

ALLAN SLOAN:  
MAYBE THE SKY  
IS FALLING  
(PAGE 78)

# FORTUNE

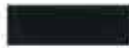
DISPLAY UNTIL APRIL 21, 2008

## HOW TO FIX



Bankers fell victim to their love of risk, leverage, and high pay. Redemption won't be easy. (PAGE 70)

BY SHAWN TULLY



**THE LAST  
DAYS OF BEAR  
STEARNS**

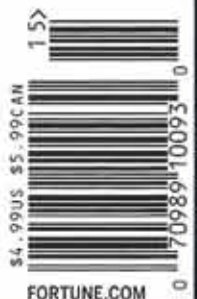
(PAGE 86)

**ELIZABETH  
SPIERS ON THE  
PRICE OF STEAK**

(PAGE 95)

**E\*TRADE  
ON THE  
BRINK**

(PAGE 98)



FORTUNE.COM

**RAY AT HOME**  
IN CARLSBAD,  
CALIF. THANKS TO  
HIS APPEARANCE  
IN *THE SECRET*, HE'S  
THE MOTIVATOR  
WITH THE MO.





# THE MAN WHO WOULD BE ROBBINS, COVEY, AND CHOPRA

BY RICHARD SIKLOS

PHOTOGRAPH BY JOE PUGLIESE

One man's  
cosmic quest  
for wealth,  
harmony,  
and peace  
atop the  
cutthroat  
world of  
motivational  
speaking.



According to James Arthur Ray,

there are more than a trillion cells in a human body, and each cell has the capacity to generate 1.17 volts of electric power. "And you're telling me you don't have energy? Give me a frickin' break: *You have no idea what you're capable of!*" he likes to say. This may explain why he has the thermostat for the hall in the Arlington, Texas, convention center at meat-locker levels when he bounds onstage at



8 A.M. A few hundred people are gyrating to the 1990s Euro-club hit "Get Ready for This," which is blasting over the sound system. "Who is ready to make more money!?" he yells to the assembled, most of whom have dropped \$1,297 to spend two 17-hour days over the Presidents' Day weekend in this room with him.

"Say yes!" Ray commands.

"Yes!!" shouts the crowd.

But, Ray will soon explain in a quieter moment, cash is just another form of energy and only part of the cosmic equation. He promises a weekend of "accelerated learning," during which the attendees will learn that there is a big difference between being "rich" and being "wealthy." Britney Spears, he points out, is just one sorry example that illustrates the point, and he can empathize because he has skated close to the edge himself. "I can help you make money," says Ray. "Money's easy. But if you totally neglect other areas of your life, they will come back and bite you in the ass—and bite you hard. Sustainability is where it's at, and that's a concept called Harmonic Wealth."

And that concept is trademarked by James Ray International, a little outfit in Carlsbad, Calif., where the phone is answered with the phrase: "It's an outstanding day at James Ray International." *Harmonic Wealth* is also the title of Ray's new book, being released this month by Walt Disney's Hyperion publishing division, for which the company has announced an unusually large first printing of 200,000 copies. "When would now be a good time to start?" asks the book's ungrammatical cover tease.

For Ray, now is his moment as the next big thing in the highly competitive of world motivational gurus. What makes Ray stand out from the crowd is a frothy concoction of spiritual wisdom, life lessons, and get-rich advice—all carefully attuned to today's fragile zeitgeist. Brenda Copeland, Ray's editor at Hyperion, describes him as a cross between the inspirational author Eckhart Tolle and Ben Franklin, with a dollop of Elvis and an old-timey revivalist. Among the living, however, the goal is to make Ray as big a household name as Tony Robbins. "With all due respect to Tony Robbins, I think his cycle has come and gone, so you have to look for the next person," says Copeland. "I really see James as the person for this year and hopefully for many years to come—he's really, really close."

If you don't know James Ray, let me ask you a question, and be honest. Are you reading this magazine because you appreciate its authoritative coverage of business, fine writing, and elegant photography? Or is it because you are interested in unleashing your

true potential and mastering the secrets of success—because you want to know how all the rich people in these pages got what they got? If it's the second, then you, my friend, may have just landed on the most important page you will ever read in your life. (A few days in Ray World can rub off.)

If you already know of Ray, it may be from his appearance in *The Secret*, a media phenomenon that has sold more than ten million books and DVDs since 2006 by extolling the virtues of positive thinking, while being widely dismissed by academics and media critics as a load of New Age bollocks.

