

The New York Times

February 18, 2016

http://www.nytimes.com/2016/02/19/business/dealbook/kenneth-griffin-joins-elite-rank-of-hedge-fund-art-patrons-with-500-million-deal.html?_r=0

Kenneth Griffin Joins Elite Rank of Hedge Fund Art Patrons With \$500 Million Deal

By Alexandra Stevenson

Step aside, Steven A. Cohen, there is another billionaire hedge fund manager with a voracious appetite for historic, and expensive, art.

Kenneth C. Griffin, the founder of the \$26 billion investment firm Citadel, recently paid \$500 million for “Number 17A,” a Jackson Pollock painting, and “Interchanged” by Willem de Kooning.



Kenneth Griffin, the founder of Citadel, a \$26 billion investment firm, has developed an appetite for notable art.
Heidi Gutman/CNBC

He bought the art from the private collection of David Geffen, the entertainment mogul, and has lent it to the Art Institute of Chicago, where it is on display.

“These two iconic paintings allow us to share wonderfully powerful and transformative moments in the history of postwar art with thousands of visitors to our museum every day,” James Rondeau, president of the Art Institute, said of the loan. Mr. Griffin is a trustee of the museum.

“Number 17A” was among three paintings featured in a 1949 Life magazine feature — “Jackson Pollock: Is He the Greatest Living Painter in the United States?” — that introduced a new form of modern art to many Americans.

When “Interchanged” was displayed at the Sidney Janis Gallery in 1956, one art critic said Mr. de Kooning had surpassed Pablo Picasso as the most influential painter.

Like the great titans of industry during the Gilded Age, hedge fund managers have in recent decades spent their riches on art, adding famous contemporary and Old Master art pieces to their offices and homes.

The Rockefeller Center offices of John Paulson are filled with Alexander Calder watercolors.

Mr. Cohen's collection includes art by Jeff Koons, Damien Hirst, Alberto Giacometti and Picasso — some of which he shares between his office and his Connecticut home.

Other investors, like Daniel S. Loeb, have also shown off some of their most expensive art in their offices.

Mr. Griffin, however, has no famous artwork hanging on the walls of his office in Chicago, only photographs of and art by his own children. Still, the investor has become a prolific art collector in recent years, aided by the tremendous success of his hedge fund and the fees his investors pay.

In 2014, Mr. Griffin made more money than any other hedge fund manager, bringing home \$1.3 billion, according to Institutional Investor's Alpha magazine.

He and his former wife, Anne Dias, made a name for themselves in 2007, when they began to lead ARTnews' list of the top 200 art owners, joining the ranks of Leon Black of Apollo Global Management and Henry R. Kravis of the private equity giant Kohlberg Kravis Roberts. The Griffins' collection of art has included "False Start" by Jasper Johns — which they bought from Mr. Geffen for \$80 million — and artworks by Cézanne and Monet.

Ms. Dias has been credited with helping to raise Mr. Griffin's standing within the art world and she is a trustee of the Museum of Modern Art and the Whitney Museum of American Art and a director of the Foundation for Contemporary Arts.

Mr. Griffin is also on the board of the Whitney, and the lobby of its new building in Manhattan has been named after him.

Mr. Griffin and Ms. Dias reached a divorce settlement in October, putting an end to a domestic dispute between the once-private couple that had pushed them into the public eye.

The couple also donated \$19 million to the Art Institute of Chicago, and the Renzo Piano-designed art wing of the museum has been named the Griffin Court. In December, after their divorce, Mr. Griffin donated \$40 million to the Museum of Modern Art — more than anyone else ever, earning him naming rights to the Johnson Wing of the museum.

Outside the art world, Mr. Griffin is also a big spender on national and local politics. He backed Mitt Romney's 2012 run for president, and emerged as the biggest supporter of Mayor Rahm Emanuel's re-election campaign in Chicago last year.

Since Mr. Griffin began collecting art, he has built his firm from one that focused on the hedge fund business to a multibillion-dollar investment firm that not only manages money for investors but also places stock trades. Last year, Citadel's flagship hedge fund had a 14 percent return.

This year, however, has been rocky so far. Citadel's flagship fund is down 6.5 percent as of last Friday, according to a person briefed on the fund's performance but not authorized to speak publicly.

This week, Mr. Griffin fired more than a dozen employees in the Surveyor Capital unit at Citadel. The news, reported earlier by The Wall Street Journal, prompted speculation that Citadel would shut down the trading unit.

A spokeswoman from Citadel denied the firm had any plan to close down Surveyor, saying that the unit "has been very successful over time, and we have a great team in place to drive the business forward."

Citadel also recently signed a deal to rent 200,000 square feet in a new building at 425 Park Avenue in Manhattan.

While his business may have gotten off to a slow start this year, Mr. Griffin's art buying has been going at an extraordinary clip.

A decade ago, Mr. Cohen spent some \$300 million to amass a collection of works that included Jackson Pollock's paintings, a Manet self-portrait and an Andy Warhol, among others.

With one transaction, Mr. Griffin has now managed to surpass Mr. Cohen.