500 employees.

Deals aside, one reason everyone talks about Laub is that the flamboyant millionaire gives them plenty to talk about. Like the time he supposedly stared down the Russian Navy, or the time he allegedly punched out his company's controller. (Laub says he never challenged the Soviet armed forces, but merely cut off a Russian freighter while cruising the Mediterranean. As for the punch, Laub says he didn't throw the first one.)

Business associates say Laub's legendary aggression carries over into his boardroom negotiating sessions. "He's a huge success in spite of himself," says one Laub client who considers himself a fan yet would only speak when guaranteed anonymity. "He does fantastic, creative deals. But every principal he represents walks away from the process and says, 'I'll never go through that again.'"

"Years later, though, Ken will bring that principal a unique and creative idea and, before he knows it, he'll end up working with Ken again."

Says John Georges, chairman and CEO of International Paper and a Laub client. "The guy has a drive to be successful for his client and himself; he is tireless in terms of coming up with new ideas and approaches in search of one that best fits the client's needs. To that extent, though, at times it is a challenge to work with him. It's not effortless, it's not all that easy. But the guy is worth it."

IP used Laub when it sold its commercial condominium headquarters at 1166 Sixth Ave. two years ago, and again last year when it called on Laub to advise it in moving headquarters to Memphis.

Laub also was involved in lease negotiations at World Financial Center in behalf of Dow Jones, Oppenheimer Holdings and the French American Bank, and the arbitration of a new ground lease at the Chrysler Building in behalf of Cooper Union.

Why do such white-shoe tenants hire the bold Laub? "A firm doesn't retain a Ken Laub so he'll beat up on them; that firm hires a Ken Laub to beat up on the other guy, the guy across the negotiating table," says Turchin, Laub's former associate who is now vice chairman at Edward S. Gordon Co., a large Manhattan real estate firm.

Laub's knowledge of the real estate market was grasped during a rapid-fire rise to the top of his industry. After growing up in Cedarhurst, L.I., and serving in the Army Medical Corps, Laub joined Collins Tuttle & Co., a Manhattan-based real estate firm, in 1960 as a broker getting a \$35-a-week draw against commissions. He remembers his first deal: a 650-square-foot lease for which he earned half of a \$375 commission.

Two years and many leases later, he joined the huge Tishman Realty & Construction Co., builder of the World Trade Center towers, as a broker. In his seven-year tenure at Tishman, Laub worked his way up to become executive vice president and learned how a building owner thinks.

By 1969, it was time, he remembers, to form Kenneth D. Laub & Co. "I grew up at Tishman on the landlord's side of the business, so I took that expertise and created the concept of tenant brokerage, working for the tenant's interest exclusively," Laub says, even when reminded that many real estate companies, including the mammoth Coldwell Banker, claim to have invented the practice.

Laub, whom Institutional Investor magazine dubbed "the ultimate numbers man," strings real estate finance phrases together like Broadway lyrics. According to Laub and his clients, creative thinking is his greatest business asset.

"He may be the most creative broker I've ever met," says G. Ware Travelstead, a developer and former chairman of First Boston Real Estate & Development Corp., which uses Laub on occasion. "He doesn't always take the most logical path to close a deal, but he does a very good job for his clients most of the time."

Laub has earned a reputation within the industry for claiming deals well done, even when he didn't

necessarily have anything to do with them. According to competitors, the extremely litigious Laub is known to threaten brokers with lawsuits over commission splits, then settle out of court for the right to publicize the deals as his and his alone.

In 1986, for example, the Port Authority spent about \$100,000 on an ad campaign "congratulating" Laub for his consulting services in a deal involving a Dean Witter Reynolds lease at the World Trade Center. The twist: Cushman & Wakefield's Bertram French was the principal broker in the deal, yet neither he nor the firm were mentioned in the ads.

At the time, a top Port Authority official told Institutional Investor that Laub had tried to interest Dean Witter in the space several years before. After C&W closed the deal, the official said, Laub demanded a piece of the commission. The ad campaign served as his piece of the action.

Differences of opinion

There also are the occasional outright differences of opinion between Laub and his clients. For example, Laub insists Salomon Inc. made a "terrible mistake" in signing on for more than 1 million square feet at the brand-new 7 World Trade Center in lower Manhattan. Instead, he says, Salomon should have heeded his advice by purchasing and occupying 1 New York Plaza, a downtown building that has been on the market for some time.

One point Laub tends to play down: he had an option to purchase a share in 1 New York Plaza, had Salomon bought the deal.

