

The Economic Club of New York

490th Meeting
111th Meeting

Barry Diller
Chairman and Senior Executive
IAC and Expedia, Inc.

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Interviewer: Andrew Ross Sorkin
Columnist, *The New York Times*
Co-Author, CNBC's Squawk Box

Introduction

President Barbara Van Allen

Hello everyone. It's my pleasure to welcome everyone to the 490th meeting of the Economic Club of New York in our 111th year. I'm Barbara Van Allen. I'm President of the Economic Club and I'll be presiding today as our Chair, Marie-Josee Kravis had a board meeting conflict. As many of you know, but it's always worth repeating, the Economic Club of New York is the nation's leading, nonpartisan forum for speeches and conversations on economic, social, and political issues. Over 1,000 prominent guest speakers have appeared before the Club over the last century and have established a strong tradition of excellence.

I'd like to take a moment to recognize our, now more than 270, members of the Centennial Society, many of whom are seated in the front of the room today. And it's this group that actually ensures the financial backbone of the Club and ensures frankly that the Club remains strong. We're also delighted to welcome several of our ECNY Class of 2018 Fellows who are in attendance today. And, by the way, applications are now available for the 2019 Class of Fellows. And if you would like to perhaps nominate a talented, next-gen leader from your organization to participate, we really look forward to receiving that application. They are online. There's actually also information at each table on this and other Club programs.

It's truly an honor for us to introduce our guest speaker today, Barry Diller, Chairman and Senior

Executive of IAC and Chairman and Senior Executive of Expedia, Inc. Until late 2010, Barry spent 15 years serving as Chairman and CEO of IAC. Before that, he served as Chairman and CEO of both QVC from 1992 to 1994, and Fox from 1984 to 1992. At Fox, Barry was responsible for the creation of Fox Broadcasting Company. Prior to joining Fox, he served for 10 years as the Chairman of Paramount Pictures Corporation and was previously the Vice President of Prime Time Television for ABC Entertainment. Barry serves on the board of the Coca-Cola Company. He's a member of the Business Council. He serves on the Dean's Council of the New York University Tisch School of the Arts, the Board of Councilors for the School of Cinema-Television at the University of Southern California, and the Advisory Board for the Peter G. Peterson Foundation.

Our format today is a conversation and we're especially delighted to have as our interviewer, Andrew Ross Sorkin. As most of you know, Andrew is a columnist for the *New York Times* and co-anchor of Squawk Box, CNBC's signature morning program. He is the founder and editor-at-large of DealBook, an online daily financial report published by *The Times*. A special thank you to those members in attendance today who took the time to share questions for our speaker via the online portal when they purchased their tickets. And please know that all of these questions, and there were many, have been shared in advance with Andrew. Barry and Andrew, if you could please come forward and take your seats to begin the conversation. As they take their seats, I'd like to remind everyone that this conversation is on-the-record and we do have media and cameras carrying Live in the back of the room. Thank you. (Applause)

Conversation with Barry Diller

Chairman and Senior Executive

IAC and Expedia, Inc.

ANDREW ROSS SORKIN: It is a privilege to be here and a privilege to be with all of you and, of course, Barry Diller. We were talking before. We've had the opportunity to have some of these conversations over the years and Barry never ceases to surprise me with some of his answers.

BARRY DILLER: If it had been off-the-record, I would be able to surprise you even more.

(Laughter) But I'll act a little dangerously.

ANDREW ROSS SORKIN: We're going to talk about the worlds that Barry has inhabited over the years – the media worlds, the technology worlds – and where they are all going and the way he thinks about them today. But I wanted to start the conversation with a topic that's been in the headlines and that many CEOs – and perhaps even some of you are grappling with yourselves – which is the topic that so many executives were expecting or planning to be, not here but in Saudi Arabia next week, and have had to make some very hard choices about what to do. And it has raised all sorts of new questions, not just about whether to attend a conference, but the role of business, the role of executives in these issues, and really how business needs to think or not

think about morality perhaps and the larger geopolitical issues that we're facing. So I wanted to start with you, Barry. I know you were not planning to go to this conference, but had you been...

BARRY DILLER: No, not ever.

ANDREW ROSS SORKIN: Not ever. Had you been, though, on the list, what do you think you would have done?

