

A.M. Costa Rica

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Wall Street legend Kaufman eyes investment market here

Special to A.M. Costa Rica

The latest entrant to the Costa Rican real estate market is Wall Street's Henry Kaufman, famous since 1957 when he took over the largest bond specialist unit of the New York Stock Exchange.

He follows such famous names as Mel Gibson, Steve Case of

America Online, Madonna, Danny Devito, one of the famous princes of Saudi Arabia, the Chinese premier who is investing \$300 million, Amazon, Proctor & Gamble and Intel, which invested \$900 million in its manufacturing operations.



Henry Kaufman

Kaufman is known among the insiders in the financial community as a genius at contrarian investing. During the 1970s downturn in New York City he was the buyer of last resort for Con Edison bonds, which resulted in huge gains. Kaufman was buying Con Edison Bonds at 30

percent of face value when the city was told no help was coming from the federal government to keep the lights on in New York.

Of course the bonds never defaulted, and the returns were in mega millions to Kaufman.

Associates say that Kaufman believes that Costa Rica will become a huge market for retirees who want a lifestyle in this country where the weather in the major market of the Central Valley is always springtime, similar to Southern California.

He also is said to believe the cost of living and medical care,

which is up to world standards in the private hospitals, is a fraction of the costs in the U. S. and Europe and that the 55-and-older senior retirement communities, assisted living and even nursing care will propel the growth of Costa Rica to double digit gross national product during the next 20 years.

Kaufman wants in while the crisis has opened opportunities that have never existed in the last 10 years of one of the hottest real estate markets in the world, associates say.

Kaufman was the largest shareholder of Apple Bank of New York along with many other holdings. He was the financial controller of all of the \$320 million Maurice Kanbar received for selling Skyy Vodka and created \$190 million in additional profits from this account. One of the investments was buying 32 percent of downtown Tulsa, Oklahoma, at distress prices starting in 2005. Tulsa is one of the few cities that has weathered the U.S. real estate crisis and actually has increased in value. He also was the funding source of capital for Heine Herzog (Mutual Shares which merged with Franklin Templeton), the largest over-the-counter marketmaker in the U. S..

Kaufman bought buildings in Soho at \$30 square foot in the distress times of the 70s and became a legend in value investing when the market climbed to \$200 a square foot,

He also purchased the East West Natural Food Macrobiotic restaurant where luminaries like Gloria Swanson, Jane Fonda, John Lennon and Yoko Ono often came to dine.

Costa Rica is his latest interest, major news is expected. Angela Jimenez, a well-known appraiser with Orbit Costa Rica, said she is now in discussions with Alberto Rampoldi of the Avalon development about one of Kaufman's latest ideas.