A "bachelor by choice" who is known to date actresses and adoringly care for his parents, Laub acknowledges he is not loved by all of his clients or fellow industry leaders all of the time. But, he insists, "I am not a lone wolf. I have a lot of wonderful friends, many from the theater."

Does Laub, who once backed Broadway shows and wrote and recorded an album of tunes about Manhattan with partner Hal Hackady, ever long for a career besides that of a real estate broker?

"I've always known that I should be a salesman, someone at risk," he says. "I also wanted to make a lot of money and have fun doing it."

"I don't care to comment on the competition or on the competition's comments about me," he says, "I'm still making money and — more importantly — having fun. That's what matters to me the most."

TOP U.S. REAL ESTATE FIRMS BY GROSS REVENUE

In millions including franchise, nonfranchise and network firms

RANK/COMPANY	GROSS REVENUE (MILLIONS)
1. Century 21 Real Estate Corp.	\$2,256
2. Coldwell Banker Real Estate Group	1,664.7
3. Re/Max International	1,120
4. Electronic Realty Associates Inc.	744
5. Merrill Lynch Realty Inc.	679.4
6. New America Network Inc.	465.9
7. Royal LePage	435.9
8. Grubb & Ellis Co.	337
9. Weichert Co., Realtors	226
10. Cushman & Wakefield Inc.	220
11. Realty World Corp.	203.6
12. Schlott Realtors	178.5
13. Canada Trust/Realtor	166.6
14. Long & Foster Real Estate Inc.	142
15. Fred Sands Realtors	129.1
16. Goldman Sachs & Co.	122.5
17. Johnstown American Cos.	117.5
18. Cohen-Esrey Real Estate Svcs Inc.	100
19. Morgan Stanley Realty Inc.	100
20. Shannon & Luchs Co.	81.3
21. Red Carpet Real Estate Services	80
22. Rubloff Inc.	68
23. Marcus & Millichap Inc.	67.7
24. Execu-Systems Network	62.6
25. Baird & Warner Inc.	53.3
26. Edward S. Gordon Co. Inc.	50
27. Fox & Carskadon/ Better Homes & Gardens	50
28. William Raveis Real Estate	44.5
29. Family Trust Corp.	43.6
30. Sonnenblick Goldman Corp.	40
31. Realty Executives	36.8
32. Earl Keim Licensing Co.	36
33. Cornish & Carey Residential Inc.	35
34. Eastdil Realty	35
35. Ebby Halliday Realtors	33
36. Kenneth D. Laub & Company Inc.	31

Source: Deloitte Haskins & Sells

TOP U.S. REAL ESTATE FIRMS BY TRANSACTION AMOUNT

Transaction amount in millions including franchise, nonfranchise and network firms

RANK/COMPANY	AVERAGE TRANSACTION AMOUNT
1. Kenneth D. Laub & Co. Inc.	\$183,333,333
2. Goldman Sachs & Co.	116,666,667
3. Moore & Co. Realtor	86,800,000
4. Morgan Stanley Realty Inc.	75,000,000
5. Pearce, Urstadt, Mayer & Greer Realty	8,985,507
6. Cauble & Co.	3,682,243
7. Marcus & Millichap Inc.	3,620,253
8. The Bennet & Kahnweiler Cos	1,816,226
9. The Office Network Inc.	1,501,143
10. Garrick-Aug Assoc. Store Leasing Inc.	1,166,667
11. L.J. Hooker International	1,111,111
12. Norris, Beggs and Simpson	964,286
13. Ostendorf-Morris Co.	911,111
14. Colliers Macaulay Nicolls Inc.	669,188
15. Carter & Associates Inc.	562,000
16. New America Network Inc.	506,667
17. Johnstown American Cos.	499,750
18. Charles Dunn Co.	480,000
19. The Swearingen Co.	477,528
20. Burke Comm. Real Estate Inc.	458,333
21. Lehrer & Co. Realtors	400,000
22. The Horne Co.	386,293
23. Frederick Ross Co.	344,262
24. Grubb & Ellis Co.	338,676
25. Key Associates Inc.	334,831
26. Tri Realtors Inc.	311,364
27. Cornish & Carey Residential Inc.	285,714
28. Fred Sands Realtors	283,768
29. Fox & Carskadon Better Homes & Gardens	273,684
30. William Raveis Real Estate	263,132
31. Block & Co.	208,333
32. Frank Howard Allen Realtors	204,745
33. Russ Lyon Realty Co.	196,667
34. DeWolfe New England	194,444
35. Weichert Co. Realtors	194,316

Source: Deloitte Haskins & Sells