BARRY DILLER: Well, I would have said no right away. You know, I think the amazing thing is, is that people are surprised by this recent incident – so to speak – if you could even call it that. But you don't have to go really back very far, taking the President or Prime Minister of Lebanon and abducting him and forcing him to resign and then to have him go back home and say, no, I actually don't resign. I mean this is, as they say, it's not exactly a surprise. It's not a surprise when you take 300 people and you basically somewhat torture them and extort them to give you money so you can get out of the Ritz Carlton jail. So why would anybody be surprised?

ANDREW ROSS SORKIN: Okay, but you can make the decision not to go. By the way, I was forced, or not forced, but put in a position, I was actually planning to go myself and decided to drop out last week. But if you are, for example, one of your former colleagues, Dara Khosrowshahi at Uber, who I would argue made a very courageous decision. Uber has a direct investment from Saudi Arabia and the head of the Public Investment Fund from Saudi Arabia

happens to be on his own board. And so here we are, living in a world – I know it's not your decision – but it's much more complicated than just saying I'm never going.

BARRY DILLER: Well, I mean, yes. If you do, look, you do, in the case of Uber it wasn't that Dara Khosrowshahi, the CEO's decision to take the investment because it took place before he got there. But you choose to do business with whoever you do business with. If you do, then you have a kind of compact. You probably, in almost every situation, have to somewhat blur your eyes to whatever they're doing that socially you don't like, but you get to make those choices. It is increasingly, and I think it's a good thing, difficult for business people to sidestep the – so to speak – the social imperative that they have representing themselves in their communities or in any place else. So, I find that it's hard for them, but I'm glad they're doing it.

ANDREW ROSS SORKIN: Okay, but I'm going to make it more complicated. And I was on the phone this weekend with a number of executives all grappling with this issue. And they say, look, we all want to or do business with China. China doesn't have necessarily the greatest record on human rights. Some companies do business in Russia. And the question, though, therefore becomes where is the line? Is it just a gesture not to show up at a conference or is there something more that's going to be required of companies to say we are not doing business with a host of places? And therefore, what happens?

BARRY DILLER: Well, it's an increasingly complicated world and you've got to make those

judgments, but you get to make them. They come up. They came up for Google 15, 18 years ago when China began to censor things, particularly things I think that related to Israel. And so Sergey Brin and Larry Page said we're not doing business in China. They made that decision. Now, recently you've read that the CEO of Google may start a search engine under Chinese protocols. But those are the decisions you get to make. Now, can you actually say that there is this bright line where countries have had poor social relationships with their people, in some absolute sense. But you always do get to make that decision.

ANDREW ROSS SORKIN: What do you think this whole social responsibility thing is about? Meaning why do you think we're having these conversations today and we weren't five or ten years ago?

BARRY DILLER: Because information, because information is deeper and wider and travels much more swiftly. And because I think Larry Fink particularly has said that companies have a social responsibility. Companies have a responsibility, of course, to their shareholders, but they also have a responsibility to the people who work in their companies, to their communities, and to their own sense of what is the right or wrong thing to do. And I think that transparency – before it was not very transparent – but with information today it is very transparent. So you know what positions people are taking.

ANDREW ROSS SORKIN: But do you think ultimately the consumers or investors are going to

act on that information? By the way, we were with Larry Fink this morning on Squawk Box and he said, look, I'm not going to go to this conference, but I'm not cutting my ties with Saudi Arabia. We manage an enormous amount of money for the central bank there. Jamie Diamond may be not going to this conference, but JP Morgan has done business there since 1930. Steven Schwarzman may not be going to the conference...it's very complicated.

BARRY DILLER: All of that, Andrew, is reasonable. Those are reasonable positions to take that, in fact, they're not going to cut their business ties off of their companies. But symbolically, it is a very important thing that they said based on this information that they may have slaughtered this man in the Consulate, we're not going to show up. And that's a good thing. I don't think you'd take it all the way to say I'm never doing business with those people again. But, you know, money is the great whitewash. And so many people thought when MBS came here and they had all sorts of social interaction with him and embraced him and all of that, that's an act. You know, you can do the business but to embrace somebody who has clearly acted thuggishly is another thing.

ANDREW ROSS SORKIN: Okay, one last hypothetical on this topic and then I want to move on. I think there's an expectation that over the next several days this whole situation is going to somehow get "resolved"...

