

Billionaire Oracle CEO buys Hawaiian island

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Larry Ellison, CEO of software giant Oracle and the sixth richest man in the world (*Forbes* magazine), is closing the deal on the purchase of Lanai, a Hawaiian Island. The sale is a particularly overt expression of the domination of the ultra-wealthy over all aspects of social life in the US.

Besides being a ruthless businessman, Ellison is notorious for excelling at the decadent hobbies of the super-rich. In 2004, he contracted the building of 453-foot (138 meter) “superyacht” *Rising Sun* for an estimated \$377 million. The craft is equipped with 82 rooms on five decks, with a combined 86,000 square feet (8,000 square meters) of living space, onyx countertops, onboard cinema and extensive wine cellar. The ship is currently the tenth-longest motor yacht in the world and owned by entertainment industry executive David Geffen.

Ellison is a collector of expensive automobiles and aircraft. He was the winner of the America’s Cup sailboat race, with his multimillion-dollar high-tech multi-hulled craft called the *USA-17*.

He owns three multimillion-dollar residences in the San Francisco Bay Area, one of which, his Pacific Heights two-story, 10,000 square feet pied-à-terre, has a fountain and a rock garden behind a frosted courtyard wall that with a turn of a key, becomes transparent.

Ellison is now adding a rather ostentatious jewel to his crown in the form of a Pacific island.

This is certainly not the first time a rich man ever bought an island, but what makes this notable is first of all, its scale, and secondly, the fact that it is a portion of an American state. The island is Lanai, the sixth-largest island in the Hawaiian chain.

Lanai is sometimes called “Pineapple Island” because of its history as a pineapple-growing center. Ellison is

closing the deal to transfer ownership of 98 percent of the island’s 140 square miles, with former owner Castle & Cooke, a company spun off from the Dole Food Company, the world’s largest producer of fruits and vegetables. Castle & Cook is owned by billionaire David Murdock, who took the company private in 2000 when he bought out the other shareholders for \$700 million.

The deal was made public Wednesday by Hawaii Governor Neil Abercrombie, but the sale agreement, which was signed on May 2, was redacted by the sellers’ lawyers, saying that the paperwork included confidential information which would competitively hurt Ellison.

The real estate involved is 88,000 acres and includes two Four Seasons Resorts, each with its own golf course, a stable, along with residential and commercial properties. The island has 30 miles of paved roads, 400 miles of unpaved roads and no traffic lights. The population of the island is 3,200, many of whom live on Ellison’s land and will apparently face the prospect of becoming his serfs.

According to local historians, 75 percent of the world’s pineapples were once grown on Lanai. Castle & Cooke shut down pineapple production when it acquired the island in 1985. Murdock has since focused on developing tourism on the island, but mainly aimed at more pampered tourists who can afford four-star accommodations provided by the resorts. When Bill and Melinda Gates were married in 1994, every hotel room on the island was booked for the occasion.

Unemployment is high on the island. According to the Hawaii Tourism Authority, tourism has fallen by 6 percent from last year. From January to April of this year, only 26,000 people visited the island.

The price for the sale of the island of Lanai is not known, but the *Maui News* estimated it going for the

bargain-basement price of \$500 to \$600 million—a steal.
Ellison will, of course, pay in cash.



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