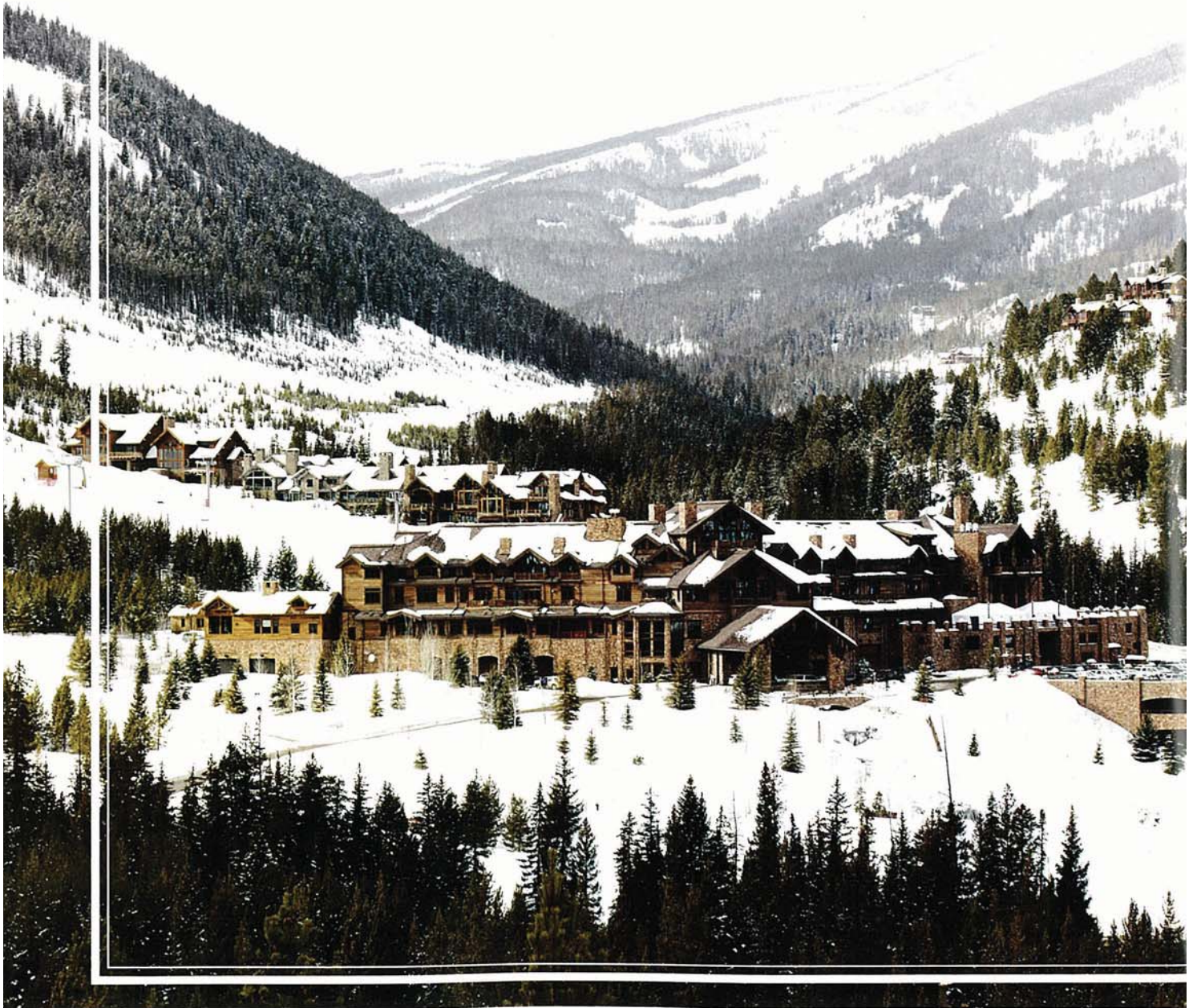


Sam Byrne's

Thrilling



PHOTOGRAPHS BY BRYCE DUFFY

Run



THE BUYOUT BARON, WHO RACES SAILBOATS AND SKIS DEEP POWDER, AIMS TO REVIVE THE ULTRAEXCLUSIVE YELLOWSTONE CLUB—WHERE ERIC SCHMIDT AND JUSTIN TIMBERLAKE CARVE TURNS.