A funny thing about Ray is that, by his own definition, he may be "wealthy" but not wildly "rich." He has been holding seminars and self-publishing since the early 1990s, to mixed results. And,

like the other so-called gurus who appeared in *The Secret*, Ray was not paid to do so (the spoils

went to Rhonda Byrne, the savvy Australian producer who put it together). Still, Ray knows good karma when he sees it. In addition to his book deal, he has gone on *Oprah*, done *Larry King Live*, even served as a judge for the Miss America pageant. King's agent at William Morris signed Ray and is looking to land him his own daytime TV show. Regarding the prospects for his book, Sara Nelson, the editor of *Publishers Weekly*, says: "Having been in *The Secret* is more pedigree than most of these guys have."

Indeed, when I met Ray over lunch at the Polo Lounge in Beverly Hills, the towering, inscrutable manager of the restaurant, Sandro Coppola, came over to introduce himself. Coppola explained that a year earlier he was out of work and nearly broke, and credited Ray's turn in *The Secret* for transforming his life. Ray congratulated him and said this sort of thing happens all the time.

The publication of *Harmonic Wealth* is Ray's shot to break into the top tier of a self-improvement industry that generates more than \$7 billion a year, according to research firm Marketdata. (That tally includes motivational speakers, infomercials, books, and personal coaches, but not weight-loss programs.)

Built on a century-old legacy of motivational legends like Norman Vincent Peale and Dale Carnegie, the tools of the modern media age have expanded the market. Let's face it: Ours is a society looking for answers, or at least a good pep talk. People are working harder and longer, and the media are filled with muddling imagery of tough times and high-living celebrities. "All of us, to some degree, are wandering around the world, having had sapped from us the kind of interest, vitality, and excitement that we are born with," says Edward

The publication of *Harmonic Wealth* is Ray's shot to finally break into the top tier of the \$7 billion self-improvement industry.



**BITS OF WISDOM**  
FOR SALE AT A JAMES RAY EVENT. RAY SCORED A SEVEN-FIGURE ADVANCE FOR HIS NEW BOOK, *HARMONIC WEALTH*.



Deci, a psychology professor and director of the human motivation program at the University of Rochester.

The core of what Ray and his cohorts do is the most old-fashioned of routines: trudging from town to town to hold talks—most of them free and designed to get people to sign up for weekends like Harmonic Wealth—or appearing on the speaker circuit for trade shows, community groups, and corporate retreats.

As with the music business, there are very few big brands in the self-improvement realm—and like U2 or Paul McCartney, they've been around awhile. Indeed, Marketdata estimates that in a pool of thousands of motivational and inspirational speakers, only around 20 make more than \$1 million a year. When it comes to the arena-filling monsters of motivation, there are really only four standouts: Tony Robbins, Stephen Covey, Zig Ziglar, and Deepak Chopra. (A fifth giant, Peter Lowe, runs a circuit with his wife, Tamara, called Get Motivated! that packages speakers similar to the way bands play music festivals.) Ray is going for a niche in between these titans—that is, bridging professional development and personal inspiration, which have typically been separate businesses. (See grid.)

The key to Ray-compliant harmony is what he calls the five pillars of well-being: financial, interpersonal (he says "relational"), spiritual, mental, and physical. To develop his curriculum, he has traveled all over the world and met with various mystics and Zen masters. He is, he says, equally versed in leadership theory, the ruminations of Shirley MacLaine, and quantum physics. I'm not sure what Stephen Hawking would make of Ray, who attended Tulsa Junior College and writes in his book that "the only difference between your body and a BMW is the frequency of vibration" and that "your ability to attract money in your life is a reflection of your ability to manifest your God power into physical form." During one segment of his seminar, he posits that merely clutching a Rolling Stones CD creates negative energy in your body, while a Beatles product has the opposite effect. "It's pretty damn hard to argue with scientific research, but spirituality and science are the same thing," Ray tells me in his velvety twang. "I'm the new mainstream, and the proof is in the pudding. I have practiced and lived what I teach, and you can't argue with results."

