

Master of Business

David Nazarian has big plans for CSUN following his \$10 million gift – the school's largest ever.

By **JOEL RUSSELL** Staff Writer

You've likely heard the Nazarian surname, and if so, it's probably because of media coverage of hospitality mogul Sam Nazarian, who's currently building a \$400 million hotel on the Vegas strip. But Sam is far from the only successful member of the Nazarian clan, a family of Persian Jews who fled Iran after the Shah fell from power. Older brother David Nazarian, 52, is the one who presides over the family business interests, which range from food and hospitality to manufacturing, energy and office technology. He and other family members were among the primary early investors in Qualcomm Inc., the San Diego maker of semi-conductors for wireless communications, including mobile phones, founded in 1985. But before achieving success, Nazarian studied business at Cal State Northridge. And in March, he gave \$10 million to his alma mater's business school, which is now named the David Nazarian College of Business and Economics. It was the largest single donation from an individual ever received by the university and now Nazarian will lead a campaign to raise \$15 million. He met with the Business Journal in a boardroom at the Century City offices of Nimes Capital, the family's investment vehicle, to discuss his recent gift, how it has transformed him and why the Valley is the "real economy."

Question: Why did you decide to give the school \$10 million?

Answer: I'm very involved with UCLA as chair of the investment committee, and at USC with the hospital. But I always wanted to have an impact. A lot of these museums and hospitals and schools have large endowments. They can always use more money, but they have it. About a year ago I went CSUN after not visiting there for about seven years. I attended an event at the performing arts center and said, "Wow, look at this!" So I decided to go back to my roots. I wanted to have a big impact, why not CSUN?

Who approached you?

Barry Munitz, the former chancellor of the whole Cal State system, sat next to my sister at one of these events at CSUN. He said to her, "You guys are high profile alumni, why aren't you calling your brother?" A few days later President (Dianne) Harrison called me. I was ready to do it.

What do you want the money spent for?

We want to make sure that when these kids graduate, they are prepared and get the best possible job. From resume writing to placement agencies to interviews, we want to teach all that. We want the school to have relationships with organizations so that their people come to campus recruiting.

How will you be involved?

Mentorship is huge for me. One way is to ask all the advisory board members to have five or six kids that we meet on a regular basis. I've talked with a few of my friends who aren't CSUN alumni, and they said, "We want to do that." Also, I want to bring people to the campus to speak to students. People who have very nice Rolodexes from business. People who started with nothing and now are very successful.

What specific programs will the gift finance?

These kids need to know what's happening outside of the San Fernando Valley, outside of Los Angeles and outside of this country. A lot of schools have semester abroad programs. It's very hard at CSUN because a lot of the students work. So is it possible during Christmas vacation, or two weeks in the summer that they get on a plane and go to Mexico or other places? Obviously, they're not going for fun; it's for their projects in class. We'd start with places that are not too far,



Philanthropic: David Nazarian, chief executive of Nimes Capital in Century City, in the firm's boardroom.

and as we have more funding we can go farther.

What is the potential impact?

What interests me about CSUN is the demographics – women and minorities. We need to help them start companies. Mentorship is a big deal – bring women entrepreneurs to campus so the students can say, "I can be like them."

What is the timeline for raising the additional \$15 million?

The good news is that my gift is a catalyst. I'm hearing a lot more people want to give. Our goal was three years, but I'm hoping it is sooner and I think it will be more.

How did you decide to attend Cal State Northridge?

I came to the United States when I was 15 years old. I came just for summer camp. At the end of the summer, I decided to stay in New York where my grandparents were living. I knew for college I would come to the states, so I finished high school in New York. Then my parents, because of the Iranian Revolution in 1979, moved to Los Angeles. I came at the end of the summer to visit them.

How old were you?

Seventeen. I came to visit and then planned to go to college back East. But my family and a lot of my friends from Iran were here, beautiful weather – I didn't want to go back.

How did you connect with the business school?

I went to UCLA and they only had economics, not business. So I talked to one of my cousins who said CSUN had a good business program and I should look at it. I looked and said, "This is the right fit."

Where was your family living?

The Beverly Hills Post Office neighborhood. It was a 25 minute commute to the Valley.

A UCLA or USC degree is obviously prestigious. Does the business world see a Cal

David Nazarian

TITLE: Chief Executive

COMPANY: Nimes Capital, Century City investment vehicle of Nazarian Enterprises.

BORN: Tehran, 1961

EDUCATION: B.S., business, California State University Northridge; Executive MBA, USC.

CAREER TURNING POINT: When Qualcomm went public in 1991.

MOST INFLUENTIAL PEOPLE: Irwin Jacobs, co-founder of Qualcomm.

PERSONAL: Lives in Bel Air with his wife, sons ages 18 and 21, and a chow mix.

HOBBY: Travel, especially to Africa.

State degree "a working man's degree"?

There are different levels of schools. My boys want to go to Stanford and Wharton. That's one level. Then there's USC, Michigan and others. For every kid, for where you are, there's the right fit. But what your question brings up is a matter that's very important: How are we going to make sure the kids from CSUN are as good as from those schools – keeping in mind "good" can have various definitions? Can these kids get jobs at Goldman Sachs? Hopefully, but that's not a fit. What these kids have is that those who go Ivy League Schools come from families and environments where they haven't worked. They have been "silver spooned" or whatever you call it.

CSUN kids are not that way.

