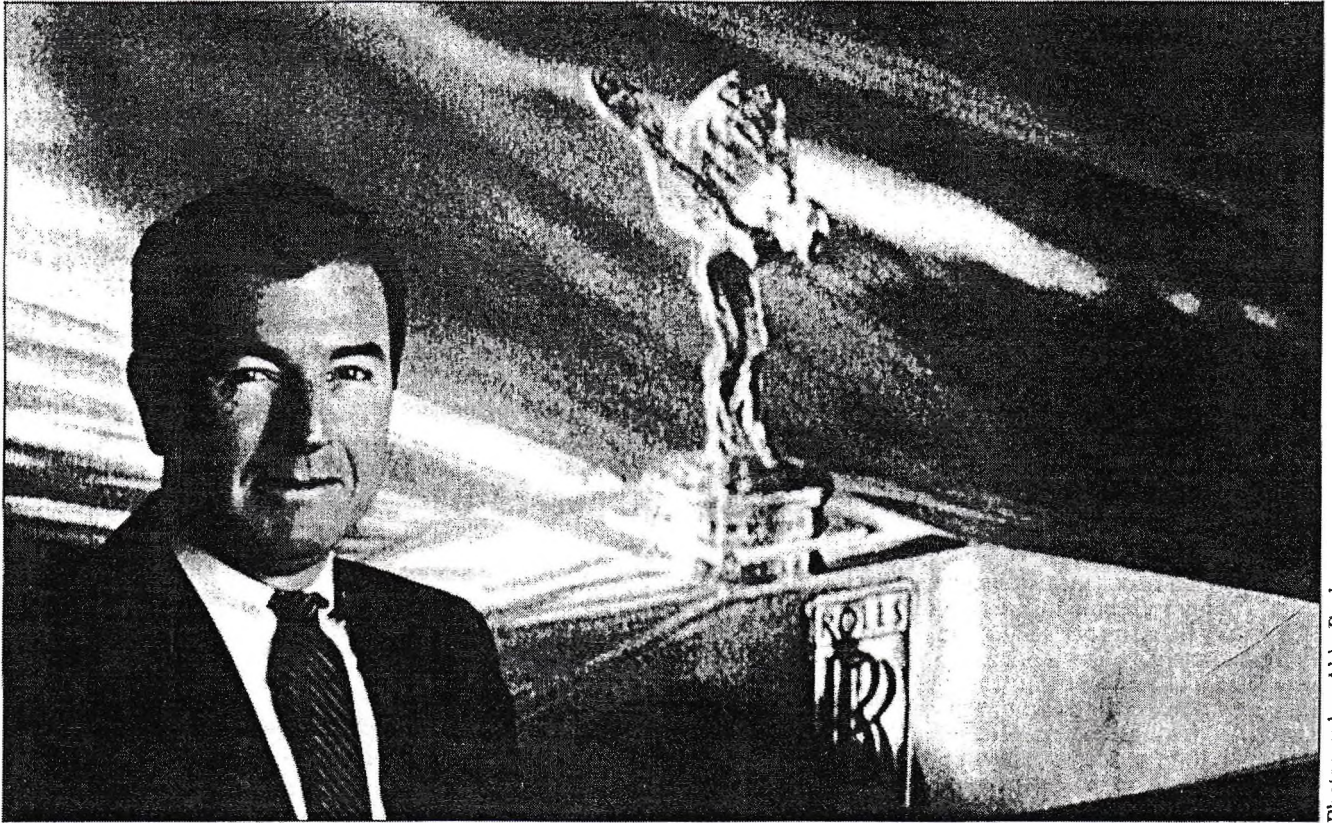


ROLLS-ROYCE, RAJNEESH AND ROETHLISBERGER



Photography: Aldo Reale

Robert Schwartz, president and CEO of Rolls-Royce Motor Cars Inc., remembers well the company's relationship with the Rajneesh and Bob Roethlisberger.

By Peter Schroeder

It will probably go down as one of the most bizarre customer-supplier relationships ever in the annals of business history.