One of the most popular bits in Ray's seminars is Ask James Anything. Spacier notions aside, he has advice on just about any subject,

much of it common sense—eat healthier, make lists, follow through, and so on. In Arlington there were some in the audience who seemed down on their luck. But at least as many appeared to have successful careers but wanted to take them to the next level. In this category were the couple I sat down next to, Kevin and Amy Long. The Longs are both 36, have three boys, and have been married 13 years. Kevin works as creative director at a technology firm, and Amy is a registered nurse who sells her own invention: Secure2Me, a clever baby blanket that attaches to a stroller.

Both Amy and Kevin told me later they were skeptical of Ray but went away impressed by his techniques for overcoming self-doubts—what Ray calls people's "limiting beliefs." A few weeks later Amy e-mails me that using Ray's methods has made her business do better, and she has even been invited to appear on CNBC to talk about it. Indeed, one woolly and emotional segment of the weekend is watching the conference-goers line up to karate-chop through blocks of wood as the theme music from Rocky plays over the speakers. On the blocks, each of them has jotted his limiting beliefs in black marker: "fear of success," "I am not smart enough," "lack of self-discipline," "energy," and "Mom," among them.

If she has a complaint, Amy says, it's the "annoying" hard sell that Ray began at

## THE MOTIVATRIX

IS IT FAIR TO REDUCE A PERSON'S TEACHINGS TO A POINT ON A GRID? NO. SO LET'S BEGIN:

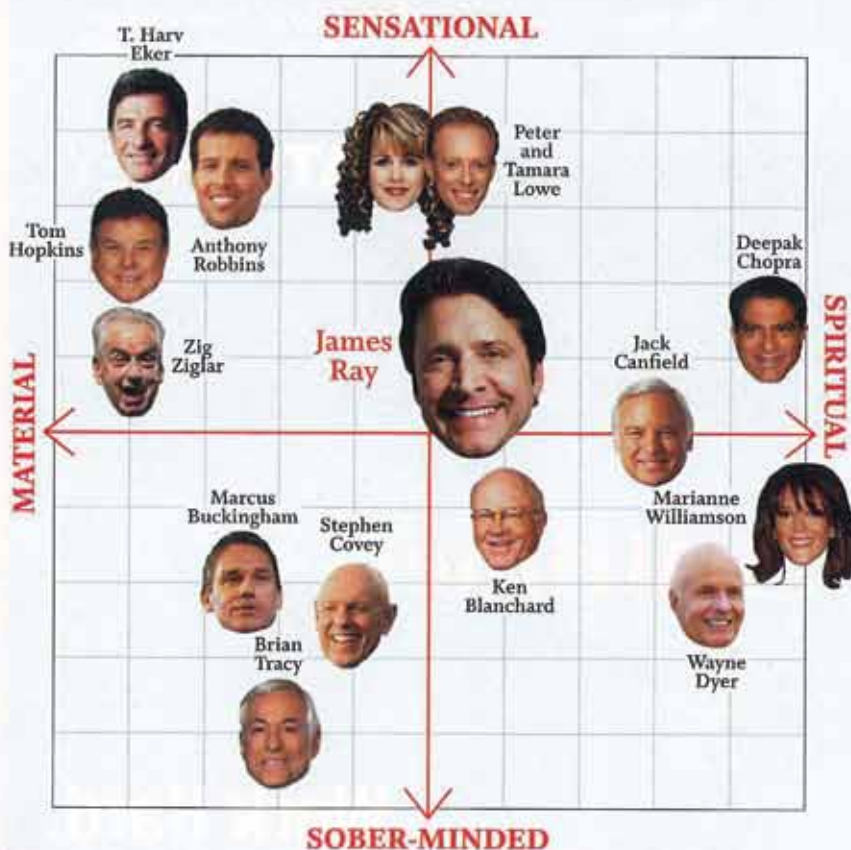


ILLUSTRATION: RICHARD LYNN; ANIMATION: CHRONIA; ARTIST: BILLY; ART: CONY; PHOTOGRAPHER: STEVE BRITTON; ART: JAY PULFEST; WALLPAPER: STEPHEN LORON; MONTAGE: RICARDO; REPRODUCED WITH PERMISSION



11:46 P.M. on the first day, urging people to sign up for more. (The ultimate commitment is something called the World Wealth Society, for which \$60,000 a year gets members VIP access to all things Ray.) Ray says he has heard that gripe before. "Here's my position: I can sell something passionately if I believe in it," he says. "Once I know that I can help you and provide a value to you, then I believe I have a responsibility—not an opportunity—to sell it to you."

