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Dole Food Owner
Pours His Fortune
Into Health Ventures

Philanthropy, Profit Motive
Propel 83-Year-Old to Build
Wellness, Biotech Projects

Boulders From the River Kwai

By RHONDA L. RUNDLE
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Last year, Dole Food Co.'s owner David H. Murdock negotiated with D.H. Griffin Wrecking Co. to handle a massive demolition job in North Carolina. During a tense pause in the talks, Mr. Murdock abruptly gave the company's 285-pound founder a tongue-lashing.



David H. Murdock

"Mr. Griffin, you're fat and you're going to die. You aren't going to live the 18 months to finish this project and your son is going to have to buy a bigger casket to bury you," Mr. Murdock told the 67-year-old D. H. Griffin, as both men recall the conversation. Mr. Murdock, himself just 150 pounds, then offered to add \$100,000 to the contract value if Mr. Griffin would drop 60 pounds over the next year. After further discussion, the weight-loss requirement was cut in half and written into the formal contract. In June, Mr. Griffin weighed in at 254 pounds, having shed 31 pounds. Both sides agree he has earned the bonus.

At 83, Mr. Murdock, who made his billions over a long career in real-estate development and other investments, is embarking on a new mission that blends philanthropy and business. Prone to quizzing visitors about their eating habits and politely pressing on them Dole's glossy, 516-page "Encyclopedia of Foods," Mr. Murdock preaches that the secret to a long and healthy life lies in eating more of the fruits and vegetables his company grows in 94 countries around the world. Now he is spending more than \$1 billion of his personal fortune on ventures that combine his commercial interests with his zeal to spread the gospel of good health.

In Kannapolis, N.C., on the land where Mr. Griffin's firm is knocking down a nearly six-million-square-foot mill, Mr. Murdock is erecting a 350-acre biotechnology research complex that he says will advance scientific knowledge about the role of food and nutrition in human health. Another project is rising opposite Dole's headquarters in Westlake Village, Calif., 35 miles northwest of Los Angeles. The California Wellbeing Institute, set to open in November, will be a combination Four Seasons luxury resort, conference center and nutrition-counseling school.

WellPoint Inc., one of the nation's largest health-insurance companies, has paid \$50 million for a 15% stake in the institute. A second location is set for 2008 in a Four Seasons resort on the Hawaiian island of Lanai. Mr. Murdock owns the resort and all but a tiny part of the island.

"I am spending a fair part of my wealth while I'm alive on a subject that I am rabidly interested in," he explains.

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Over a lunch of vegetable soup, red snapper and broccoli in the Dole employee cafeteria recently, he declared: "We have to somehow drive it into people's brains that anytime they can't see their shoes because their belly is in the way, they are headed for their deathbed."

As the sole owner of Dole, as well as Castle & Cooke Inc., a real estate development company, Mr. Murdock needn't worry about accountability to shareholders. He thinks the projects will eventually make money, but says he isn't worried about when or how much.

His business interests, with holdings in fruit, vegetables and real estate, figure prominently in both projects. The biotech hub he is creating in North Carolina, for example, includes plans for offices, shops and homes that could turn a profit one day.

Duke University is seriously considering Mr. Murdock's invitation to run the key laboratory of the biotech center but hasn't signed a final deal yet, says Victor Dzau, chancellor of health affairs. The University of North Carolina and other leading academic institutions in the state have already committed to having a presence on Mr. Murdock's campus.

"I don't hide the fact that we want to make a little bit of money, but it will go right back into the campus," explains Mr. Murdock. "What I'm doing isn't to make publicity or aggrandize myself. I thought maybe at my age I would have the fun of spending the money the way I want to spend it."

The son of a traveling salesman, Mr. Murdock grew up poor in Wayne, Ohio, and dropped out of school after failing ninth grade. As a youth, he suffered from dyslexia and never considered himself smart.