The supplier is the formidable Rolls-Royce organization — self-acclaimed global manufacturer of the finest, most expensive motor car in the world. With U.S. headquarters in Lyndhurst, the company was only a few miles away from the original headquarters of the customer — the Rajneesh organization, worldwide purveyors of a self-proclaimed new age religion that blends materialism and spiritualism into a Zorba-the-Buddha-type of new man.

The first part of the story is, although strange, almost boringly conventional from a business point of view. The followers of Bhagwan Shree Rajneesh,

upon his arrival from India in the summer of 1981 at palatial Kip's Castle in central New Jersey, decided to shower their master with Rolls-Royce automobiles. When the guru took up residence a few months later in his central Oregon commune outside the small town of Antelope, Rolls-Royce deliveries were stepped up to an average of two per month — a rate which continued for the next four years — and deliveries were redirected to the new address.

"We know who our customers are, so obviously we know who owns 85 of them," says Robert Schwartz, president and chief executive officer of Rolls-Royce Motor Cars Inc., speaking of the fleet that became the largest collection of Rolls-Royce automobiles in the world. "We are well-acquainted

with Ma Anand Sheela, chief spokesperson for the Rajneesh organization, and Ma Sudipo, their chief buyer, and we always enjoyed cordial and professional business relations with them."

The purchases were made through the national network of independent Rolls-Royce dealerships, although the headquarters office was always aware of, and often assisted in, the transactions. "We were happy to have the business," observes Schwartz, "and we didn't concern ourselves with the motives of the Rajneesh people."

When the Rajneesh acquired their first car in 1980 — a Rolls-Royce Corniche — it was clear they would not be an ordinary customer. The car was purchased in Florida and immediately sent to Texas where it was covered

with armor plate. Next, the car was delivered by boat to India, but just weeks after it arrived, the guru flew to the United States, and the car was immediately air-shipped back.

In New Jersey, it underwent extensive modification at Imported Motors Inc., a Rolls-Royce dealer in Montclair. The vehicle was cut in two and extended three feet into a limousine model. Bullet-proof tires brought in from California were mounted. The upholstery was changed. Special wood with inlaid jewels was installed in the interior. A television, video cassette recorder and telephone were hooked up.

John DeJohn, service manager at Imported Motors, explains some of the changes. "The guru was susceptible to all kinds of smells, so Sheela required us to keep the car away from the rest of the shop. The mechanic couldn't smoke, wear aftershave lotion or have any smells on his body. We mounted a special door on the driver's side with a slide-out compartment so money could be passed out at the toll booths. This avoided any hand-to-hand contact. Also there were ejector buttons to activate

tear gas canisters and several compartments to accommodate weapons."

In January 1984, Schwartz made his first visit to the Oregon commune, populated with 3,000 red-clad followers. He was impressed not just with the care being given the cars, but with the effort devoted to restoring and reclaiming the high-desert arid land, laid bare from decades of overgrazing and poor land-use practices. "On this visit they gave us a complete tour and made us welcome. I saw all the cars, and they appeared to be in good condition. There was a sophisticated service area, and builders were putting together a paint shop, apparently to make touchups and repair scratches."

For Rolls-Royce, the business was good, and most important, it was ongoing. The disciples announced they intended to acquire 365 vehicles, providing their playful master with a different car for every day of the year.

But suddenly toward the end of 1985, the Rajneesh organization in Oregon blew apart with a blaze of chaos and colorful confusion that could only be matched by the paint jobs that had been given to the cars. Within weeks,

the top leaders at the commune — accused of mass poisoning, immigration fraud, attempted murder and a fire bombing — fled to Europe. Subsequently, three were returned to the United States to stand trial, and later were sentenced to prison terms. The Bhagwan departed the country on a plea bargaining arrangement, after being arrested and returned to Oregon from North Carolina while allegedly trying to flee the country. The followers scattered from the commune, reducing the population to under one-tenth its previous size.

