

KENNESAW STATE UNIVERSITY ORAL HISTORY PROJECT

INTERVIEW WITH PAUL D. LAPIDES

CONDUCTED BY THOMAS A. SCOTT and DEDE YOW

EDITED AND INDEXED BY JAN HEIDRICH-RICE

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Location: CIE/CETL House at Kennesaw State University

TS: Paul, why don't you just begin by telling us when you were born and where you were born and where you grew up?

PL: I was born in 1954 in New York City. I grew up in Queens, New York.

TS: Did you go to public schools?

PL: I went to public schools. I really experienced a lot from the integration of the New York public schools in '64.

TS: Explain that. This is New York. They're not supposed to have to integrate in 1964.

PL: Well, I think all cities in the country had to integrate regardless of some of . . .

TS: The Civil Rights Act of 1964 threatened to cut off federal funds if you didn't come up with plans?

PL: I don't think I understood much about that, but I certainly understood that there was a big change in the schools.

TS: So what happened?

PL: Well, there were some riots in some of the schools and some fighting going on in the schools, as we still have today. It takes a long time for people to change.

DY: That's funny. I didn't think about that happening in New York City. You think of it as being the South's peculiar problem.

PL: It was probably worse in the South, but I wasn't here. Certainly, stories are told that [sound as though] it was worse in the South. But you're dealing with the same mindset [about race] in the majority in '64, probably in every state in the nation.

DY: So your school had been white?

PL: It may have had 1 percent minority students prior to busing. And after the '64 Act, what came out of that was busing, as I recollect. That was a fairly big change for the schools. My friends and I just tried not to get hit by anybody. We

took a bus to school, also. I mean, a lot of people bussed from wherever you were coming from to go to school, so you just wanted to get out so you didn't get in a fight.

I think schools were already somewhat rough in New York City. The high school that I went to had a ten-foot fence around it that looked just like a prison. It had 5,000 students, and it really had the look of a prison. At that time, you had the really smart kids, the kids doing drugs, and those kids that played with their cars. We really didn't have much of an athletic program in the high school I was in. I think I was in the second graduating class of that new high school, Benjamin Cardozo High School. Cardozo was a [U.S.] Supreme Court justice.

TS: And it had a fence around it?

DY: Oh, it was a giant. It wasn't just a fence; we're talking a serious fence around it.

TS: You know, as I think about it, in New York it may not have been the Civil Rights Act that prompted all this because you really are talking about a busing plan. But was there a Federal Court order?

PL: Oh, I was too young to have a clue what it was. I was in middle school when I vividly remember that happening, which would have made me, what? You're in middle school in seventh, eighth, and ninth grade, so thirteen, fourteen, and fifteen. It's a little bit after '64 that happened. It could have been '67 or '68.

TS: So this obviously had a big impression on you. What were your emotions at the time?

PL: I think, looking back, it was just about change. Change scares people, and change creates conflict. Later, I would hear in the neighborhood I grew up in that families voted—this is years later—that families voted in the neighborhood not to sell their houses to any minorities. I would hear which people voted one way and which people voted the other.

TS: Which was totally illegal at that time.

PL: Right. And eventually someone did sell to a minority. And while the sources were, in a sense, my friends, who heard from their fathers, who weren't really reliable sources, but I don't think anybody would have thought . . . I certainly wouldn't have thought that the neighborhood I grew up in would care. Because—just like *our* children today wouldn't think that *we* would be thinking certain things because of where they are relative to us—where I was relative to my parents, you wouldn't have thought that a hundred families in the neighborhood would think about redlining a neighborhood.

DY: So the generation gap happens.

PL: Every generation.

TS: What was the ethnicity of the neighborhood you grew up in?

PL: It was probably two-thirds Jewish, and probably the school was also, where we were in New York. That could be wrong, and it could just be the impression you have. But of, say, my ten best friends, probably nine on the block were Jewish. There was only one non-Jewish kid my age on our block.

TS: Right. Now, you converted to Judaism, didn't you?

