

Richard E. Rainwater, Billionaire Texas Dealmaker, Dies at 71

By Clifford Krauss

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HOUSTON — Richard E. Rainwater, a Texas billionaire who had a Midas touch for real estate, entertainment and oil and owned a piece of the Texas Rangers baseball team with George W. Bush, died on Sunday in Fort Worth. He was 71.

The cause was conditions related to progressive supranuclear palsy, a rare degenerative brain disease that had been diagnosed in 2009, his son Todd said. In recent years Mr. Rainwater had financed a research group, Tau Consortium, to find the cause of the disease.

Mr. Rainwater, though not widely known outside of financial circles and Texas, was a quiet mover of wealth and power throughout the country. He helped turn Disney around in the mid-1980s, installing Michael Eisner as its chief executive. He was an early investor in the health care company Columbia/HCA, whose chief executive of the 1990s, Rick Scott, is now governor of Florida. And he founded EnscO, the energy company, among others.

With Clint Eastwood and other investors, he was also part owner of the Pebble Beach golf resorts in California.

Mr. Rainwater was mentor to some of Wall Street's most successful investors, many of whom came to the Dallas area to work under him before striking out on their own, usually with some of his money.

One protégé, David Bonderman, lifted Continental Airlines out of bankruptcy in the 1990s and founded TPG Capital, one of the largest private equity firms in the world; another, Eddie Lampert, founded the hedge fund ESL Investments, which owns Sears and merged it with Kmart.

Mr. Rainwater was a longtime friend of the Bush family and contributed to Bush campaigns; he spent time at Camp David when President George Bush was in office.

Besides being a partner with George W. Bush in the Texas Rangers franchise, Mr. Rainwater offered him investment opportunities in oil and gas, real estate, and AmeriCredit, a car loan company, helping him build a modest fortune.

A tough but gregarious negotiator, Mr. Rainwater first made his mark when he went to work for the powerful Bass family of Fort Worth in the late 1960s to help manage its assets. After initially losing several million dollars, he honed a disciplined, diversified approach and reportedly enlarged a \$50 million Bass fortune, founded in the oil industry, into a \$4 billion one between 1970 and 1986.

In one deal, in 1984, he made a \$400 million profit when Texaco bought back shares from the Besses after Mr. Rainwater had hinted at a takeover bid. He made another huge profit after investing \$500 million in the Walt Disney Company.

Mr. Rainwater went out on his own in 1986, betting on real estate and oil when prices for both were low. When he saw panic-selling of real estate in Houston in the mid-1990s, he went on a buying spree. When oil prices tumbled in the late '90s, he invested heavily in oil stocks and futures. Crude prices soared soon afterward.



Mr. Rainwater, right, with T. Boone Pickens in 1996.
Carol T. Powers for The New York Times

In recent years his fortune was estimated at \$2.5 billion to \$3 billion.

“There’s always something happening in the world that creates an opportunity to try to fix a business and build a business,” Mr. Rainwater told The Dallas Morning News in 1994. It was one of the few interviews he gave; he kept a low public profile.

Speaking on CNBC, Mr. Bonderman recounted Mr. Rainwater’s investing philosophy: “If you couldn’t pencil it out on the back of an envelope, it wasn’t worth doing.”

Mr. Rainwater’s first marriage, of 25 years, to his high school sweetheart, Karen, ended in divorce. They had three children. In 1991, Mr. Rainwater married Darla D. Moore, a South Carolina banker who made a fortune specializing in bankruptcy financing and is now president and a partner of the investment firm Rainwater Inc.

Along with Condoleezza Rice, the former secretary of state, Ms. Moore was admitted as a member of Augusta National Golf Club in Georgia in August 2012, ending an 80-year club policy of excluding women. The University of South Carolina’s business school in Columbia is named after her.

At the time of the marriage, Mr. Rainwater told Ms. Moore, “I view you like an equity investment,” according to Fortune magazine. Ms. Moore told the magazine, “It was the ultimate compliment.”

Richard Edward Rainwater was born in Fort Worth on June 15, 1944. He took up drag racing as a youth. His father, Walter, was a wholesale grocer, and his mother, the former Regina Dieb, was a J. C. Penney saleswoman.

After receiving a degree in mathematics from the University of Texas at Austin, Mr. Rainwater attended the Stanford University Graduate School of Business, where he met Sid Bass, the eldest of four sons of Perry Bass, the family patriarch.

After graduation Mr. Rainwater joined Goldman Sachs as an institutional salesman, but he soon left to join the Bass family business.

Alone or with partners, Mr. Rainwater founded a number of companies. In addition to Ensco International, an offshore drilling-service company, he started the Columbia Hospital Corporation and Crescent Real Estate Equities. His strategy was always to seek out undervalued companies, invest in them heavily and recruit strong executives to manage them.

In 1989, the baseball commissioner Peter Ueberroth asked that Mr. Rainwater join an investor group, which included Mr. Bush, to buy the Texas Rangers from Eddie Chiles, an oil industrialist.

Mr. Rainwater initially turned down the offer, but Mr. Bush helped persuade him to join. He acquired about 9 percent of the team, but not before insisting that the Dallas investor Edward Rose, known as Rusty, be installed as a general managing partner.

Besides Ms. Moore and his son Todd, Mr. Rainwater is survived by two other children from his earlier marriage, Matthew and Courtney Rainwater.

Andrew Ross Sorkin and Liam Stack contributed reporting from New York.

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