BY ANTHONY EFFINGER

Sam Byrne's Thrilling Run

Sam Byrne and Billy Collins had Pioneer Mountain at the Yellowstone Club to themselves, as usual. They were belting down the freshly groomed corduroy, carving fast, giant-slalom turns last year when—bam!—they collided, hard.

The impact cracked both their helmets. Byrne, whose buyout firm, CrossHarbor Capital Partners LLC, owns the private Montana resort, broke a ski in half. Collins, the club's head of sales, flew into the trees. The two skiers wobbled into the lodge and learned later that they had sustained concussions.

For Byrne, 47, it was just another brush with danger. Last year, he rode the Baja 1000 race route in Mexico on a Honda motorcycle until a friend crashed and collapsed a lung. In 2007, the mast on Byrne's 82-foot (25-meter) racing yacht *Captivity* snapped at midnight during an 811-mile Caribbean regatta in 25 knots of wind. With just the backup motor, the crew pointed the yacht toward bright lights on the coast of Cuba, the nearest land. They got lucky. The beams came from the U.S. base at Guantanamo Bay. The boat was damaged beyond repair.

"I go hard at whatever I do," says Byrne, whose congenial grin and

graying hair parted on the left make him look more like a banker in Boston, where CrossHarbor is based, than an adrenaline junkie. He shakes his head and laughs at his exploits, which emerge in conversations like other people's accounts of beach vacations.

The Yellowstone Club, a private enclave tucked into the Madison Range south of Bozeman, is Byrne's latest thrill ride. Instead of just buying a house at the resort, like other wealthy ski freaks, he purchased all 13,600 acres (5,504 hectares) and everything on them—15 lifts, three lodges, a golf course—for \$115 million after the club went bankrupt in 2008. And he did it during the worst recession since the 1930s.

For its money, CrossHarbor got more than just a secluded getaway with Switzerland-in-America views and uncrowded slopes and fairways. It also got wealthy members, including Bill Gates and Barry Sternlicht, CEO of Starwood

Capital Group LLC. Since taking over, Byrne has added to the A-list, bringing in Justin Timberlake—who's an excellent snowboarder—Google Inc. Chairman Eric Schmidt and Peter Berg, actor and director of the 2004 movie *Friday Night Lights*. "It's a very interesting and eclectic group of people," Berg says. "I've got a lot of new best friends."

The cost of membership is steep: You have to buy a piece of real estate, be it a condominium for \$2.5 million or a 357-acre ranch for \$18 million. Started in the late 1990s by one-time timber baron Tim Blixseth and his wife, Edra, the club attracted hedge-fund managers such as Cliff Asness and Jeffrey Ubben and political figures, including former U.S. Vice President Dan Quayle and the late Representative Jack Kemp.

Byrne visited in 2005, bought a lot to build on and then snapped up four more to develop and sell. Then he went deep and purchased Sunrise Ridge, a planned cluster of 58 duplexes and triplexes, 15 of which were under construction.

Soon after Byrne's arrival, a Kardashian-style drama turned the Yellowstone Club into a reality show staged in Montana courts. The club had borrowed \$375 million in a syndicated loan from Credit Suisse Group AG and the Blixseths used it to buy luxuries outside of the club, including a private



From far left: the Warren Miller Lodge, its foyer and breakfast area and the slopeside Rainbow Lodge

Sam Byrne's Thrilling Run

island in the Caribbean for \$28 million, according to a 2006 lawsuit by former cyclist Greg LeMond, a member and part owner at the time. Then the Blixseths divorced. Edra got the club in a settlement, just as the global financial system seized up, wiping out the market for \$10 million ski chalets. CrossHarbor, which manages money for the Smith College endowment and other institutions, loaned the club \$23 million to keep it operating in bankruptcy before buying it outright.