BARRY DILLER: Quote unquote.

ANDREW ROSS SORKIN: Quote unquote. Perhaps with a rogue agent theory and the like, and Pompeo and whatnot. And there's probably a good chance that folks from the US government and the Treasury and others might even encourage some of those same executives that cancelled...

BARRY DILLER: To re-up?

ANDREW ROSS SORKIN: ...now that this agreement, now that this announcement has been made, to come back, as a show of either good faith or faith or something.

BARRY DILLER: It would be the height of sleaziness. (Applause)

ANDREW ROSS SORKIN: Okay, well, we will see what happens over the next several days.

BARRY DILLER: Yes, we will. Yes, we will.

ANDREW ROSS SORKIN: And now that we're on the record, someone will pull the sleazy comment when and if they go. So we'll see.

BARRY DILLER: And maybe worse, you know. I'm not going to the Embassy or Consulate.

ANDREW ROSS SORKIN: Any time soon.

BARRY DILLER: Believe me. For any purpose or any reason.

ANDREW ROSS SORKIN: I want to move the topic to the world of media and communications and consolidation because you've had some very provocative views recently on the consolidation that's happened in these spaces. In particular, the idea that perhaps some of these companies are becoming too big, and not only too big, I think, that actually they are so big that it might not even be worth competing against the likes of Netflix. What did you mean when you said that? This idea that it's not even worth competing against Netflix.

BARRY DILLER: Well, I don't think it's rational to, I'm not saying that you can't offer a streaming service that's going to get some subscribers. And by some I mean in maybe the tens of millions. But you're not going to get 130 million or probably, within a year or so, 200 million, which is what Netflix has. Netflix has, they started early. There was no one else around, as happens in many of these things. They ran right in front of everybody and they have such a lead that there is nobody that is going to compete with them at that level. It doesn't mean other people aren't going to have – let's call it successful streaming services of 20 or 30 million. But to think that you can invest whatever you think you could invest and ever get up into their numbers is kind of a fool's errand.

ANDREW ROSS SORKIN: Okay, so if you were working at Disney today, for example, what would you tell Bob Iger to do then? Is this strategy that he has a fool's errand?

BARRY DILLER: No. First of all, I've said to him and I say to anyone, just don't say the word Netflix. Say you're going to get into the streaming business. But I think the idea that you're going to be able to truly compete with them is kind of impossible. It doesn't mean that you shouldn't necessarily buy 20th Century Fox, one of my old companies that I love dearly, and I think 20th Century Fox basically has ceased to exist. I think the logo, you'll almost never see again, which I think is kind of sad. But I'm not saying that's a bad industrial development for him to buy that company and use those assets and get out there with streaming more. Look, being in a situation where you're directly talking to your customers, which is Netflix, rather than going through a cable company or going through HBO or going through other wholesalers, that's a good thing. But I think, thinking that you're going to pour \$8-\$10 billion a year into programming, which is what Netflix is doing, is impossible.

ANDREW ROSS SORKIN: So you have always been very good about seeing the future. I think you have actually when it comes to looking at a number of the businesses. Look, I'm going to talk about your record in a moment and I think it's fair to say that. Five years from now, if we were sitting here having this conversation, given all of the consolidation that's happening in the media and telecommunications world, what does it look like? Is it even more consolidated? Is it

all broken up?

BARRY DILLER: No, it is more consolidated, for sure. Look, the way of things is for more consolidation. It's been going on for some time. But now the idea that you think you cannot complete unless you are in a very large company is what leads people, it's what lead the Murdochs to say we're selling rather than think we can buy. Now, I actually think they could compete. There was no block to them getting to market. I think they may have done it for other reasons but the fact is that consolidation is going to continue. There will be fewer companies. I think that's not a particularly healthy thing because I think when you have such large operations, the actual product is so far down, you know, on the kind of weighing scheme, that you lose sense that you're actually, your purpose in life is to make good things. And when you have so many, you know, the movie business is, for all intents and purposes, finished, you know, the theatrical motion picture business that we knew.

ANDREW ROSS SORKIN: Because it's all moved to Netflix?

