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THE VIEW FROM THE TOP?

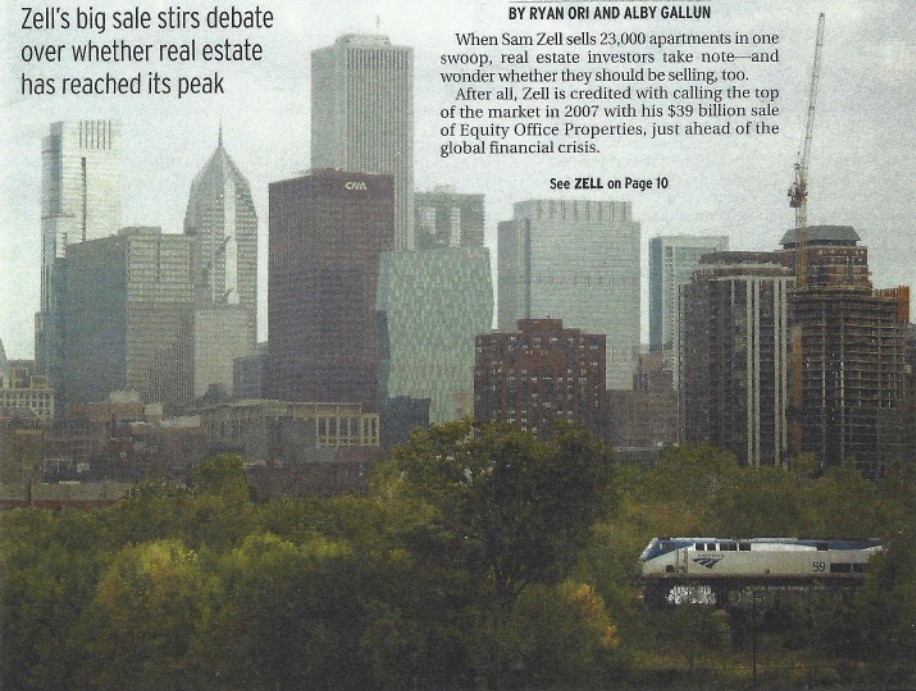
Zell's big sale stirs debate over whether real estate has reached its peak

BY RYAN ORI AND ALBY GALLUN

When Sam Zell sells 23,000 apartments in one swoop, real estate investors take note—and wonder whether they should be selling, too.

After all, Zell is credited with calling the top of the market in 2007 with his \$39 billion sale of Equity Office Properties, just ahead of the global financial crisis.

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The \$17.2 billion question

Why did Walgreens pay so much for drugstore chain Rite Aid?

BY BRIGID SWEENEY

Walgreens Boots Alliance wanted two things badly enough to pay \$17.2 billion for smaller rival Rite Aid: increased scale, that ever-important bargaining chip when it comes to negotiating drug prices with manufacturers, and a pharmacy benefits manager of its own to funnel more consumers to its drugstores.

Execs of the Deerfield-based chain also think they can better operate Rite Aid than its current management can, which they hope will translate into higher margins and a higher share price.

Under the deal, shareholders of Camp Hill, Pa.-based Rite Aid will receive \$9 a share—a premium of 48 percent on its closing stock price the day before the deal was announced—and 13 times the company's earnings before interest, taxes, depreciation and amortization. Walgreens also will assume \$7.8 billion in debt.

Investors clearly worry that CEO Stefano Pessina overpaid. Walgreens stock dropped 10.7 percent the day after the announcement and closed the week at \$84.68.

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Insurance deal's lesson: Size matters

Advocate, Blue Cross pact puts pressure on competitors to follow suit

BY KRISTEN SCHORSCH

Advocate Health Care has a big goal now that it's joining Illinois' dominant health insurer on a new insurance plan. The state's largest hospital chain wants patients to walk in its doors—and nowhere else.

If it works, the plan will affect bottom lines at nearly every

health system in the region. Competitors will have to get bigger—through consolidations or less formal affiliations. They, too, will be forced to work closely with insurers to limit costs and roll out their own health plans for increasingly price-sensitive consumers.

"It's the only way they're going to compete," says Dan Mari-

no, Chicago-based senior vice president at Camden Group, a health care consultancy.

With nearly 5,000 doctors, Advocate has 12 hospitals that stretch from north suburban Libertyville to downstate Normal. Advocate's commanding market share—it has nearly 18 percent of the Chicago market, almost twice the size of the next-



Dr. Lee Sacks

largest system—and brand are so strong that three insurers created health plans around the system for the Obamacare insurance exchange, an online marketplace that opens for its third year on Nov. 1.

But it's the deal with Chicago-

based Blue Cross & Blue Shield of Illinois that could be a game-changer for Advocate. Blue Cross captured 92 percent of the Obamacare policies during the exchange's first year and 80 percent of the state's individual health plan market in 2014. The HMO that the two are now offering in Illinois is one of the cheapest plans on the exchange, which means it could

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SOCIETY



Benefit co-chairs Tara DeMarco, left, and Karen Malkin. A graduate of the Arizona Center for Integrative Medicine, Malkin contacted its founder, Andrew Weil, and persuaded him to speak at the Nov. 4 event.

Fringe benefit

Antioxidant mocktails and meditation: Osher Center for Integrative Medicine's benefit dinner departs from the usual fundraiser formula

Guests at the Osher Center for Integrative Medicine's benefit dinner can have an antioxidant-laden mocktail, wine or cocktails before dinner—just nothing mixed with soda. Before dinner is served, they can chat, until the speaker leads them in a yoga-like meditation. During dinner, they can review, on the menu card, the nutritional value of what they're eating.