When it was announced that the fleet of cars would be sold, executives at Lyndhurst became almost frantic. "We hadn't really considered that these cars would come back on the market," Schwartz remarks. "Once I asked Sheela what she intended to do with the cars in the future, and she replied they would be a monument in remembrance for Bhagwan and would be kept for him in perpetuity. But suddenly we were confronted with the vehicles coming on the market in an unknown condition in a region of the country which couldn't begin to ab-

sorb this large a volume."

Schwartz immediately returned to Oregon, taking his service people and a West Coast dealer with him. "You can imagine my surprise when I saw that 55 of the cars had been repainted — and I mean totally customized. The small touch-up shop had evolved into a major repainting operation. The roofs had been replaced, and there were metal flake coatings, lace designs, patterns, iridescent colors and all sorts of weird things done to the cars."

For Bhagwan Shree Rajneesh, these "weird things" were expressions of playful artistry and fun. Repainting the cars was the work of Swami Deva Peter, an artist who had spent 23 years customizing cars with colorful paint jobs before joining the Rajneesh commune. For years, he was on the professional racing circuit, continuously working with paint finishes and innovative car body designs.

In Chicago and Santa Barbara, Peter was in charge of paint and body operations at dealerships for Ferraris and collectible vintage classics. Says Peter of his Rolls-Royce repaints, "A true flowing expression of artistry,

with no conditioned boundaries, was happening for me — straight from lacquer finishes to added iridescence, from custom two-tone flakes to murals extravagant. The Rolls-Royces have longed for such special one-of-a-kind treatment to their paint finishes. If their wood dashboards are one-of-a-kind, then also the custom finish should be one the owner has always dreamt about. The complete appeal of the car is thus the owner's message, not the manufacturer's message."

But executives at Lyndhurst wanted the cars to go back to standard factory colors. Reginald Abbiss, senior executive for corporate communications, explains, "Our point of view is we build cars to last, and they are the best, so we don't like to see them altered. We prefer that the cars have a proper Rolls-Royce paint job."

Schwartz submitted his bid to the new leaders of the commune trying to recover the cars and prevent them from suddenly being dumped onto the open market. But for each repainted car, he deducted \$10,000 — the cost to strip the body, prepare the metal surfaces, repaint the car and replace the Everflex roofs.

Bidding against Schwartz was Bob Roethlisberger, an obscure Texas car dealer from the Dallas suburb of Carrollton. Roethlisberger, owner of the European Auto Group, loved the custom paint jobs and reflected his feelings by adding a premium for each of the customized cars. His offer was estimated at just over \$6 million.

In November 1985, 16 auto transport trailers rolled out of Oregon taking the 85 cars to their new home in Texas. Rolls-Royce management in New Jersey winced as it looked on nervously, curious how Roethlisberger would resell the cars. "When Ford or General Motors sells a car, once it's gone, it's forgotten," comments Abbiss. "But our cars will be around a long time, and we therefore have an ongoing connection with them. Furthermore, each car carries the three Rolls-Royce trademarks — the grille, the emblem of interlocking Rs and the flying lady on the hood, and while someone else owns the car, we retain rights associated with the trademarks."

Once the Rajneesh fleet arrived in Texas, the circus began. Roethlisberger hired four Rajneesh followers, all experienced public relations professionals, to come to Dallas and promote the

