

# JFK Slept Here

*A money pit? Not quite. JOHN K. CASTLE is as rational an investor as you'll ever find. But he fell in love with a piece of Camelot.*

By JOHN A. BYRNE



**THE WINTER WHITE HOUSE:** JOHN CASTLE (ABOVE) AT THE FORMER KENNEDY HOME. JFK WITH HIS NEW COMMERCE SECRETARY, LUTHER H. HODGES (LEFT), IN 1960.

HE MATTRESS IS UNCOMFORTABLY FIRM, just what the doctor would have ordered for a middle-aged guy with a bad back and a world of stress. On a starry Palm Beach night, I settle in between the sheets, hoping to dream as large as the man who once tumbled into this same sack.

John F. Kennedy slept here—precisely here in this twin-size bed, from his teenage years until the weekend before he went to Dallas 40 years ago this month. His older brother Joe slept in the same room, in a matching bed with identical mahogany headboard. For a time, so did Jackie.

On this sultry summer evening, I am here as the guest of John K. Castle, chairman and CEO of Castle Harlan Inc., a New York-based investment firm.

Castle fell in love with this piece of Camelot in 1995, and he bought JFK's Winter White House from the Kennedy family for \$4.9 million. For a major player in the often mysterious and secretive world of private equity, the Kennedy property seemed the ideal purchase: a rambling house filled with a celebrated family's secrets—and, not incidentally, a terrific deal.

Almost everyone Castle knew, including his wife, Marianne, thought he was nuts to buy the place. The Mediterranean-style house with a red-tile roof had been on the market for 18 months without a buyer. It was in severe disrepair, still with-

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out central heating or air-conditioning. “Everyone in Palm Beach considered it a teardown,” recalls Castle. “They said the house was ugly and awful, beyond saving. If one of the few gas-fired heaters exploded, I wouldn’t have been surprised.”

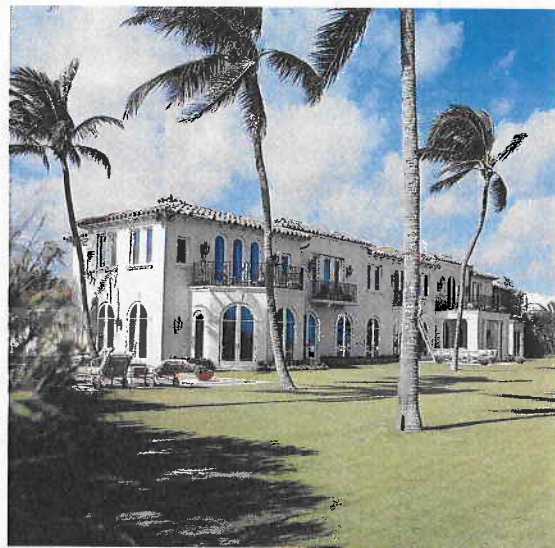
Yet Castle, who has fashioned a highly successful career by investing in undervalued and less-than-glamorous companies, quickly grasped the home’s potential. It had solid fundamentals and, if turned

around, tremendous upside. “Basically, what I saw was a house that needed a huge amount of work, but it was on a fantastic piece of property with enormous history,” says Castle. “No one focused on the historical significance of the place. I think it’s a national sanctuary.”

No question, the 1.6-acre property is strikingly idyllic. In the morning, the sun peeks over the horizon onto a glassy ocean. Palm trees cast long, thin shadows on a lawn

as soft as plush carpeting, the same expanse where the Kennedy men famously played football on many afternoons. Kennedys dived into the surf from a 204-foot stretch of beach.

Family patriarch Joseph Kennedy bought the Addison Mizner-designed house for about \$100,000 from the family of retailer John Wanamaker in 1933, a decade after it was built. Castle points out that for all the talk about the Kennedy compound in Hyannis Port, Massachusetts, both Joe and Rose Kennedy were legal residents of 1095 North Ocean Boulevard, in Palm Beach, Florida.



✦ THE MEDITERRANEAN-STYLE HOUSE WITH A RED-TILE ROOF WAS DESIGNED BY ADDISON MIZNER. JOSEPH KENNEDY BOUGHT IT IN 1933 FROM THE FAMILY OF RETAILING MAGNATE JOHN WANAMAKER FOR ABOUT \$100,000.

Jack Kennedy went off to World War II from the house, and there he returned when his military service was done. It is where he eventually wrote his inaugural address, where he worked on the Pulitzer Prize-winning *Profiles in Courage*, and where he met and interviewed most of his Cabinet members. Sadly, it is also where Joe Kennedy, confined to the house after suffering a stroke, first learned of his son’s assassination.

#### A NOSE FOR DEALS

**H**istory infuses every corner of the place. Yet, like the vast majority of the companies that Castle has acquired, managed, and sold, the house represented a perfect opportunity—faded,

