

## ‘Lord of the Rings’ Backer Starts Family Office With Goldman Hire

New Line Cinema founder Bob Shaye is betting on managing his fortune as more entertainment moguls take control of their money.

By Benjamin Stupples

(Bloomberg) -- Bob Shaye was one of the few Hollywood studio executives to take a chance on Peter Jackson’s idea to turn J. R. R. Tolkien’s The Lord of the Rings trilogy of books into a movie series.

New Line Cinema’s founder now plans to manage his own fortune, joining a growing number of entertainment moguls taking control of their money.

Shaye recently set up a family office, Lemoko Investments, to oversee his business activities, drawing its name from a 1937 French film. Erin Riley, a former Goldman Sachs Group Inc. executive, is chief investment officer of the Los Angeles-based firm, which was registered in September and describes its approach to allo-



A poster advertising the film “The Lord of the Rings: The Two Towers.”

Photographer: David G. McIntyre/Black Star

cating capital as “long-term and unconstrained.”

Riley joined Lemoko after more than a decade at Goldman Sachs. She researched tech stocks at the bank and later moved to a team catering to family offices and wealthy individuals with

highly sophisticated trading needs, according to a 2020 Goldman Sachs podcast featuring her.

A representative for Shaye, 83, didn’t respond to requests for comment.

Shaye founded New Line Cinema in 1967 as an inde-

pendent studio and found success with the Nightmare on Elm Street franchise before selling the business almost three decades ago to Ted Turner's namesake firm in an all-stock deal that valued Shaye's stake at more than \$100 million.

He continued to run New Line Cinema with Michael Lynne when it became part of Time Warner Inc. and a producer of hits such as Rush Hour and Austin Powers. Shaye was also a driving force for making separate films for The Lord of the Rings trilogy, which grossed more than \$2.5 billion, after Jackson pitched condensing it into two.

"The big bet was that the first film was going to be good enough to catalyze the other two films," Shaye said of the fantasy movies in a 2007 interview with Charlie Rose alongside Lynne, who died in 2019 aged 77. "Every film commitment is a gamble."

Family offices have grown in the past two decades led by finance and tech titans, but the entertainment world is also getting in on the act. Oprah Winfrey, Beyonce

Knowles and Will Smith have built up their own investment firms.

**Huge payouts to star entertainers have also helped make celebrities more aware of the enormous potential gains from owning a business, according to Lloyd Greif, president and chief executive officer at Los Angeles-based investment bank Greif & Co. One striking example: Diageo Plc paying as much as \$1 billion in 2017 for a tequila business co-founded by George Clooney.**

**"The Casamigos deal was a huge wake-up call for the industry. Everybody raised their heads after that deal and realized it can be far more powerful and profitable to be a brand owner than to take the fee to be in front of the camera or to endorse the brand.**

**"They are getting more sophisticated across the music and film industry," Greif continued. "They're making the money work more for them, rather than them just working for the money."**

Shaye left New Line Cinema in 2008 and founded a film studio, Unique Features. He's also directed his own films and

shifted his wealth into real estate, art and venture capital. With the help of Goldman Sachs, he acquired a stake last year in Brat TV, a digital studio that specializes in producing scripted series for Gen Z audiences.

"The folks at Goldman, who we've gotten to know over the years, mentioned: 'Hey, we've been talking to Bob about some new media opportunities,'" Brat TV co-founder Rob Fishman said in an interview last year with Variety's "Strictly Business" podcast.

"They surfaced our company and they said he was interested in meeting, and we ended up getting together at Bob's house in Los Angeles."