When he was drafted into the Army, he was given an intelligence test, which he says he "got a very high rating on." During World War II, he was a weapons instructor stationed at posts throughout the U.S. After the war ended, he borrowed money to buy a 14-seat diner in Detroit. A year later, he sold it for a \$1,200 profit and moved to Phoenix, where he began building homes. Over the next 15 years, Phoenix boomed and Mr. Murdock made a fortune in real-estate development.

A publicly owned financial holding company that he built there collapsed in the mid-1960s under the weight of heavy losses and alleged fraud by a company official. Mr. Murdock moved to Los Angeles and amassed large amounts of cash after a profitable series of investments in public companies with undervalued assets. In 1982, he bought Cannon Mills Co. and shook up Kannapolis when he cut jobs as part of a drive to modernize the plant.

Mr. Murdock drew more public attention when he famously fought with Armand Hammer, the legendary chairman of **Occidental Petroleum** Corp. After Mr. Murdock became the oil company's largest shareholder in 1981, Mr. Hammer invited him to join the board. A casual friendship between the men turned sour when Mr. Murdock opposed such risky ventures as oil-shale development and a coal-mining project with the Chinese government. In 1984, Occidental paid a substantial premium to buy out Mr. Murdock, who emerged with an indicated profit of \$57 million.

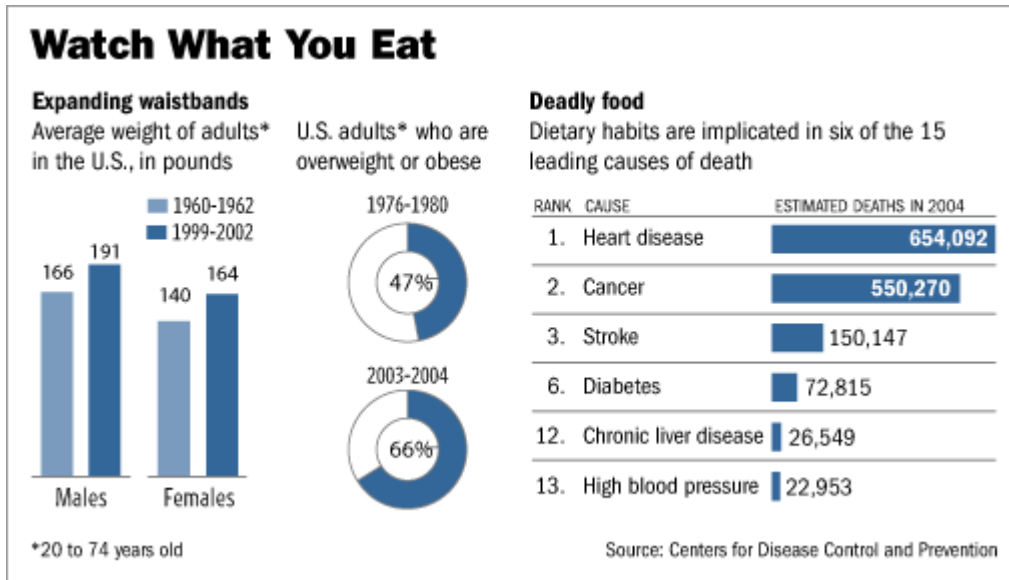
He used much of the proceeds of the 1985 sale of Cannon Mills to acquire control of publicly traded Castle & Cooke, which owned Dole Foods and the Hawaiian island of Lanai. After splitting Castle & Cooke and Dole into separate companies, he took them private in 2000 and 2003. His ultra-luxurious residential development at Lake Sherwood, near Westlake Village, was panned as "Murdock's folly" in the mid 1990s. But then the market turned around and left him with a profitable venture.

Mr. Murdock has long had a reputation as a loner who operates secretly and shuns the limelight. He says he has taken 13 companies private during his career, making it difficult to gauge his wealth, or even the financial performance of his companies. Forbes magazine last year estimated his net worth at \$4 billion.