After five years of brand-destroying bad press, the club required a leader with turnaround skills who could show that better days were ahead. "This place needed a face," says Byrne, who has always shunned the media but has played that role this time. "It wasn't by design or desire."

Byrne and his partners, including billionaire Ronald Burkle, have spent \$100 million on improvements to the club. They cleared out the Persian rugs, velvet-covered chairs and beaded lamps that made the mountain lodge, with its tall stone fireplace and elk on the menu, look more like a 19th-century bordello. They added tennis courts, a clubhouse on the golf course, a new fitness center and 20 Below, a kids zone with a soda fountain, basketball court

The steeps are steep, and the powder-loaded chutes at the top of the mountain, with 100-mile (161-kilometer) views, are every bit as good as the wine list at the club's Warren Miller Lodge, named after the legendary ski filmmaker and member. You can go faster than at Vail or Aspen, too, because there are so few skiers. "The skiing is as good as anything in the world," Berg says.

That is Byrne's reward for buying the club. More than yacht racing, more than motorcycling, even more than working, Byrne loves to ski.

On Presidents' Day weekend, a storm is dumping 8 inches (20 centimeters) of fresh snow, luring Byrne from visits with potential buyers and onto the hill. He drops into the Rainbow Lodge, the rustic alternative to the grander main one, and says a quick hello to some members who are watching an English Premier League game between Sunderland and Arsenal. Byrne meets Collins,



Scot Schmidt, a club guide and one of the first professional extreme skiers, tears through some powder.

YOU CAN GO FASTER THAN AT VAIL OR ASPEN BECAUSE THERE ARE SO FEW SKIERS AT THE CLUB. 'THE SKIING IS AS GOOD AS ANYTHING IN THE WORLD,' BERG SAYS.

and movie theater. A new village around the lodge, with spas, bars and shops, is on the way, says Mike Meldman, CEO of Discovery Land Co., which manages the club and owns a piece of it. "It will feel like a mini mountain town," he says.

You would expect a ski resort for millionaires to be all about Dom Perignon and truffle crostini at 10,000 feet. Such indulgences are found here. But make no mistake, the skiing is the real draw.

the colleague he collided with last year, and heads out into the blizzard.

At the Mountain Lift, Byrne says hello to Jim Davidson, co-founder of Silver Lake, the Silicon Valley buyout firm that tripled its money selling Skype Technologies SA to Microsoft Corp. last year. Davidson and his wife head down under the lift.

Byrne is nursing an ankle he broke in a November basketball game. Still, he skis toward the chutes below Pioneer

Ridge: First Hour Glass, Second Hour Glass and Elevator Shaft. He has The Who's *Quadrophenia* pumping on his in-helmet headphones. All the music at the club—in the bar, in the restaurant, at the lift—is classic rock. "We gotta make the old guys feel young," he says.

Byrne scans the chutes, finds an untracked line between two spines of rock and pushes off. He makes deft turns through the fresh snow. If the ankle still hurts, it doesn't show.

At the bottom, Byrne looks up at Lone Peak, the 11,166-foot mountain that looms over the club to the north. Its steep, above-timberline faces are draped with tantalizing snow. Byrne talks about putting a chairlift up the side of it. "That's big-boy skiing up there," he says.

After the snow melts in the summer, the club holds Camp Yellowstone, where families gather for a long weekend of sack races, tug of war and other old-school field day games.