BARRY DILLER: Well, because it's all moved to, not just Netflix, but others, HBO, Hulu, etc. And because the movie business went from being a place where each company of the six companies developed a slate of movies. They wrote screenplays, then they developed them into films – the whole chain of it. And that produced, you know, in a decent, most decent years, most years, it produced a crop of really good movies. Now, it is only about making sequels and big

tent-pole movies. And all of the rest of the movie business is now basically television. So there you have that.

ANDREW ROSS SORKIN: Okay, different question then. What would the, what would the 21-year old or 22-year old Barry Diller – given what you just said about the way this world has gone and the way you started in this business – what would the 21-year old Barry Diller, what would be the business...

BARRY DILLER: I hope I'd do the same. Oh, you mean if it wasn't entertainment?

ANDREW ROSS SORKIN: Today. No, no, today. You're 21 years old.

BARRY DILLER: I was 19.

ANDREW ROSS SORKIN: Nineteen, I'm sorry.

BARRY DILLER: Being no longer 19, I want to hold on to that in any way I can.

ANDREW ROSS SORKIN: What would the 19-year old Barry Diller, how would he see all of this? What would he want to do?

BARRY DILLER: Well, who the hell knows, but probably, I would hope that I would have

done, do the same thing I did then, which is I started, actually I basically went to school in the entertainment business by going to an entertainment agency, into their mailroom, and basically reading the file room. So I would hope if I was just starting out, I would go and study the business as it is and then I'd pick some broad path. At that time, it picks you. You pick it. For me, it was broadcasting, but some broad path without some silly goal, like saying I wanted to run a movie company. And I would start, and you know what, there is, was, always will be opportunity. It is, of course, a different world now, but, you know, it's filled with opportunity. So I'd do the same thing.

ANDREW ROSS SORKIN: Let me go back, though, to your issue about consolidation. And I'm curious, we have some lawyers in the room. Do you think that there should be a breakup of these companies? Or do you think there should be different types of regulations that don't exist today?

BARRY DILLER: Well, look, if you really push me, I would say that one of the worst things that ever happened was the end of the Fairness Doctrine, which was abolished in, about 25 years ago I think. And the Fairness Doctrine basically said if you were a broadcaster, you had to present both sides of any given issue, you had to have balance. That was what it meant. It was the Fairness Doctrine. And when the FCC said, well, we think, you know, these broadcast licenses shouldn't be scrutinized in the same way, etc. etc. and they threw it out, that was the beginning essentially of the end of decent good regulation. And so, what I would absolutely do is I would have prudent regulation for these companies that use, first of all, it used to be, the reason

the Fairness Doctrine existed is because the airwaves belonged to the people. And so anybody who broadcast, which is where everybody got their information, essentially was under a, it was under a license. And it wasn't a license that you could get by anything other than being truly, actually a good citizen. And that was great. So I'd try and apply those laws to the current large bodies of mass communications, wherever they were.

ANDREW ROSS SORKIN: We're talking about this in the context of the media world, but how do you feel about the large technology companies that you effectively compete against? I'm now thinking of Facebook and Google and Amazon and Apple and the like.

BARRY DILLER: Well, they're each different. I mean if you take Google and Facebook, which own basically advertising business worldwide – Google certainly has monopolies outside the United States almost completely plus 90% shares in Western Europe, and in the US, I think it's about 65%, and Facebook is the other side of it. So, I would say whenever you have that kind of control over the world that can't go anyplace else to get their stuff to a consumer, you also have to, inevitably all monopolies behave the same and you've got to have regulation of what they do once they get to that stage.

ANDREW ROSS SORKIN: So what would you do?

BARRY DILLER: What do you mean, what would I do?

ANDREW ROSS SORKIN: Meaning you say you'd regulate them, but how would you regulate them?

BARRY DILLER: Well, one thing I would do is I would stop them from going into businesses to compete with their own advertisers. As for instance, we own a travel company, Expedia. We spend \$3.5 billion a year on Google advertising. And they, on the other side – where it used to be at least some of that traffic came free – they now say, no, you have to pay for everything and we're going to compete with you directly in that travel business to offer travel services that essentially will disintermediate you. So I say, I don't think that's right. That's basically kind of also what the EC said recently. And so, of course, I'd do those things, because I think that, you're never going to get a basic level playing field, but you at least get real bad practices essentially not happening.

ANDREW ROSS SORKIN: You own a number of dating sites.

BARRY DILLER: We do.