PL: No, no. Both my parents are Jewish.

TS: Oh, are they? Well, where did I get that idea?

PL: You have that kind of backwards because some people would say that I converted to Christianity, but I didn't do that either! [chuckle]

TS: Okay. Somebody told me that. I stand corrected then.

PL: About my religion, there are a lot of public misconceptions.

TS: So your parents were Jewish?

PL: Yes, both my parents.

TS: Okay. Well, that's interesting. I don't know where I heard that, but I heard that somewhere.

PL: Well, I'm happy to clarify any misconception you might have on any topic, if I can.

TS: No, I'm glad to know that. So it's a Jewish neighborhood, and we think of the Jews of the North as really being liberal on this question of civil rights. But I guess in that particular neighborhood, the tensions were great when the busing takes place.

PL: Well, it's hard to say. I mean, you didn't see adults protesting. I don't remember any of that. I just remember high school and middle school kids fighting, broken down largely by color lines. It wasn't a common thing. It probably happened a few times. But the first time you see a big group—and it's not Halloween, throwing eggs—you kind of remember that. You asked me the question "What did I remember?" That's one of the things that comes to mind.

TS: Yes. Wow. So you go through public schools, and it sounds like very much an inner-city neighborhood.

PL: Queens was right on the city line to Long Island. The house behind mine was Long Island. So it was really suburbia, but it was part of New York City. It was single-family homes, for the most part, where I was.

TS: It just sounds kind of scary to have that ten-foot fence around a high school.

PL: Right. It was really a reflection of the times in terms of concerns about safety already, which now schools are a lot more concerned about. But we always had at least one police officer at school, and there were only a few ways in and out of the building through those really powerful fences. I've been back, so as an adult I've seen those fences, and they're as big as I thought.

TS: I've read before about the [Ku Klux] Klan on Long Island in the '60s, and Kenneth Jackson's got a book, *The Ku Klux Klan in the City*. Did you ever encounter any Klan activities to speak of?

PL: I don't think I was even aware of the Ku Klux Klan in any way that stuck until I was down here for years. I just don't think I was aware of anything organized, maybe until the Black Panther Party and some of the stuff in the '70s and late '60s.

TS: Okay. You graduated from high school. You obviously had good grades because you went to the Wharton School at the University of Pennsylvania, I guess straight out of high school?

PL: Right. Well, just to be fair to anybody who might want to read something, it was the time of the Vietnam War. It was a lot easier to get into a business school when most people were protesting.

TS: Oh, you're saying that people were taking sociology as their majors.

PL: Right. It wasn't very popular to go to a business school in 1972.

TS: They were part of the "establishment."

PL: So many of us who were in those classes certainly got a break that we probably wouldn't get today, necessarily, in terms of the ease of getting in at that time.

TS: But you were telling us before we started the tape that you had long hair back then.

PL: Well, there was nothing wrong with having long hair.

TS: The long hair did not imply radical political views?

PL: No. Actually, at age fifteen, I started studying alternative religions, which has been my hobby since then, studying the religions of the world. I actually wanted to go to one of the experimental schools in Purchase—I think it was Purchase—that was one of the State University of New York schools that had a really wild set of majors. My father sat me down on the front porch one day and had a nice discussion with me. I came to the decision that I would go to the University of Pennsylvania because I could study religion and I could study business. As I look

back on that *discussion*, I think of it as one of the greatest manipulation jobs of all time; I think, “My dad was so much better at this than I am with my son.” I might not have known what happened until long after I was in college, but I did minor in religious thought. I probably got more inspiration from my religious thought teachers than I did from my business teachers, but I had some great business teachers also. So the long hair was more a reflection of the rebellion of the time. Remember, I said we had a lot of the drug users. In my neighborhood, there were a lot of drug-users . . . kids . . . sellers.

At that time, I would have been considered a religious freak. I wasn’t in one of those three categories [really smart, doing drugs or playing with cars], so one of my closest friends, said, “You really are a freak!” I was studying religion, which wasn’t yet popular. The religious revival in America didn’t happen until I was already in college.