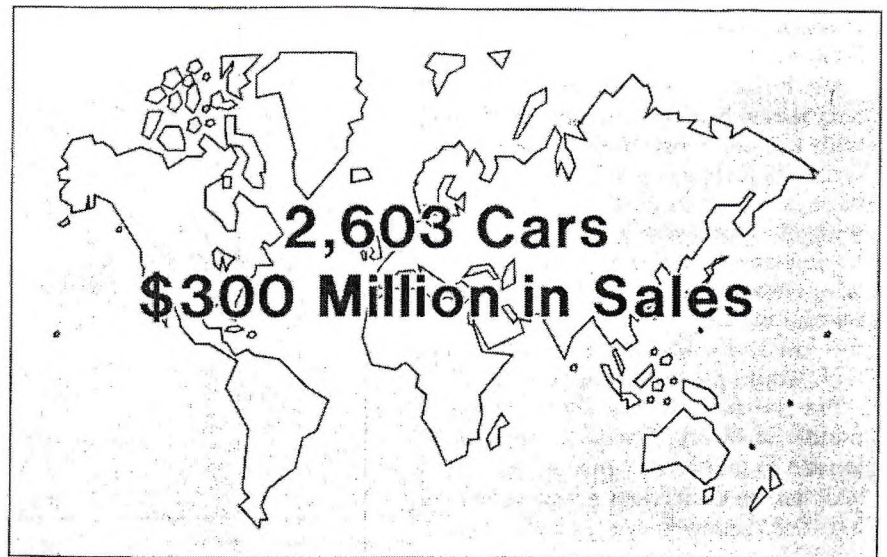
cars. He was after publicity — and he got it in a way far more than he expected. The media came from all over the world to cover the story. *Life* magazine carried a double-page color spread of Roethlisberger standing amidst Peter's repainted cars. "PM Magazine" gave the cars extended television coverage. National network television showed footage of the delivery of the cars on the evening news. Papers and magazines across the country carried the story, along with photos of Roethlisberger toasting his cars with champagne.

In early 1986, the 39-year-old Roethlisberger was at his peak — reveling in fame and publicity — unaware that a malignant tumor lay undetected in his brain.

Back in Lyndhurst, the watching and waiting continued. Rolls-Royce executives could do nothing as their respected Silver Spur, Carmague and Corniche models were referred to, in accord with the repainted themes, as the Surf 'n Sand Car, Prism Car, Storm Car, Ocean Car, Flame Car, Kimono Car, Rainbow Car and Crane Car.

Peter explained what lay behind his themes. "This way of moving into the unknown in the field of exotic and outrageous creations has always been a mind-blowing experience for all to

ROLLS-ROYCE WORLDWIDE SALES — 1986



see. Soft pearlescent blends, multi-colored flakes applied over a black lacquer base, iridescent intricate patterns, transparent hues feathered into pearl-tinted base coats — all topcoated with a catalyzed acrylic urethane clear to prevent cracking and extend the life — this gives an excitement and fascination for all to enjoy."

It was only a matter of time before the two Bobs would meet. Roethlisberger needed the assurance that

Rolls-Royce would honor the outstanding warranties, and Schwartz wanted the guarantee that Roethlisberger would respect and conform to the standard Rolls-Royce advertising policies. The meeting of the two men in New Jersey was direct and to the point. The matter of the repainted cars was a sore spot that both parties avoided. Both sides gave and received what the other needed.

"I expected to meet a flamboyant

type who would be difficult to talk to," says Schwartz about the meeting, "but Bob Roethlisberger was most reasonable and an agreeable person to do business with. He certainly knew the automobile business, although he was a bit new to our end of it. We understood each other's position, and afterwards Bob held to his end of our agreements down to the letter."

People from all over the world have poured into European Auto Group's showroom to see and purchase the cars. Barbe Trevino, office manager for Roethlisberger's auto operations, recalls how her boss talked about the cars. "Mr. Roethlisberger would explain that Bhagwan believes in people enjoying their riches. Wealth was made available for Bhagwan, and he enjoyed it. He doesn't believe in poverty or in making poverty easier, as with food stamps, charity or welfare programs. Rather, Bhagwan believes in wealth."

One particularly colorful customer was Chappie Chapman, president of American Beauty Products (ABP), an ethnic hair care company in Tulsa, Okla. He came to Dallas with an entourage of rock singers, musclemen, public relations people and assorted outrageous types.

"Bob and Chappie spent hours laughing and having a good time as they were dancing around the cars like two little boys in a candy store," says Rebecca Marks of ABP's Rejuvenation Singers.