LISA BERTAGNOLI

The Osher Center for Integrative Medicine's annual benefit dinner, scheduled for Nov. 4 at Four Seasons Hotel Chicago, tweaks the fundraising formula on purpose. The center, affiliated with Northwestern Medicine, aims to promote health and wellness by combining conventional Western medicine with nutrition, acupuncture and other less-traditional forms.

"We are always thinking about practicing what we preach and walking the walk of what we promote at the center," says Dr. Melinda Ring, the center's medical director.

This year, the benefit's third, moves from the Osher Center's Streeterville building. That move helped more than double capacity of the dinner, to about 520. The featured speaker is Dr. Andrew Weil, a Harvard-trained physician considered a pioneer of integrative medicine. Weil's name on the event proved to be ticket-selling magic: The dinner's tables sold out before the invitation hit the mail, says Karen Malkin, dinner co-chair along with Tara DeMarco.

Before dinner, Weil will lead guests in 4-7-8, his breathing meditation. The dinner will feature his recipes, including miso-marinated black cod, prepared by Four Seasons chefs. At the end of the

AN EVENING WITH ANDREW WEIL, M.D.:

"Integrative Medicine and the Future of Health Care," benefiting Northwestern Medicine's Osher Center for Integrative Medicine

When: 6 p.m. Nov. 4

Where: Four Seasons Hotel Chicago, 120 E. Delaware Place

How much: From \$500

Dress code: Business attire

More info: 312-926-7133/

Foundation.NMHI.org/ocimbeneft

evening, guests will go home with a copy of his new book, "Fast Food, Good Food."

Malkin, a graduate of Weil's Arizona Center for Integrative Medicine, has a second home in Tucson, Ariz. She contacted him last year and asked him to speak at the event. Malkin says he has other reasons for visiting the Chicago area—Weil plans to open one of his True Food Kitchen restaurants here next year—and that his demands were few. "He is so low-maintenance," Malkin says. She declines to comment on the cost of bringing Weil to the event.

Via their work and personal lives, the co-chairs have connections to high-profile, integrative health-minded people in Chicago. DeMarco, 45, just received a Ph.D. in East-West psychology with a specialty in integrative health from the California Institute of Integral Studies and soon will open her own integrative wellness consulting practice. Malkin, 54, has a private integrative-health practice in Glencoe and is married to Steve Malkin, former managing director at GCM Grosvenor in Chicago. His father is Judd

Malkin, co-founder of Chicago-based real estate development firm JMB Realty.

"I have a lot of relationships with potential donors and corporate sponsors," says Malkin, adding that the event is estimated to gross \$500,000, double last year's take. "My friends know me and my work and believe in my lifestyle." Cari and Michael Sacks, the Bluhm family, Eric and Liz Lefkowsky, and Byron and Tina Trott are among the evening's sponsors; the Chicago Bulls also bought a table.

Malkin and DeMarco say that over two years, the dinner has developed an enthusiastic following. "Guests leave the dinner with takeaways, and they tell everybody, and next year, everyone wants to come back," DeMarco says.

Two years ago, Brian Feltzin heard Dr. Michael Roizin, author and chief wellness officer at Cleveland Clinic, speak at the dinner. "He was very charismatic," says Feltzin, 45, managing partner at Sheffield Asset Management in Chicago. He left the dinner determined to sit less; a month after attending, he bought a treadmill desk and now logs 10,000 to 15,000 steps on it every day.

Ring, who spoke at last year's dinner, left Dawn Servitto feeling she could do more to improve her health. "She said, 'If you've taken the steps and run the tests, and you're still not feeling better, there's something that's still not OK,'" says Servitto, 44, a Pilates instructor and jewelry designer who lives in North Center. Within a month, Servitto underwent a food allergy test, which indicated sensitivities to many foods, including bell peppers and some dairy.

Compared with other fundraising dinners, the Osher event "felt very light, very positive, and for me, being a Pilates instructor, very informative," Servitto says. "I just eat all this stuff up."

THE TAKE-AWAY



Roger Hill, 53, is chairman and CEO of Gettys Group, the hospitality-design consultancy he co-founded in Chicago in 1988. The firm has designed interiors worldwide, including Hotel Felix and MileNorth in Chicago. Hill lives with his wife and two teens in an 1890s townhouse in the Gold Coast.

Most unusual design request?

To design a fairy-tale cottage for a retreat space at an executive conference center. It was detailed right down to having a yellow brick road.

Was this in Oz? It's in the Midwest.

The client wanted people to look at the world through different glasses.

Quirky habit?

I spend so much time in and out of airports, and I hate feeling like I'm wasting my time sitting there, so I love to press my luck by getting there at the last minute.

Has that ever backfired? It has, but less than a handful of times.

As you might imagine, though, a lot of my colleagues don't like traveling with me to the airport.

What's on your bucket list? To visit Bhutan. It's supposedly the happiest country in the world.

You could be anywhere on the planet right now. Where?

Serengeti National Park in Tanzania, watching the sunset. I was there in 1995 with my wife. It was magical.



Artistic inspiration? I've always loved Monet's "Haystacks," even as a child. The way he was able to capture light, the way those haystacks are so beautiful but so practical. I also admire Henry Ford and consider him to be an artist in many ways.

How so? I appreciate that he was able to bring great design to the masses. He was the pioneer of automation and had the foresight and innovation to ensure that his design would be accepted around the world.

What phrase do you most overuse? Take your elbows off the table!

That's aimed at your kids? Yes, and I do say please.

Christina Le Beau