ANDREW ROSS SORKIN: And one of the things that I think the market has always wondered is why has Facebook never tried to light a match to Match for example?

BARRY DILLER: Well, they announced that they were doing it.

ANDREW ROSS SORKIN: I know, but why do you think, but I assume that you must have known that this...

BARRY DILLER: Our stock dropped 20% in one day. Now it's climbed back.

ANDREW ROSS SORKIN: I assume you must have thought this was going to come ten years ago, thought, given the network effect that they had.

BARRY DILLER: Yes. Well, no, I didn't necessarily think it would come from Facebook. But like many things, you know, Facebook was a brilliant concept of communicating online with people where you could, where you could really create a fast community. But, you know, so many times people delude themselves that that ability allows you to do something completely different. And the businesses that we've been in, and we've in for 20 years, I'm not saying that a new competitor can't come in and kill us, but it's unlikely that that competitor is going to come from a large company that is doing something unnatural that they're just going to do because it's fair game.

ANDREW ROSS SORKIN: Let me ask you a question about IAC, and this actually comes from someone in the audience. And I should tell you, by the way, before I ask this question, when you

started this company, it was worth \$250 million. Today, 23 years later, it's worth \$57 billion.

That's the good news.

BARRY DILLER: Okay, give me the bad news...

ANDREW ROSS SORKIN: This question says, Barry, how close do you think you were to becoming the next Amazon? In 2003, you were the largest e-commerce retailer.

BARRY DILLER: Yeah...

ANDREW ROSS SORKIN: How much do you think about what Amazon did in 2003...

BARRY DILLER: And I didn't.

ANDREW ROSS SORKIN: And what do you think happened there?

BARRY DILLER: I think I didn't. I mean, look, again I don't really spend much time, I mean, of course, I'm very critical of all the things that I should have done, that I didn't do, which are legion. But I don't really waste much time in that. I only care what I do, and it turned out pretty well. Would it have turned out better if I had become Amazon? Yes. But I didn't. And it's, it's binary. There's no brain in that. And there's no answer to it other than he did – Jeff Bezos – I

didn't.

ANDREW ROSS SORKIN: How much do you think that was luck?

BARRY DILLER: Well, I think everything is, I mean serendipity is the guiding force of most things to me. And certainly luck is there. I mean, look, timing. One of the things that's so true about all this is it is circumstance, timing, luck, and an enormous amount of willpower. And in that willpower and brains and ability is that other little section of it, but without being there at the right moment, at the beginning – for Amazon, at the beginning of the internet – choosing books, which is a fantastic category to get started on the internet – and then to have a much bigger willpower, vision, to go beyond it. It couldn't have happened five years before or five years later.

ANDREW ROSS SORKIN: Okay, so let me ask you a related question to this in terms of this idea of luck. You were interviewed in Fast Company magazine recently.

BARRY DILLER: I was.

ANDREW ROSS SORKIN: You were. And you were asked what trait you thought indicated great management talent. And your answer – if you don't remember – was I would say there is none, that there is no great management talent. Do you remember giving this interview at all now?

BARRY DILLER: Vaguely. But go on...

ANDREW ROSS SORKIN: The reason I was thinking about that was because oftentimes people talk about whether you can learn a talent or whether you are born with a gift.

BARRY DILLER: Oh, I think everything is iterative. I mean you're born with what you're born with, but it's your curiosity, and then it's serendipity that is the divining rod for what's going to happen. And I've always believed, you know, I had no experience in anything when I started. And just because of, I started at a television network, and because that network – it was ABC at the time – was always trying to compete with its two larger networks – NBC and CBS – you could take whatever responsibility that you could – not necessarily grab – but that you wanted and go with it, and then you'd succeed or fail. So, again, those were circumstances. I had no experience. I always failed first. In everything I've ever done, there's been a period of very early failure when I was trying to figure it out. And I was just lucky enough that they didn't pull a rug out from under me before I did figure it out. So I don't think there's anything, that's why I believe you put people in your company into situations where they don't have full experience, they're not ready, and you drop them in the water and they sink, for sure, and then they figure out how to swim. It's a messy process, but I think it's a much better process than, you know, hiring senior people from other companies where, whatever.

