

2018 Account Planning
RM contribution

Relationship Name: Lindemann
Banker Team: Stewart Oldfield
GCIS Number: 00000427075
Relationship Team:

ISG: Andrew King
DPM: Paul Bartilucci
KCP: Matt Glassman
Lending: Laura Farischon/Joshua Frank
Trust/Custody:
WPS: Sam Petrucci
Deposits: Charlie Burrows
Other:

Client Profile

This relationship is with Adam Lindemann and George Lindemann Jr, sons of billionaire George Lindemann, a serial entrepreneur who founded and sold a handful of businesses over the past half-century, most notably his Metro Mobile company that was acquired by Bell Atlantic (now Verizon) for \$2.5 billion in 1991 and Southern Union Company which he sold to ETE for \$5.7 billion in 2012. The Lindemann children (George Jr, Adam, and Sloan Lindemann) all held ownership stakes in those businesses.

Adam Lindemann is a private investor and influential collector of contemporary art and design. In partnership with designer Marc Newson, he re-launched Ikepod, a Swiss watch design company. He also writes a monthly column on collecting for The New York Observer. He runs art galleries in NYC and LA (Venus over NY/LA) and is married to Amalia Dayan, another gallery owner.

George Lindemann Jr. was an accomplished equestrian with Olympic hopes. He is now a well-known art collector, investor, environmental advocate and philanthropist in Miami. He serves as the president of the board of directors of the Bass Museum of Art. George runs a commercial property company in Miami and invests in a lot of multi-family residential property with his father.

Adam and George had a previous relationship with the bank (via PCS) and both have legacy mortgages here. That relationship ended in 2012 when the broker left DB. Stewart Oldfield worked with the Lindemann family at Credit Suisse from 2008, helping with various complex credit facilities, and brought the relationship back to Deutsche Bank in February 2015.

The family's primary banking relationship is with BAML, which has given them more than \$1bn of loans secured by art, real estate and shares of ETE. They also have a close relationship with UBS, where their CS broker moved in 2016.

Opportunities and Challenges

We have had several opportunities to lend to Adam and George. Both brothers maintain leverage against their shares of ETE. While we executed a small margin loan with George in 2015, it was taken out by UBS when we made a margin call. We have also looked at a couple of mortgages for George (commercial and residential) but have not been able to beat BAML on terms or pricing.

We have tried two or three times to lend money to Adam over the past few years, but also have not been able to get anything done. There have been two major issues – first, he is extremely levered against his art, real estate and ETE shares. When ETE fell from \$20 to \$4 in 2016, he was probably close to 100% LTV with \$500mm of debt. Second, BAML has controlled all of his borrowing and prevented us from really being able to compete. Furthermore, despite Adam's asset-based wealth, he has little cash flow. The last loan we looked at was a mortgage on the former Andy Warhol estate in Montauk, but we did not feel Adam qualified for a mortgage based on limited demonstrable cash flow. He owns another Montauk property that he has not been able to sell at a \$40mm asking price.

Unless we can find a way to develop a meaningful lending relationship, I don't see opportunities for other business from the two brothers.

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