TS: Were you going to the synagogue regularly, or were you rebelling against your religious roots?

PL: As I’ve said then and I still say now, the search for God is the greatest journey anybody can go on. The search for meaning—the search for God, you know. So I was really studying many religions, and that would continue through college in terms of getting involved with different religious groups and studying their religious beliefs. That has been at the foundation of my educational interests and my teaching.

TS: Right. What did your parents do for a living?

PL: Dad was a businessman; he was a CPA [certified public accountant].

TS: What was his name?

PL: Eugene Lapidés. My mother is Rosalie Lapidés, and I had two older sisters, one who became a very, very successful businesswoman.

TS: What was her name?

PL: June Lapidés, June Rokoff. *Business Week* would list her as one of the top women executives in the United States.

TS: Did you put it in the past tense?

PL: Yes, the listing of it. She’s still around. She really was a big inspiration and probably had a big effect on work I do with women’s groups. I was the youngest child in a family of three, with two older sisters. Both my sisters were great, as far as sibling relationships.

TS: What’s the name of the other one?

PL: Gail Lapidés, now Gail Venger.

DY: I want to ask about your minor, religious studies. Did you have a mentor that you were drawn toward in your minor or your major, Paul?

PL: Well, I wasn't inspired; I didn't get interested in it because of someone else. I was interested in religion before I went to college.

DY: Yes, but did you find someone there to meet your inspiration?

PL: Probably one of the people in this area—probably *the* person—that inspired me the most was Tony Campolo, who is a fairly well-known man still today. He was a professor of sociology at the University of Pennsylvania. He was also a professor at a Christian college, Eastern College, and Baptist minister. He's on TV now, and he writes a book about every two years. Occasionally, he's on some talk shows. He was one of President Clinton's spiritual counselors,

DY: Is his a mainstream faith, or is it an amalgam?

PL: No, he's an evangelical Christian, but what some people would call a liberal evangelical Christian, because he says he doesn't have all the answers. He was on a Jewish campus teaching existentialism and sociology. I think the only course I took with him was Managing American Religious Institutions, where we learned how to manage religious places as a business course. We got to be pretty good friends then, and we've kept up since then. He had a radio show at school, so you got to know him through his weekly radio show also. He would invite me, lots of us, to his office. With on-campus housing, everybody was there. You got to know your professors pretty well. He comes down here sometimes to speak at some churches. He's really quite a fascinating guy.

TS: You described the University of Pennsylvania as a Jewish campus? Were the majority of students Jewish?

PL: I don't know. Supposedly, it's 30 percent or so now. It probably wasn't that much different then. But it was considered the Jewish Ivy League school.

DY: And was he in the business college?

PL: No, he was in the sociology department.

TS: At one time those Ivy League schools had quotas on how many Jewish students they would accept? Of course, that's all gone by the time you came along, I guess.

PL: I didn't know anything about that until about ten years ago. There's a lot we all don't know!

