

740 PARK

WHEN NEW YORKER MICHAEL GROSS SOUGHT TO LOOK BEHIND THE WALLS OF THE WORLD'S MOST EXCLUSIVE APARTMENT BUILDING, HE DIDN'T KNOW WHAT HE'D FIND. HIS BOOK *740 PARK*, OUT IN PAPERBACK IN OCTOBER, EXPLORES THE WORLD THE FAMOUS AND MONEYED CALL HOME

Movie stars have never been allowed to live at 740 Park Avenue, but fortune, fame, and sometimes both have smiled upon many of its residents. Neither of those things, though, was what first attracted me to write about the building. My idea was to find a vehicle through which I could tell the story of America's aristocracy. My first plan, though, to trace the history of one American family from the *Mayflower* to the present, proved a bit too simple. "Where are the Jews?" a trusted friend asked, pointing out that upper-class America may have once been homogenous, but is no longer. A day later, riding in a taxi on the Upper East Side of Manhattan, I glanced out the window at one of the rows of limestone buildings that line Fifth and Park avenues from 59th Street to 90th Street, home of the greatest accumulation of wealth and power this side of the Valley of the Kings, and had a eureka moment.

Just like a star who only needs one name, a handful of superstar New York apartment buildings are known only by a number. Number one among those is 740. It was the childhood home of Jacqueline Bouvier Kennedy Onassis; the urban castle that kept Princess Henry XXXIII of Reuss, and now Countess Marie Douglas, the second wife of United Technologies chairman George A. David. Seven Forty has long been a sort of safe-deposit box for brand-name heirs to the fortunes of Standard Oil, Gulf Oil, Anaconda Copper, New York Central, Havemeyer Sugar, International Harvester, Seagram, Campbell's soup, Chrysler, Marshall Field's, Gimbel, Bonita Banana, Pullman, Friendly Ice Cream, Avon Products, Milliken, and, currently, Mosler Safe, Time Warner, Loews, Estée Lauder, and TV Guide. And it's the trophy today's tycoons have all called home: Henry Kravis, the king of the leveraged buyout; Ronald Owen Perelman, the financier whose accumulation of wealth is rivaled only by his accumulation of wives; and Saul Philip Steinberg, the pudgy, baby-faced greenmailer who was the boy wonder of Wall Street for thirty years and a bull in the china shop of wealthy New York before he crashed and burned at the turn of the Millennium. Steinberg became the hero of my story.

Seven Forty was conceived in 1929 as the most expensive, the most exclusive, simply the best apartment house in the world. More than that, it was going to be the richest in every way, built of only the most expensive materials, filled with only people of the greatest wealth, half from New York's old aristocratic class, the rest members of the new money elite, bankers and industrialists enriched by the 1920s bull market. Construction began in September 1929, a month before the great stock market crash. The architect was Rosario Candela, designer of the best Gold Coast

buildings (fifty years later, a "Candela apartment" became a Greed Decade status symbol even more potent because of its rarity).

Unfortunately, 740 opened its doors in October 1930. The Great Depression and World War II quickly followed, and the building became a financial sinkhole, remaining one for almost fifty years. The democratization of American culture by the war made upper-class enclaves like 740 Park obsolete. Family names, dynastic fortunes, and the quasi-religious institutions of old money lost their confidence, their allure, and their power. Once, old school had cohabited with new rich; beginning in the 1950s, it became an endangered species.

At the dawn of the 1980s, lively, sometimes-raucous new money reinvigorated the old forms of wealth and reinvented the notion of a social elite that had been abandoned by the previous generation. With that, 740's fortunes reversed. The last tattered remnants of the *oldveau* crowd did their best to bring a rearguard action against those newcomers, like Steinberg, who were at odds with the neighbourhood's carefully-cultivated and genteel patrician image, but it was futile. Though Jews had lived at 740 Park since 1948, Saul Steinberg's arrival was a watershed; he was a bare-knuckles financier who'd made himself anathema two years earlier by attempting a hostile takeover of the über-Establishment Chemical Bank. Though he was repelled by the forces of tradition, he got the last laugh when he bought the apartment that had previously belonged to John D. Rockefeller Jr., scion of the greatest capitalist in American history. Ever since, the newly-enriched have sought to plant roots at 740, and the prices of apartments have climbed until they are among the highest in the world, ranging from \$20 million to more than \$50 million per apartment.

In its seventy-five years, 740 Park has been a mirror to the changing face of the Gold Coast. Since that population is drawn from the wealthiest families all across America, and they come to New York to take their place on the nation's stage, 740 also reflects the inevitable, relentless evolution of American wealth as social standing and consanguinity give way to brute wealth (so long as it agrees to become less brutish), inheritance gives out or is squandered, technology replaces industry, debt becomes desirable, and the ability to successfully manipulate money trumps even the skill required to make it from nothing.

It that grinding ritual of social advance and retreat, a building like 740 Park is a necessary abrasive, for 740 is also a club: you have to be admitted. Some clubs will have you just because you want in. Self-selection doesn't cut it on the corner of Seventy-first Street and Park Avenue. So the raging desire to live there helps uncut stones become diamonds. Of course, a few zircons



Photography: Bob Mathison

740 PARK AVENUE WAS CONCEIVED IN 1929 AS THE MOST EXPENSIVE, THE MOST EXCLUSIVE, SIMPLY THE BEST APARTMENT HOUSE IN THE WORLD

A board president had to let Barbra Streisand's real estate broker know that the board would not even consider her because she was an actress and, worse than that, a singer

slip in, too. More than a few. Blood, brains, wealth, and power drive the story of 740. But so do excess, greed, scandal, and extravagant folly.