They are not that way! They have street smarts. They know how to fight. They know how to work. Let's take that environment and build on it. Innovation can come out of that, so they can do well. In their own areas, they can excel. And it may not be on Wall Street, but they can start companies.

What was your experience at CSUN out-

side of the classroom?

I didn't get much outside of class. I went to class and went home. Part of my goal is that what I missed, these students will get. Different clubs, different speakers, different student interactions. I hear there is more of that now than when I attended. But I hope that four or five years from now when you ask students, they can give you a longer list than I have.

How did being an exile from Iran play into it?

When you have to come here and you have to start all over; in the end, you can't rely on money. You have to rely on yourself. What they can't take away is your education, your business skills and your ability to make friends with people. In 10, 20 years from now, something could happen and the money goes away. In Los Angeles, I think about earthquakes. I know in the last meltdown, billionaires lost everything. So try not to get attached to the money, but to family and your community. Build yourself up so nobody can take it away from you.

After school, how did you come to start your career?

When we came here, we had some money, but relatively little compared to what we had in Iran. We bought a precision machine shop in downtown Los Angeles. Leveraged buyout. The company made parts for the space shuttle, Missile X, Sikorsky helicopters. I don't know how we got security clearances. But it really put us on the map.

Then what?

Success brings success. That company grew during the Reagan administration. We looked for other companies to buy, and started other companies.

What was the turning point of your career?

When Qualcomm went public (in 1991). We

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had assets, we had some good successes before then, but a lot of it was illiquid. With Qualcomm we spent a lot of sleepless nights. When it went public, for the first time I could breathe easy and say, "It has all come together."

What was the hardest moment in your career?

The Internet bubble. At the time, I was walking on water. I was invested in companies and on their valuations I was making 50 or 100 times my money. Qualcomm was trading high. Then the bubble burst. It was a difficult time for me.

What's your perspective now?

When things are really good, don't give yourself too much credit and when they are bad, don't blame yourself too much. With the Internet bubble I thought my wealth was substantially higher, but it was funny money. After that I thought, "Why am I doing this? I have enough to have more than a comfortable life." But you know what? This is what I love to do.

What are you investing in these days?

I used to invest in outside-the-box technology, things that make it big or not. Now I'm looking for more stability. With other investors, I'm building the biggest water desalination plant in the United States, near Carlsbad. It's a \$1 billion plant, making 50 million gallons a day. When you build this kind of company, it's a long-term cash flow. Now we are getting involved in real estate. We have changed from early-stage ventures to more stable companies that hopefully we can hold for many years.

How many siblings do you have?

One brother and two sisters. I am the oldest.

Did your position as eldest child affect you?



Special Day: Nazarian at CSUN after his gift was announced in March.

Yes. Being the eldest it was important that I set an example. Coming from an Eastern culture, you are next in line. Everybody looks at you differently. You have to be very responsible, so my goals were different than a typical child. That was the dynamic of my family.

Did that allow your younger siblings to take more risks?

Sam is more high profile. In part, his business makes him that way, and part of it is his personality. I think it's true that as first born you have to do things different. The good news is that he is very successful, obviously.

What characteristics of your personality have helped you succeed?

I always try to surround myself with smart people and listen to them. I know CEOs who are all about themselves. And when you do that, after a while smart and good people ask, "What am I doing here?"

What is your approach?

I want shower time. When you are in the shower, I want you to think about the business. To do that 24-7, you have to make sure people are happy

and taken care of. And if you make a buck, they get some of it, too. Empower them. These are clichés – you hear it all the time, but doing it is difficult. Ego gets in the way. Even though it's simple, I've seen so many people fail at it.

Whom do you admire?

Irwin Jacobs, co-founder of Qualcomm, for three reasons. One, he was a visionary for coming up with the dominant technology in wireless service. Two, a family man. He was always close with his boys and wife. And third, philanthropy. He has given back so much. In San Diego and around the country, he is a legend. I remember thinking, "When I grow up, I want to be just like him." (Laughs)

What do you do when not working?

Travel. East Africa, Ethiopia, Tanzania. I like the animals on safari. I've been to South Africa, Morocco, Egypt, Vietnam, Cambodia, China, Japan and Latin America. I love nature. When I see places that are the same today as 5,000 or 10,000 years ago, it brings a kind of spirituality to me.

So given all your experience in and out of business, what career advice would you

give to recent graduates?

Always dream big, but start small. I see a lot of people who want to do big stuff from day one. That doesn't work. Big companies start as a one-man shop, a one-woman shop.

Anything else?

Look at the long term. Don't take short cuts, because in the end they don't work. It's a long journey. The younger generation, and even my generation, wants to do things way too fast. This is not a rat race – the rat always loses.

Any specific advice for CSUN graduates?

You may not come from a wealthy family, but what you have, you earned it. So don't get intimidated by wealthy or powerful people. What you create when you work or go to school is very special. Be proud of yourself.

What would you say to other CEOs about getting involved in CSUN or other philanthropy?

I would like to invite the community to be involved in CSUN, and for my part, the business school. CSUN is in a special position, with its demographics of women and minorities. CSUN is the real economy – the San Fernando Valley is real. That's the reason at this age, I'm giving money to CSUN. I could have taken that money and made more. But you know what, when I see the kids smiling faces – this gift has been a transformation for me.

How is that?

When I see that I can change people's lives, it's better than anything. It's better than a private jet, better than a yacht. This is real. I hope people support it with money, but not only money. It's about being involved and mentoring kids. If you are not involved in our state education system, it's going to be very difficult for the next generation.

This interview has been edited for space and clarity.

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