Ray says 5,500 people paid for his seminars last year, and thousands more saw him free or at events where he was a paid speaker. He was paid a seven-figure advance for his book, and his revenues have grown, he claims, from \$1 million in 2005 to an estimated \$10 million next year. His financial goal—or "bogey," his term—is \$21 million a year, spread across books, TV, and putting video of himself all over the web. Going by Marketdata estimates, \$21 million would put him roughly in the same league as Ziglar and make him about half as big as Robbins in 2005. What is the "limiting belief" standing between him and his goals, I wondered. "That's a good question," he says, pausing. "I'm sure that I have them and I'm not aware of them."

Possessed of the chiseled look of a soap opera actor, Ray is confident bordering on cocky. One on one, he can also seem world-weary from his 200-odd nights a year on the road. He married and divorced young, but now, at 50, has been single a long time and has no children. I phoned his father, Gordon, who lives near James outside San Diego, and asked what his son does for fun. James can be monklike, Dad says, but "he also has a multitude of ladies who want to share some of his time." Ray's regimen includes meditation, exercise, and an avoidance of popular distractions—little alcohol, no sugar or caffeine, and very little TV. When I asked him what he thought about the Oscar-winning movie *Little Miss Sunshine*, which featured a struggling motivational speaker, he had not heard of it. Then again, as Ray likes to say, "no one who was normal ever made history."

Born in Honolulu, James grew up mainly in Tulsa, where his father spent several years as a minister. Today Gordon Ray too has a business selling audio CDs, with such titles as "Six Dimensions to Achieving the Life of Your Dreams" (three for \$25.90, plus shipping). When I mention to James that he and his father are in the same business, he says, a bit defensively, "He likes to think so, yes. As much as he likes to say he's not, he's a podium preacher." Ray says he was bored in junior college and eager to start making money. He worked in telemarketing at AT&T, mostly in the South, and his biography highlights more than

a decade working at the AT&T School of Business, the phone giant's internal training operation. Ken Radziwaroski, a longtime executive at the school who oversaw its curriculum, says Ray "was good and he was dynamic." (Until I contacted him, Radziwaroski had not kept up with Ray's career.) Whether he was "their No. 1 producer there, year after year," as Ray writes in his book, Radziwaroski does not recall. "It's very possible he was No. 1 in the Atlanta region," he says.

Ray's bio also says he spent four years working with Stephen Covey, the author of *The 7 Habits of Highly Effective People*. But in conversations Ray clarified that some of that time involved teaching Covey programs at AT&T, and that he was later a contract employee "for two years" with Covey's company. Debra Lund, the spokeswoman for Covey, said no one at the company has any recollection of Ray.

You may think James Ray is a charlatan or a shaman, but you can't deny his stage skills. At one point during his 17-hour day in Arlington, Ray introduces his "dream team" of volunteers—ex-students who claim to have achieved everything from making fortunes to recovering from Lyme disease. Whether he is pumping his fist along with the crowd or speaking quietly amid dimmed lighting and mood music, his intensity and empathy never wane. Two dour bodyguards with earpieces flank the stage in case anyone tries anything squirrely.

Before breaking for the night at 1:16 A.M., Ray climbs down from the stage, has everyone in the conference center join hands, and leads a feel-good chorus of Elton John's "The Circle of Life." He exits out a back door into the rainy Texas night, one of the bodyguards holding an umbrella over him. A rental car drives him across the parking lot to the Sheraton for a few hours' shut-eye. Having conquered people's limiting beliefs, day two of the weekend is devoted to what Ray calls the "future pull"—visualizing and communing with the version of yourself who is already living in a state of harmonic wealth in the future. As far as Ray is concerned, time is an illusion, and he is already living in a place where he is the new über-guru. As he writes in his book: "When you listen to and act upon your future-pull, over a trillion soldiers with a trillion volts are saying, 'You got it.'"

Say yes? ■

**RAY WORKS THE STAGE AT A FREE SEMINAR IN SALT LAKE CITY IN MARCH. HE'S ON THE ROAD 200-ODD DAYS A YEAR.**



**"Once I know I can provide a value to you, then I believe I have a responsibility—not an opportunity—to sell it to you."**

FEEDBACK [rsiklos@fortunemail.com](mailto:rsiklos@fortunemail.com)