Mr. Murdock says his preoccupation with diet and nutrition began after the death in 1985 of his wife, Gabriele, from cancer. For many years the couple had eaten steak and other foods with saturated fats, and Mr. Murdock believes their eating habits led to his wife's disease. After her death, Mr. Murdock stopped eating meat. Now, he says he never touches saturated fats, is in good health, and asserts, half-seriously, that he hopes to live to 125.

The trim octogenarian makes sure to wear a sun-protective hat when he heads outdoors.

Mr. Murdock used to eat quarts of ice cream, says his family physician and good friend, Rolland Dickson, now retired from the Mayo Clinic in Rochester, Minn. "But now he is unusually strict about his diet, much more than I am. I put some butter on some French bread one night at dinner and he said, 'You're eating saturated fats and that isn't good for you.' People are afraid to have dinner with him."



In 2004, Mr. Murdock led WellPoint's then-chief executive, Leonard Schaeffer, on a tour of his fruit-and-vegetable hothouse, followed by an organic lunch prepared by his personal chef. After they finished eating, Mr. Murdock convinced Mr. Schaeffer that WellPoint should team up with him. Mr. Schaeffer saw wellness as a promising business area, with good boomer demographics and the potential to attract cash-paying customers, free from the constraints of medical

insurance.

Later that year, Mr. Murdock hosted a groundbreaking ceremony for the Wellbeing Institute attended by Westlake Village Mayor Susan McSweeney, who then was overweight at 168 pounds. She says she was inspired to lose weight in part because she knew she would have to make another public appearance at its opening. She has since dropped 60 pounds. "Obviously, I know what good habits are and it would be really embarrassing not to be living them," she says.

The institute plans to check in its first guests later this year, charging upward of \$2,500 for a three-day stay. It will face competition from a growing crowd of rivals offering upscale executive physicals, such as Scripps Center for Executive Health in La Jolla, Calif., and Dallas' Cooper Wellness Program.

At the Wellbeing Institute, guests will meet with specialists from such places as the Mayo Clinic and the University of California at Los Angeles, as well as with a "life adviser," trained at the University of Southern California in a new program Mr. Murdock has underwritten. They will get cancer-detecting tests such as colonoscopies, and will undergo genetic tests to measure DNA damage caused by poor diet, smoking and sun exposure. These tests are being developed by a scientific team led by Andrew Conrad, a cell biologist who is also a Dole director and friend of Mr. Murdock's.

The hotel and grounds will feature some of the idiosyncratic materials Mr. Murdock has collected during his travels, including marble from Italy's ancient Carrara pits, towering boulders weighing up to 40 tons from Thailand's River Kwai, and a handmade Chinese "poet's house" for a contemplative garden.

The project has already exceeded its budget of several hundred million dollars due largely to soaring costs for concrete and other building materials. Mr. Murdock says he isn't happy about the overruns, but says he wants everything to be "perfect."

In North Carolina, Mr. Murdock had purchased a bankrupt 160-acre textile plant in Kannapolis for \$6.4 million in late 2004, part of the same property he had owned for three years and then sold in the 1980s. All along, Mr. Murdock continued to own a 17,000-square-foot lodge and downtown property nearby. When the plant went bankrupt, he says he felt bad for the town, but also worried about the impact on his property. "I didn't want that land to fall into somebody else's hands, because it was right next door to my land," he says.

Mr. Murdock's idea to turn the property into a science center met with initial skepticism from some local people, partly because there is already a thriving biotechnology hub on the other side of the state in the area around Duke University. The tide turned when Mr. Murdock proposed a \$150 million donation to a charitable foundation he would create to fund a laboratory, which he plans to name after himself. He says he won't control its research. Mr. Murdock is also spending \$750 million to construct Regency-style brick buildings on the campus, which he plans to lease to the universities.

Mr. Murdock is pushing ahead quickly, using his own money without any loans for now. He has 50 to 60 architects working on the project. Steel beams are already in place on part of the campus, even before demolition of the mill is completed. The bricks, which will soon start arriving by rail, are from a brick factory Mr. Murdock owns in Nebraska.

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