Seven Forty is one of New York City's cooperative apartment houses, and they are a breed unto themselves. Formally speaking, cooperatives are corporations that own a building and issue stock. Each owner has exclusive occupancy of his or her apartment, but does not own it. Rather, they own a portion of the whole building. One prerequisite of admission to 740 Park is sacrosanct. You have to be able to pull your weight financially. Maintenance charges for a typical 740 apartment are now about \$10,000 per month. You also need the resources to deal with whatever comes. In 1990, the average 740 stockholder paid a one-time charge of more than \$250,000 to repair the building's aging façade. Steinberg's share was about twice that. So the 740 board has let it be known that applicants must have a liquid net worth of \$100 million to even be considered for admission to the co-op. That number is actually elastic, but it is used to intimidate the wrong sort of buyer.

Saul Steinberg got into 740 Park Avenue when standards were looser, but even then finances were paramount. In 1971, both the building and the American economy were on the ropes. Seven Forty needed him as much as he needed to live there. But when he put the building at the centre of a front-page scandal just as apartment values began rising from a long swoon, Steinberg became a liability. The board couldn't get rid of him, at least not easily, but it could and did begin cracking down, not only stiffening its standards generally, but specifically rejecting two of Steinberg's business associates and others it deemed equally worrisome.

It is commonly thought that co-op rejections are based in religious or racial prejudice, and the rarity of black shareholders in Gold Coast co-ops is an observable fact. There are no black shareholders at 740. In one almost indiscernible way, 740 is also a monument to what's called social anti-Semitism. Formally speaking, half of 740's tenants live at 71 East Seventy-first Street, a side entrance of the same building with the less ostentatious address that favoured by some of the more discreet patricians in residence, those who have long considered Park Avenue addresses too — well, sorry, but it has to be said — Jewish.

But 740 Park is not a "restricted building" or a "good building," both euphemisms for a building that does not allow Jews. Indeed, half its current tenant-shareholders are Jewish, several are Asian, and only one is in the *Social Register*, the bi-annually published directory of New York elite. It is, rather, a rich building (six of *Forbes* magazine's 2004 list of the richest New Yorkers, all billionaires, either live or have lived there). And even more than that, Saul and Laura Steinberg's stay there notwithstanding, it styles itself a bastion of quiet wealth. So Ronald Jeançon, a past board president, once had to let Barbra Streisand's real estate broker know that the board would not even consider her because she was an actress and, worse than that, a singer. And Streisand is in good company. Others who have not made it into 740 include Joan Crawford, the late agent Ted Ashley, Neil Sedaka, Barbara Walters, the Daimler-Benz heir Friedrich Christian "Mick" Flick, the junk-bond tycoon Nelson Peltz, and, most recently, a Russian plutocrat, Leonard Blavatnik.

For every rejection, there is a shareholder who wants...needs...to cash out and leave, but is held hostage by a difficult co-op board. And even when an applicant has passed the board, there are still more hurdles to get over. Cooperative ownership, clearly, has its drawbacks. The board at 740 also mandates that renovations be limited to summer months. In New York, the wealthy often leave town for the summer, this simple rule ensures that they will not be annoyed by the sights and sounds of construction.

So Stephen Schwarzman, the financier who bought Steinberg's apartment, and David Koch, a Kansas oil billionaire, both had to wait more than a year to occupy their apartments, because their renovations stretched out over two summers. But there are compensations. One is that others share the financial pain when something goes horribly wrong in the building. Another is the joy of picking and choosing one's neighbours. They are not only partners in a significant investment; they are fellow members of a secret society. Tenancy at 740 constitutes proof of membership in America's ruling class.

For years, 740 Park was a silent sanctum. But after Saul Steinberg, many more moved in who hoped to hide in plain sight. They wanted it known that they could afford to, and had been allowed to, live in the highest-profile low-profile building in the world. They wanted others to look up at it and envy them. So nowadays, anytime someone moves in or out, it causes a frisson in the wired-in worlds of Manhattan society, money, and media. Yet very little else leaks out, and only some of that is accurate. "It's the most tight-lipped building in the whole city," says



SCENES FROM THE INTERIORS OF THE ORIGINAL JOHN D. ROCKEFELLER, JR. APARTMENT, WHICH WAS PURCHASED BY SAUL STEINBERG IN 1971

Photographs courtesy of Kelly Simpson

Roger Erickson, the senior managing director of Sotheby's International Realty. Then, like most realtors who either sell apartments there or simply hope to, he refuses to say another word.

The neighbours also try to be discreet, but they're as fascinated with the lives of 740 as the rest of the world, acutely aware of which hedge fund operator is under investigation by authorities, which prominent family name is keeping an equally prominent mistress in a town house nearby, which young wife is struggling to get pregnant. Their current financial faux pas and sexual foibles are bush-league, however, compared with the ones that have been hushed up in 740's glorious past. Truth be told, 740 Park has never been entirely respectable. But its merry widows and jolly Rogers have had at least one thing besides an address in common with their starchy socialite, industrially fortunate, and money-managing neighbours: they have all had access, even if only briefly, to serious fortunes.

The saga of Saul Steinberg disproves both of F. Scott Fitzgerald's famous dictums about the rich. They are not always so different from you and me, even if they misbehave in larger apartments. And there are sometimes second and even third acts in American life. People will tell you Saul Steinberg is a bad man who deserved what he got. But it isn't that simple. Neither is the story of the apartment building that meant everything to him. □

From the book 740 Park by Michael Cross. © 2005 by Idee Fixe Ltd. Published by Broadway Books, a division of Random House, Inc.