Tragedy struck the camp in August, when member James Sinclair Welch, 19, took a midnight ride in a

Sam Byrne's Thrilling Run

four-wheel-drive all-terrain vehicle with Parker Regan, his prep-school roommate. Welch made a left on a road in the club and tossed Regan from the ATV, according to the Montana Highway Patrol. Regan, also 19, died at the scene. Welch was charged with negligent vehicular homicide under the influence of alcohol. He posted \$50,000 bail and was scheduled for arraignment on Sept. 24, at which time he was expected to enter a plea. The highway patrol is investigating. Club spokesman Greg Hitt says the club is cooperating.

Byrne, who grew up in Marblehead, Massachusetts, has been making money in property since the age of 16 or 17, when he got his license to sell it. Working at his mother's real estate office one summer day, he stepped in for an agent who had taken the day off and sold a home listed for more than

The club requires the purchase of property, like this **residence**, to become a member.

\$1 million. "I got a check for \$22,000," Byrne recalls. "I said, This is pretty good!" As a high school student, he peddled \$60 ficus trees and carpet remnants to college kids and their parents to decorate dorm rooms of Boston-area schools.

After Byrne graduated in 1986 from Tufts University, a year early, he took a job restructuring bad loans at Bank of New England Corp. and then left to start CrossHarbor in 1992. He was 26. One of his first deals was a \$190 million distressed loan on a building called One Kendall Square

in Cambridge, near Massachusetts Institute of Technology. Byrne had a contract to buy the loan for \$63 million. But he didn't have \$63 million. A friend told him about a group from the Middle East that was looking for real estate investments, and Byrne traveled to Geneva to pitch them. Two months later, he had the money.

Almost every other Sunday, for six years, Byrne flew to Geneva to meet



AIRBUS CORPORATE JETS

Airbus, its logo and the product names are registered trademarks.



with his investors. The commute almost cost him his life. One Sunday—Sept. 2, 1998—Byrne was set to fly to Geneva but felt crappy and didn't go. Shortly after takeoff, the cockpit of Swissair Flight 111 caught fire and the MD-11 plunged into the ocean, killing all 229 people on board. It was the most serious near miss for a guy who's had a few of them. "My phone was ringing off the hook that night," he says.

These days, Byrne spends as much time as he can at the club, for work and pleasure. In February, he attended a reunion with Tanya and Mikey

Carr-Hartley, owners of a high-end safari company in Kenya. A club member threw a dinner for them and other members who had been on their trips in Africa over the years. The group of about 30 met at Rainbow Lodge, had a few drinks and then climbed into heated snow cats for a ride to the mid-mountain Timberline Cafe for scallops and pheasant.

Many of the guests were friends of Byrne's, including Tom Healey, who was on board *Captivity* when its mast snapped near Cuba and who crashed his motorcycle in Baja. "I'm in AA,"

Healey says, by way of introduction. "Always attacking!"

The same is true of Byrne. "He likes excitement," says Google's Schmidt, a skier.

The next day, Byrne is back on the slopes, this time with Scot Schmidt, one of the first professional extreme skiers—people who rip down absurdly steep terrain on camera. Now, he's a full-time ski guide at the club. "I show people how to play the course," he says.

Schmidt takes off from the top of Pioneer Mountain and arcs fast turns through the powder. The white peaks of nearby Wyoming reach into the southern horizon. Byrne watches, then pushes off down the side of a mountain he bought—at least in part—for the thrill of it.

ERIC SCHMIDT, GOOGLE'S CHAIRMAN, IS ONE OF MANY WEALTHY EXECUTIVES WHO ARE CLUB MEMBERS. 'HE LIKES EXCITEMENT,' SCHMIDT SAYS OF BYRNE.

ANTHONY EFFINGER IS A SENIOR WRITER AT BLOOMBERG MARKETS IN PORTLAND. AEFFINGER@BLOOMBERG.NET



www.airbuscorporatejets.com

MORE OF EVERYTHING YOU EXPECT IN A BUSINESS JET.

MORE SPACE. MORE COMFORT. MORE LUXURY. MORE BUSINESS. MORE PLEASURE. MORE VALUE.

TYPE ACJT <GO>

 **AIRBUS**

AN EADS COMPANY