ANDREW ROSS SORKIN: Let me ask you a model question. One of the things that you did at

IAC was you effectively became a spin-out machine of sorts where you'd bring in a company, acquire a company, build it, and then spin it out. Where did that model for you come from? And do you think that's applicable to other businesses?

BARRY DILLER: Well, it wasn't a model. It was, you know, again to me it really is, conditions present themselves and then you recognize what that is. What motivated me was we owned a company called Ticketmaster and one year – which was very successful – and one year, the guy who was the CEO of that company, came and said we want to invest, I don't know, it was \$100 million or so, in technology, and we want to bring our operating income down from \$200 million to \$100 million next year, and can we do that? Will you let us do that? And I said, you know, you're treating me like I'm your little daddy. And so I say to you, you can do it, which is kind of a false, it's a false equivalency. Anybody who is running a company is going to say if I had the light shining on me of a public market, what would I do? And you probably, that would dictate what would be a good or a bad decision for you in these circumstances. And as I'm saying it, I'm thinking it, you know what, this company is big enough, it should be independent. Not totally independent, but it should have essentially the light of day shining on it and it will help it, both discipline it and it'll help it be more ambitious if it stands on its own. So we spun that company out. We now are, I think we have ten spin-outs. And it wasn't a model, it was really done, I just thought at a certain stage companies should be independent. It's why I don't like conglomerates, so to speak, or these companies consolidating because I think they get less and less effective at what they do.

ANDREW ROSS SORKIN: Interesting. A couple more questions, another relating, from the audience. Mark Benioff recently bought *Time* magazine. You had your own experience buying *Newsweek* magazine, and there have been a number of other billionaires and other deep-pocketed investors who have gone into this space before. What's your advice for the Benioff family?

BARRY DILLER: Well, if my experience is any, I would say don't go there. (Laughter) I mean, look, we bought *Newsweek* and the truth is we did not – it was our fault completely, it was my fault. I didn't do, I bought from executives a theory of what would happen without really examining the struts underneath it, which did not exist. So it was a fiasco. And I think that unless you really know what you are doing, which is if you're going to buy *Time* magazine, or now *New York Magazine* is up for sale, you really better have some plot. Because to just think that because you're good at what you do, that you're going to go in and turn the fortunes of something that has been in decline for probably 15 years at least, I think that's kind of a fool's game. Now, by the way, I'll give you another angle at it, which is Jeff Bezos personally bought *The Washington Post*. Now he bought *The Washington Post*, actually *The Washington Post*, when he bought it was making money. It wasn't losing money. He didn't pay a huge amount for it because there were no other buyers for it. And he has invested in it, he's made the paper infinitely better. If any of you looked at *The Washington Post* a few years ago, before he bought it, and today, it is a wonderful difference. And online it's probably one of the best online information sites. He's done a fantastic job because he really knows what he's doing in terms of, you know, in terms of getting the interface right for the online product.

ANDREW ROSS SORKIN: You used to be on the board of *The Washington Post*.

BARRY DILLER: I was. I was the, of the nine members of the board, I was the lone person who said don't sell *The Post*.

ANDREW ROSS SORKIN: Okay, more complicated, though. For some people like a Mr. Benioff and, not even arguably, but for Jeff Bezos, should public company CEOs...

BARRY DILLER: Do anything else?

ANDREW ROSS SORKIN: ...be able to have these side activities? And the reason I mention this is there are shareholders of Amazon that would say that because Jeff Bezos has acquired *The Washington Post*, something they would contend they didn't sign up for when they bought the stock, that potentially the company is now more in the line of sight and target of our president and the administration, for example, and perhaps regulation. On the other side, you could say that perhaps it's offered a halo effect to Jeff Bezos and perhaps Amazon as well. So I could argue it on both sides. But it is an issue, and it's increasingly become a more complicated one. Most media companies historically were owned by families that were not involved with public companies.

BARRY DILLER: Well, I think the responsibility, if you said where am I going to search for a

better chief executive than what Mr. Bezos has done? So the question really is, is he going to abrogate his responsibilities to the extent that he won't serve well in Amazon? I mean when you get into these questions, you say, well, wait a minute, he went home at 5:00 today. He went to play golf this Thursday. Should you be allowed to do anything else?

ANDREW ROSS SORKIN: But this is a very interesting question. No, no, look, for years executives, you know, could buy real estate or they'd go off and buy maybe even a sports team or a restaurant or what have you, but whether you think media properties are somehow different?