- TS: I was just wondering if maybe that was why Pennsylvania would be the Ivy League Jewish school.
- PL: I don't have a clue as to why.
- TS: Okay. So you graduated with honors, didn't you, from the Wharton School?
- PL: Yes. I explained to my intro to management class yesterday, "You should tell your younger siblings—and when you have children—to pick the grade point average that they want to graduate with in their first term as a freshman." If they pick it then, the odds are pretty good they're going to pick at least a B average. The odds are they'll pick the lowest honors that will get them recognized when they graduate. Then they have something to measure their performance against. We were talking about control systems, talking about [how] they could measure that as they go along as opposed to finding out they're doing C's, and they need to try and catch up. They're shooting for a specific target right when they get started. As you know, studies show that if you have a real target and you look at that, you're likely to adjust and to do a lot better. That's why I graduated with the lowest honors that the school had, cum laude. [laughter]
- DY: Did you have a good time—intellectually, I mean?
- PL: It was a great school. I was a very serious student. I studied a lot, very different from what we often see on some campuses around the country now. I loved the school; I loved most of the professors that were there. It was really very enjoyable. [If] the professors asked you to do something, you did it, and you were going to be tested on it. It was a very bright student body, an exciting intellectual life. I didn't drink or do drugs, so I didn't have a large group of friends to hang out with. But there was a group of people who were into spiritual things at that time, whether it was yoga or meditation. Two of the guys that I grew up with, Michael and Neil Friedman, [that] I knew from before I was a year old, were also there when I was there. My sister Gail was at Drexel at the time, so she was at a neighboring school. So it was incredibly enjoyable.
- DY: So you listened to Ravi Shankar and burned sandalwood incense.
- PL: Yes, I definitely did those things. I still have a pretty good collection of vinyls of religious groups of that time. At some point, I was pretty knowledgeable on the cults in America, in terms of their interests of what draws people to which types of groups.
- DY: There was a sociological influence then.
- PL: Right. In a sense, I got to do what I would have done at an alternative school. I just got to do it in what might have been considered a more intellectual way. And if the school [Purchase] was as wild as it was made out to be, I was probably better off not going there because I wouldn't have fit in with the drugs. To not drink in those days was really pretty boring.



TS: On a college campus.

PL: But I survived. On that topic, when I graduated school and went for an interview in public accounting, I was told I wouldn't make it in public accounting because I didn't drink [alcohol] or drink coffee. My drinking today is—I like to tell students—oh, about twelve beers a year in a good year. A slow year might be eight. And I still don't drink coffee. But it's interesting that someone would say to you that you're not going to succeed because you don't drink or you don't have coffee. There are so many little rules. Just like students sometimes make a comment, "You said in the last class . . ." Well, actually, I said that about a particular situation. I wasn't giving you a rule that you should apply to every situation. That's so hard for some people to see.

DY: Well, they like to extrapolate.

PL: And [that's] true for us also when we hear some things.

TS: But it's five years after you got your bachelors before you got your MBA, so I assume you got out in the workforce for awhile.

PL: I actually went to work in public accounting at what's now Ernst & Young. It was Arthur Young, one of the Big Eight accounting firms. To get certified as an accountant, I needed to take some more courses. I started at New York University probably the semester after I graduated Penn, and since work was paying for it, I kept going. At one point, one of my friends from undergraduate and graduate school said, "I think you're really close to graduating. You might want to matriculate and get your degree." I didn't need the degree in public accounting; there was nothing I was going to do [with it] that was different from what I was doing already. And that's kind of an interesting story of [my] getting a master's degree, without which I couldn't have gone to the next stage, the stage I'm at today. Yet, when I was fifteen years old, I wanted to retire and be a college professor. Why? Probably some TV show is in there. And clearly, it's odd enough to be a college professor with just a master's degree, at any time in recent history. And part of getting my master's degree was a little bit by accident, at that time anyway.

DY: What was that show? Was it Gabe Kaplan?

PL: There *was* a Gabe Kaplan show.

TS: Oh, yes. *Welcome Back, Kotter*.

PL: Oh, I never saw that show.

TS: You were too busy studying back then, I guess. I can't remember when that was on.

DY: He was this inspiring teacher, and he was in high school. I thought it was in the '70s [1975-1979].

PL: Yes. Occasionally when my son gets in trouble, my sisters will say, "You were like that when you were younger." And I'll go, "No, I wasn't." And one of my brothers-in-law, David Rokoff, who was as boring as I am, they'll say to him, "Well, you were like that when you were the age of . . ." "No," he'll say, "I wasn't." There were certain people who I just didn't go with. I was much more interested in spiritual sorts of things than I was the things that most people were doing at that time. It was very unusual not to do drugs and live in a big city at the time I was in high school, or in college.

DY: That's true.

TS: Were you ever tempted to go for a doctorate?

