



Leventhal dies at 91

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Kenneth Leventhal, a CPA and entrepreneur who, after World War II, founded and built one of the largest CPA firms in the U.S. specializing in real estate, died May 8. He was 91 years old. Over the course of his life, he became as much of a philanthropist as he was a businessman and in fact he led a fund raising drive for the University of Southern California which raised over \$2.85 billion, which when it concluded in 2003, was the most successful fund raising effort in higher education.

He and his wife, Elaine Otter, started Kenneth Leventhal & Co., in the second bedroom of their apartment in 1949. As he began to recruit partners, he pushed the firm to become business experts that specialized in real estate.

As their business grew, the firm moved to various locations in west Los Angeles until 1965, when it moved to Century City. The firm's early clients included Ray Watt, and other real estate giants who were his clients and friends, Trammell Crow, William Lyon, and Montgomery Ross Fisher. In 1995, the firm merged with Ernst & Young, one of the largest public accounting firms in the world.

Consistent with its problem-solving approach, the firm from its very earliest days pioneered innovations that helped clients to save costs, operate more efficiently, or achieve other business objectives. When some of its clients ran into financial difficulties during cyclical downturns in the economy and property markets, the firm began to assist them to reorganize outside of bankruptcy court. It built a reputation as a workout specialist, advising companies in complex reorganizations, including some of the biggest names in U.S. real estate, among them Donald Trump, hotel developer John Portman, and mall developer Edward DeBartolo. It also advised the U.S. Resolution Trust Corporation in selling billions of dollars of assets of failed thrift institutions. As its reputation grew, the firm took on global assignments, advising international clients in restructuring and selling portfolios of distressed real estate and other assets.

During the early years he recruited a few partners, who formed the firm's nucleus. For the firm to succeed, he told them, they would have to be more than accountants; they would have to be business experts who could help clients to solve problems. The partners had regular meetings to study business, tax, and accounting issues.

Born in Cincinnati, Ohio, to Rose Belle Levinson and Julius Leventhal, the family moved to Los Angeles when he was 8 years old. He attended the local schools and graduated from Hollywood High School. After a hitch in the U.S. Army during World War II, the Airborne infantryman attended UCLA on the G.I Bill. There he met his wife, Elaine Otter, and in 1949, the pair founded Kenneth Leventhal & Company.

When asked why he became an accountant, he was happy to explain. When he was 9 years old, he sold newspapers at a street corner in Los Angeles. In talking with his boss, he learned that the boss planned to take a correspondence accounting course and go into business for himself. All it took to get started was a pencil, his boss told him. "I figured that for a nickel, I could be my own boss,"

Leventhal said, "and I never changed my mind."

In 1990, Leventhal was succeeded as managing partner of the firm by his protégé Stan Ross, who had joined the firm in 1961. In 1995 the Leventhal firm merged with Ernst & Young. At the time of the merger, the Leventhal firm was recognized as the leading CPA firm in real estate, with nearly \$200 million in revenues. It ranked ninth in size among U.S. CPA firms and had offices in 13 U.S. cities and an international affiliation in many countries. Among other benefits, the merger provided an opportunity for the Leventhal firm to leverage its real estate practice with Ernst & Young's to create a global platform in real estate. In 1999, fifty years after he founded his firm, Mr. Leventhal retired as an Ernst & Young partner.

A strong believer in education, and its value to society, Leventhal was a leading benefactor of the University of Southern California and received an honorary doctorate degree in 2000. In 1996 the university renamed its School of Accounting the Elaine and Kenneth Leventhal School of Accounting in recognition of a \$25 million gift to the school from him and his wife. A USC trustee, he chaired the school's Building On Excellence fund-raising campaign, which began in 1993 with an initial goal of raising \$1 billion. When it concluded in 2003, it had raised \$2.85 billion, the most successful fund-raising effort in higher education. "Here at USC, I can work to improve society as a whole by helping an effective school to become even more effective;" Leventhal said in his profile on the USC web site. "I can help accounting students receive an education that develops the skills and knowledge and vision they need to become the accounting professionals of tomorrow."

Leventhal is survived by his wife of 63 years, Elaine Otter, his sons Robert and Ross (Mary Jo), granddaughter Emma, brother Henley, and a niece and nephews. Funeral services are pending.

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