

September 17, 2002

U.S. BUSINESS NEWS

Tyco Ex-CEO's Party for Wife Cost \$2.1 Million, Togas Included

By JAMES BANDLER and JERRY GUIDERA
Staff Reporters of THE WALL STREET JOURNAL

L. Dennis Kozlowski, the former chief executive of **Tyco International Ltd.**, was the very image of a fast-vanishing breed: the imperial CEO. And he apparently liked it that way.

A memo detailing plans for a \$2.1 million 40th birthday party Mr. Kozlowski staged for his wife, Karen, calls for an extravagant, Roman Empire-theme event on the Italian island of Sardinia.

COMPANIES

	Dow Jones, Reuters
Tyco International Ltd. (TYC)	
PRICE	15.29
CHANGE	-0.63
U.S. dollars	9/19

* At Market Close

TYCO'S TRIBULATIONS

[Tyco's Report to SEC Is Expected to Specify Beneficiaries of Loans](#)¹

Read [the full text of the memo](#)² detailing plans for the birthday party Mr. Kozlowski threw for his wife.

[Tyco Spent Millions for Benefit of Kozlowski](#)³
08/07/02

See interactive graphics tracking the [rise](#)⁴ and [fall](#)⁵ of Tyco's stock along with key events and links to prior coverage.

[Go to the Called to Account page.](#)⁶

The party attracted the attention of investigators with Manhattan District Attorney Robert Morgenthau's office, because Tyco picked up half of the tab for the event, which took place at the same place as a Tyco meeting.

The 100 or so party invitees were advised to arrive four days before the bash sans presents. "The best present for my birthday," a draft copy of the invitation said, "is your company so please, no gifts." In advance of the party, Beth Pacitti, a Tyco staffer, sent party planners a memo detailing expectations for the bash at the Hotel Cala di Volpe Resort. What follows is a lightly edited version of that memo. The referenced "David," party guests say, was a replica of the Michelangelo statue:

"Guests arrive at the club starting at 7:15 p.m. ... Two gladiators are standing next to the door, one opens the door, the other helps the

guests. We have a lion or horse with a chariot for the shock value. ... The guests come into the pool area, the band is playing, they are dressed in elegant chic. Big ice sculpture of David, lots of shellfish and caviar at his feet. A waiter is pouring Stolichvodka into [the statue's] back so it comes out his penis into a crystal glass. Waiters are passing cocktails in chalices. They are dressed in linen togas with fig wreath on head. A full bar with fabulous linens. ... We have rented fig trees with tiny lights everywhere to fill some space. 8:30 the waiters instruct that dinner is served. We all walk up to the loggia. The tables are all family style with the main table in front. The tables have incredible linens with chalices as wine glasses. ... Everyone is nicely buzzed, LDK [Mr. Kozlowski] gets up and has a toast for K [Mrs. Kozlowski].

"Everyone is jumping from table to table. ... We start the show of pictures on the screen. At the end Elvis is on the screen wishing K a Happy Birthday and apologizing that he could not make it. ... A huge cake is brought out with the waiters in togas singing and holding the cake up for all to see. ... Elvis kicks it in full throttle. Waiters are passing wine, after dinner drinks, and there is dancing. 11:30 light show starts. HBK [Happy Birthday Karen] is displayed on mountain, fireworks coming from both ends of the golf course in sync with music ... the night is young."

A guest at the party said he remembered the ice statue and toga-clad wait-staff, but said he did not recall lions or Elvis. Michael Ashcroft, a Tyco board member, said he attended the party because he liked Mrs. Kozlowski. "I was shocked that part of it was a Tyco expense," he said. Mr. Ashcroft said he had assumed until it was disclosed otherwise last week, that Mr. Kozlowski, not Tyco, had picked up his room tab.

Mr. Kozlowski confirmed that Tyco covered expenses for company employees but says he instructed subordinates to bill him for any costs not associated with Tyco workers. Mr. Kozlowski says he didn't see the e-mail from the event planners and warned them, "Don't do anything that I would be afraid to read about on the front page of The Wall Street Journal."

Write to James Bandler at james.bandler@wsj.com⁷ and Jerry Guidera at jerry.guidera@wsj.com⁸

URL for this article:

<http://online.wsj.com/article/0,,SB1032221540245980755.djm,00.html>

Hyperlinks in this Article:

- (1) <http://online.wsj.com/article/0,,SB1032212775446038475,00.html>
- (2) <http://online.wsj.com/documents/memo-091602.pdf>
- (3) <http://online.wsj.com/article/0,,SB1028674808717845320,00.html>
- (4) `javascript: window.open('http://online.wsj.com/public/resources/documents/info-tyco_up.html','rise','toolbar=no,scrollbars=no,location=no,width=488,height=344,left=10,top=20'); void("");`
- (5) `javascript: window.open('http://online.wsj.com/public/resources/documents/info-tyco_down.html','fall','toolbar=no,scrollbars=no,location=no,width=488,height=344,left='+ (screen.availWidth-498)+'',top=20'); void("");`
- (6) http://online.wsj.com/page/0,,2_0801,00.html
- (7) <mailto:james.bandler@wsj.com>
- (8) <mailto:jerry.guidera@wsj.com>

Updated September 17, 2002 12:44 a.m. EDT

Copyright 2002 Dow Jones & Company, Inc. All Rights Reserved

Printing, distribution, and use of this material is governed by your Subscription agreement and Copyright laws.

For information about subscribing go to <http://www.wsj.com>