Joe Braud, Roethlisberger's chauffeur, remembers the fun everyone had with the cars. "No one took the cars seriously. Just paying \$125,000 for a vehicle is a joke in itself. It all started with Bhagwan who was just a man having one hell of a good time and who enjoyed repainting the cars the way he wanted them. Bob carried on the fun and sold them to customers who would play with them as well."

But the fun was cut short. In the middle of March, Roethlisberger collapsed in his office. Rushed to the hospital, he underwent extensive testing. The diagnosis was a shock — inoperable brain cancer. Roethlisberger returned to work, but after a few weeks his condition rapidly worsened.

On April 23, 1986 he died. Everyone who had been around him was stunned. He had always been a robust, active individual, never sick in his life. Overnight he had become

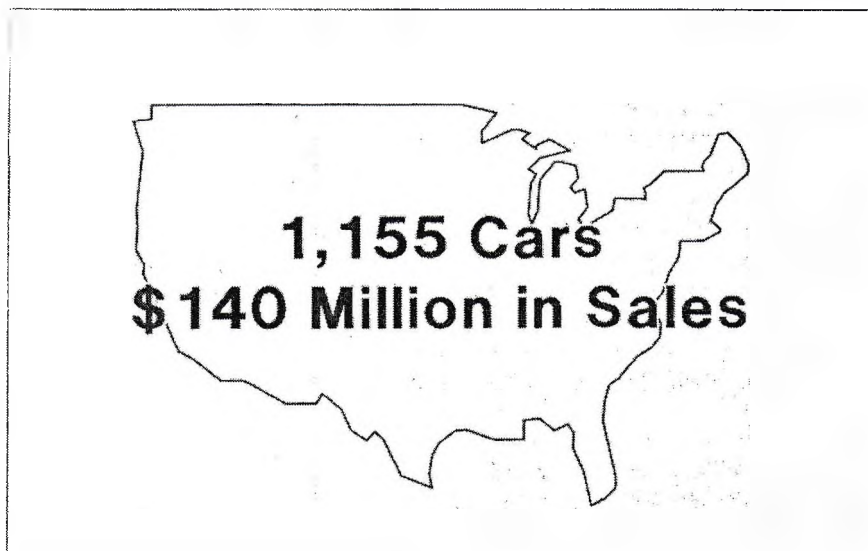
something of an American legend, enjoying the flamboyant notoriety of his bizarre Bhagwan buyout. But the moment was short, and suddenly he was gone — only weeks after his 40th birthday.

Reflecting on her late boss, Trevino talks about his relations with the Rajneesh. "He liked the people from the beginning. He held no judgment or prejudice about the people, but he admired their dedication. He went there to buy the Rolls-Royce fleet because of his love for cars, and his love carried over to the people he met."

In many ways, Roethlisberger was a symbol of our times. Born in 1946, he was at the forefront of the yuppie generation, which is just now beginning to turn 40. From modest beginnings, he floundered around in a number of unsuccessful ventures before finding his niche in the car business where he made his wealth. Symbolic too was his business — the automobile, the means whereby we broaden our limited field of action. And significant was his attraction to the Rolls-Royce cars, the ultimate creation within his business.

At the time of his death, 35 of the 85 cars had been sold. Those remaining have moved slowly out of the show-

ROLLS-ROYCE UNITED STATES SALES — 1986



room continuously since then. Last fall, at a major classic car auction in Auburn, Ind., 33 more cars were sold.

Executives in Lyndhurst say that for them the matter is now finished. Most of the cars have been reabsorbed by the market, and, regardless of the issue of repainted versus factory-painted cars, they are dispersed.

Although the world's largest fleet of Rolls-Royce automobiles no longer exists, repercussions are sure to echo in

the years ahead. Just as Beatle rock star John Lennon's repainted Rolls-Royce, which incidentally Rolls-Royce Motor Cars Inc. disapproved of, constantly reappears in different locations with different owners, the legacy of Bhagwan Shree Rajneesh's cars will long be around — to amuse some, to antagonize others, and most certainly to be a reminder to the executives in the corporate suite at Lyndhurst of one of the strangest customers they ever had.