BARRY DILLER: No. Why are they different? I mean if he has the capital and the interest and the curiosity, and for sure what he's not going to do is jeopardize his main asset, go in good health.

ANDREW ROSS SORKIN: A couple of other questions. One on family. We were talking before. Diane von Furstenberg has a remarkable fashion business, which you have followed and been a part of for many a year. What have you learned from Diane from a business perspective?

BARRY DILLER: Well, I mean truthfully I haven't learned anything from her on a business perspective, but about every other aspect of life, I've learned everything. (Laughter)

ANDREW ROSS SORKIN: Like?

BARRY DILLER: Everything. My God, I mean behavior, taste, I mean, yeah, I'm the luckiest, well, not the luckiest, I'm extraordinarily lucky that the person in my life – and I didn't realize it but it is 44 years ago that we met – has had such a wondrous influence on my life and I would be poorer – and I do not mean that in terms of wealth, but in every other aspect of my life – if she had not been in my life.

ANDREW ROSS SORKIN: Okay, before we wrap up, tell us what's happening, what's the latest on the pier? The pier project that has been the bane of your existence, one way or the other. I remember when it was off, it was on, it's now on.

BARRY DILLER: Oh, it's very much on. We are driving, actually just finished the first phase of driving about 300 piles into the Hudson River. And this island is now, it's not rising yet, but there's a lot of stick poles. As you drive down the West Side Highway, you can see them on 13th Street. Yes, it was, look, this was a small idea of just rebuilding a little pier that just grew and became a fairly large project. It's very ambitious architecturally and in terms of other aspects of it. And then we got hit with an unfortunate series of mean-spirited litigation. And for a while it looked like it wasn't, but now it's, look, unless, I don't even want to say it, but unless some other worldly thing happens, within two years we will open it and it will be a park and a performance center and it's for the people of New York and the people who visit New York. And to be able to do it – people say, well, why are you doing it – well, we're just lucky, we have enough resources. And what could be better than to do something that is actually a place for the public to go that, if

we didn't have the will and resources to do it, it just wouldn't exist. I mean that's why I'm so in awe of public art and public places, is that at some point, whether it's Central Park 150 years ago, or this or that thing that a person, a group of people said let us do this, because they're all electives. And you do it and then decades, decades, decades later, people just are there having these experiences and without which it wouldn't exist. So I'm lucky.

ANDREW ROSS SORKIN: Okay, final question from me and then we will have lunch. I always think of you as one of the great people collectors. Every time I see you, you either introduce me or tell me about some new interesting person or a new interesting business. So tell us about, is there a business or person you think you've met in the last six months to a year that you thought, you know what, that's clever.

BARRY DILLER: Actually there are probably many, but the most interesting person actually, and it has nothing to do with business, is a young man named Adam Foss, who, in his own life, he had gotten into trouble and he was almost put in prison, but because he found a good district attorney or somebody in the process, he got saved. And he decided he would devote his life to essentially educating prosecutors that there are other avenues than simply incarceration for people who get into trouble early. And he started this process, we just met him very recently, and I have so many issues about the criminal justice system, which I'm sure you all do, but this is something very close to the source of the trouble. And this guy, again completely an elective, somebody whose life turned around and then decided to dedicate his life to doing something that

no one else had ever thought about doing in the way that he was doing it. So that's the most interesting person I've met.

ANDREW ROSS SORKIN: Okay, the most interesting person I've met, Barry Diller. Thank you everybody. (Applause)

BARRY DILLER: Thank you. Thank you all.

PRESIDENT BARBARA VAN ALLEN: So, thank you, Barry and Andrew, for a really terrific conversation. We hope you both enjoyed it as much as we did listening. As a reminder, we have a robust schedule of upcoming events, including Randy Quarles, Vice Chairman of Supervision for the Federal Reserve System, on October 18. On October 19, Mark Carney, the Governor of the Bank of England, will be here. On October 23, please note the Class of '18 Fellows will have a debate, a face-off against each other. The audience will vote. It's a members only event. That will be at Bloomberg, again on October 23. And Charlie Cook will be here with Bob Rubin talking about the elections and what we expect to happen in the midterms and beyond, on October 28. So thank you. Please enjoy your lunch.