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Lionel Pincus, Who Helped Bring Investors to Private Equity, Dies at 78

By [GERALDINE FABRIKANT](#)

Lionel Irwin Pincus, who built Warburg Pincus into a leading Wall Street firm and played a role in changing federal regulations on investing, died Saturday at his home in Manhattan. He was 78.

In the 1960s, Mr. Pincus opened Lionel I. Pincus & Company, his own financial consultancy. Soon after, he and Eric Warburg, who had set up the merchant bank E. M. Warburg & Company, merged their firms, and over the years, they made hundreds of successful investments in companies, including 20th Century Fox, [Humana](#), Mattel and Mellon Bank.

Mr. Pincus's son Matthew confirmed his father's death of natural causes after a long illness. Mr. Pincus had been suffering from cancer and its aftereffects for the last three years.

After Mr. Pincus's condition worsened a few years ago, Matthew and another son, Henry, were named his guardians. Shortly before Mr. Pincus died, they settled a legal dispute with his companion, Princess Firyal of Jordan, over real estate and other assets, sources close to the negotiations said.

Mr. Pincus was born in Philadelphia on March 2, 1931, to Henry and Theresa Cecilia Levit Pincus. His grandparents were immigrants from Russia and Poland.

He showed an early affinity for finance. Though his father was a clothing manufacturer and retail store owner, Mr. Pincus chose not to join the family business. Instead, after graduating from the [University of Pennsylvania](#) in 1953, he went on to earn a master's in business administration at Columbia in 1956.

That year, he joined Ladenburg Thalmann & Company, an investment firm. He became a general partner by the age of 29. He also helped members of his family put together a company, Hughes & Hatcher of Detroit, which operated a chain of men's apparel stores.

By 1964, Mr. Pincus had opened Lionel I. Pincus. Shortly thereafter, he met Mr. Warburg, a refugee from Nazi Germany, and they merged their firms in 1966.

Mr. Pincus and his longtime partner, John L. Vogelstein, who joined the company from Lazard Frères, developed a strategy of investing in a range of companies of different sizes rather than focusing solely on start-ups, as many [venture capital](#) firms did.

Warburg Pincus, like other investment firms, benefited from changes in federal regulations that enabled pension funds to become significant investors in venture capital and [private equity](#).

Warburg Pincus and the National Venture Capital Association, which Mr. Pincus helped found, played a central role in negotiating with the Labor Department to revise regulations that had inhibited investments in those asset classes.

As a result, vast amounts of new capital flowed into private equity and venture funds.

Mr. Vogelstein recalled Mr. Pincus as brilliant but also able to delegate. “He was the senior partner, and yet he did not stifle creativity, but encouraged it,” he said. “It meant that investment thinking was quite broadly spread, and we could attract talented people.”

In 1971, five years after the merger, the combined firm had 33 employees. By 2002, when Mr. Pincus stepped down from hands-on leadership, it had 280 employees.

Mr. Pincus’s name was not well known outside Wall Street compared with people like [Henry R. Kravis](#) of [Kohlberg Kravis Roberts](#) or [Stephen A. Schwarzman](#) of [the Blackstone Group](#).

“For a smart and wealthy man, he was one of the least ostentatious and most low-key people I knew,” recalled Edward Bleier, a former [Time Warner](#) executive who knew Mr. Pincus for about five decades.

In the 1990s, though, Mr. Pincus began appearing in the society columns because of his romance with Princess Firyal, the ex-wife of the brother of King Hussein of Jordan.

In 2006, Mr. Pincus was found to be incapacitated, and his sons Henry and Matthew won guardianship of their father in New York State Supreme Court.

Growing rancor between Princess Firyal and Mr. Pincus’s sons came into public view in court filings centered on two apartments that Mr. Pincus had bought in the Pierre hotel for \$22.6 million seven years ago.

In a complaint filed in New York State Supreme Court in August, the sons alleged that Princess Firyal had impeded the sale of the two units, the proceeds of which they said would go to charity. The princess had argued that she had a right to the property. Details of the recently negotiated settlement were not available.

Mr. Pincus was active in a broad range of philanthropies. He contributed several million dollars to a \$5 million renovation of the map room at the [New York Public Library](#), which was renamed the Lionel Pincus and Princess Firyal of Jordan Map Division. He was also a director of the [School of American Ballet](#), chairman emeritus of the trustees of Columbia and a member of the board of overseers of the Graduate School of Business of Columbia.

Mr. Pincus’s wife, the former Suzanne Storrs, died in 1995 of cancer. Before marrying Mr. Pincus, she represented her home state, Utah, in the 1955 Miss America Pageant. She went on to act in summer stock and appeared on the TV series “Naked City” in the 1950s.

Besides his two sons, both of Manhattan, Mr. Pincus is survived by three grandchildren. Princess Firyal became his companion starting in 1996.