

The Forbes 400

Rags to Riches (Not Exactly)

Dorothy Pomerantz, 10.11.10, 12:00 AM ET



Kimmel went to Hollywood to make serious movies. Now he's thinking big box-office hits aren't such a bad thing.

Sidney Kimmel is standing on a cliff in Malibu showing a guest the outside of his house on a perfect California day. He points out the original modern sculpture by Joan Miró. Looking back at the 7,000-square-foot mansion, he explains how he and his wife had to completely redecorate the home after they bought it in 2007 because they didn't like what the former owner had done with the place. A guy named Johnny Carson. He gestures down the cove toward the Pacific Coast Highway. The actor Matthew McConaughey lives just down the street.

At 82 Kimmel is living much like any other Hollywood suit, name-dropping and all. He's a lot richer than most, though--he's worth \$1.1 billion, ranking 365th on The Forbes 400 list. And he didn't start in the mailroom. Kimmel made his fortune in the schmatta business, building Jones Apparel, owner of such sensible clothing brands as Jones New York, Anne Klein and Nine West. But Kimmel reinvented himself as a Hollywood producer and these days spends his time worrying less about fashion trends and more about box-office grosses, movie marketing and distribution rights.

So far big-time success, at least enough to lift him to Hollywood mogul status, has eluded Kimmel. The 20 films he's produced since 2004 (*Lars and the Real Girl*, *The Kite Runner*, *United 93*) have earned a total \$400 million at the global box office, with many earning in the floplike single-digit millions. Megahit *Iron Man 2* earned \$622 million in box-office receipts, to take one extreme comparison. A more modest hit like *Law Abiding Citizen* took in \$120 million.

So Kimmel is resizing himself again, moving away from "art house" movies to more commercial films, though certainly not, he insists, in the *Iron Man* vein. "If you ask me if I like the business the answer is 'No,'" he says. "If you ask me if I like making movies, the answer is 'Yes.' But if I had to make a living I wouldn't do it in the movie business."

A Philadelphia native, Kimmel founded Jones Apparel in 1970 as a division of the conglomerate W.R. Grace. When Grace decided to get out of the clothing business in 1975 it sold the division to Kimmel. Throughout the 1980s the company grew as Kimmel sold well-priced clothing to working women and acquired new brands like Gloria Vanderbilt Jeans. It went public in 1991, and in 2003 Kimmel stepped down as chief executive (he still serves as chairman) and later used most of his Jones stock to form his charities.

He has given hundreds of millions to cancer research, the arts and Jewish foundations. There are Sidney Kimmel cancer centers in Baltimore, New York and Philadelphia. In his hometown of Philly he funded the Kimmel Center for the Performing Arts and later this year the National Museum of American Jewish History will open near the Liberty Bell, thanks in part to his \$25 million donation. Kimmel, who has no children, has pledged to give all of his fortune, except to support his wife, to charity upon his death.

But Kimmel didn't want to focus just on philanthropy. He wanted to try his hand in the film industry. It wasn't unheard of for eastern European Jewish immigrants, once in the garment business, to go into moviemaking. Adolph Zukor, founder of Paramount Pictures, started as a furrier. For Kimmel it happened the way some people get hooked on gambling: He got very lucky his first time out.

In the early 1980s Kimmel had pitched in some money to help produce the travel romp *Blame It on Rio*. That brought him to the attention of screenwriter Zalman King, who approached Kimmel with a racy script, rejected by every Hollywood studio, about a couple having a torrid love affair. Naive in the ways of Hollywood, Kimmel agreed to put up the entire \$10 million budget, something the present-day Kimmel would never do. (It ballooned to \$13 million.)

His rookie mistake turned out to be a fortuitous one. The 1986 film was *9 1/2 Weeks*, starring Mickey Rourke and Kim Basinger. MGM gave him \$9.5 million for the right to distribute it in the U.S. It earned only \$7 million at the U.S. box office but enjoyed a long life overseas and on video, making Kimmel a healthy profit. "I thought, this is a piece of cake," he says.

He remained at Jones, but after giving up the chief exec job he decided to plunge into Hollywood in 2003. He had married a woman from Malibu, so moving to Los Angeles was easy. (He still keeps a home in New York and is there four months out of the year.) Kimmel decided right away he wanted to focus on small, serious pictures.

"I had built a reputation for making quality clothes," he says. "I wanted to make quality films."

He picked scripts that he loved, but one movie after another failed. *Trust the Man*, a small movie starring David Duchovny and Julianne Moore, earned only \$7 million. *United 93*, about the passengers on the doomed 9/11 flight, did pretty well with \$76 million, but it was followed by films that failed to earn even \$10 million, like *Copying Beethoven*, *Griffin & Phoenix* and *Talk to Me*.

Generally good reviews and a couple of Oscar nominations helped, but Kimmel was growing frustrated with the business. In the apparel world he could look at a piece and know immediately if it was going to work. In the film world he didn't seem to have the same touch. Plus the stakes were higher. If he couldn't sell his clothing to Macy's he could sell it to Gimbels or Bloomingdale's or any number of stores. In Hollywood there were only five studios who could buy his films. In Hollywood everyone seemed to be a lawyer and every deal required multiple lengthy contracts. In the apparel business Kimmel's handshake had been his word.

By 2008 he'd had enough of movies few people were paying to see. He altered his business model to make sure more of the risk is laid off on others. Before he'll go into production he needs to have a certain amount of foreign rights presold to cover part of the budget. He also needs a distributor in place who agrees to market the film or a third party who will pay the marketing costs.

Mostly, he doesn't let his passion for a script override the business considerations. That means more commercial fare, with a big star and a marketable concept.

The stars of his next two films: his neighbor McConaughey and Katherine Heigl. McConaughey is cast in *The Lincoln Lawyer*, about an attorney who works out of the back of his car in Beverly Hills. Heigl will star in the first adaptation of Janet Evanovich's Stephanie Plum series, which Kimmel hopes will turn into a franchise.

Kimmel insists he isn't selling out. "What I thought about before was good writing," he says. "Now we're looking for good writing in a more commercial vein. That doesn't mean you want to do dumb movies. I like more serious movies."

If this latest reinvention doesn't pan out? No worry. "I'm not in the film business to make a fortune," Kimmel says. "This is my golf game."