PL: I applied to Columbia University when I was teaching there for a semester in their graduate real estate program. I applied, probably in '91. After I was rejected, I called the faculty members that headed the admissions committee to introduce myself, to say, "I teach here also, and could you tell me off the record why I didn't get in." He said, "We have a hundred applications for every two Ph.D. students that we accept in management." He told me that being published already and being older was not a very good thing when they could get someone a lot younger than me who would work a lot harder for them. While I was upset when I heard it, I asked for the truth.

I spoke to another school, where a couple of my coauthors taught, and I was told, "You can get a Ph.D. here in two to three years if you publish some books with your professors." By then, I had already published what became a best-selling textbook and a few trade books. I still think about it sometimes. It just seems like a hard thing to do when part of what you're doing it for is what I've been doing.

DY: What was your best-selling textbook?

PL: *Real Estate Investment*. It was a best-selling textbook for about five or six years. It still sells today. It's a 1988 textbook, and it still sells.

TS: Is that *Managing Residential Real Estate*?

PL: No, that's a professional book. Most of those books are like \$100 or \$150 books that businesses purchase, someone reads five pages to solve a problem, and puts it on a shelf.

DY: It's a reference book, you're saying.

PL: Well, they typically buy it because they have a problem, and that's terrific because they have on their shelf my name. And then they call me, and many do. There are a lot of good things that come out of that type of publishing. But I'd

like to say that I've written some of the most boring books ever written; but I have a gift for it. [chuckle] I have an uncanny gift to write on almost any business topic that I just hear about.

TS: Well, tell us about writing the textbook? How did that come about?

PL: The textbook was a second edition of a book. The original two authors brought in two other authors, and the four authors were fighting. One of the authors knew me and knew that I would be able to get the book done. I look back, and I always wonder if he thought he could control me, and through me the process of getting the book done. But they needed someone new to manage the four of them. That was really one of the great opportunities in my life. It was not that likely that I'd be writing a textbook, even though it was in the area that I was teaching at the time, in real estate. It was really a lot of fun. And it wasn't as much work as many of my other books.

Textbooks are, I imagine, usually a lot more work than, say, a professional book where you're writing about what you learned from experience and giving advice to people that are working in the field. But it was really quite fun. One of my big thrills [was] to be able to write a textbook and then visit schools and hear people say, "Hey, we use your book here." I think at its peak, it was used at forty schools.

There aren't a lot of real estate investment courses in the United States; there were none when I was in college. So I was writing books in a subject that I never took a course in. Some of my friends like to say that when Billy Joel sang, "Paul is a real estate novelist who never had time for a wife," he was talking about me. [laughter]

DY: I wanted to clarify for myself; your B.S. is in economics, is it not?

PL: Right.

DY: And then your MBA is . . . ?

PL: Management.

DY: So you never took a real estate course?

PL: There were no real estate courses at business schools when I was in college, just like there were no entrepreneurship courses then at business schools. Real estate is still considered by some people an unnecessary course because the other things you learn—finance and management—will teach you what you need to be able to do in real estate. Just like people on the other side of campus, as we like to say, look at a lot of what's going on in business at the undergraduate level as unnecessary because the goal of undergraduate [school] is teaching people to think. And we're teaching kind of a trade in a lot of respects; a lot of people think that and are critical of that.

My B.S. is in economics; actually, everybody who went to Wharton got a B.S. in economics. My major was in management and accounting. You had, at that time, no science requirements, no history, foreign language, or physical education requirements. I think I mentioned this to you before because it was very odd to not take any history courses. Friends would tell me about great history professors at school, but I never did take a history course in college. I've learned more about history since I've been here than I ever learned in college. We didn't have any history requirements. No foreign language requirements, and no science or PE. So we took a lot of business courses.

DY: So you didn't really have a liberal arts education.

PL: Well, we took a couple of English courses.

DY: Writing?

PL: Yes, and at least one literature course. You had your electives. I took philosophy, sociology, and a lot of religious thought courses. But you are right, all of us probably took an extra six business courses and, in the process, got rid of science, foreign language, PE and history.

TS: But your religious studies are what give you a liberal arts base, I guess.

PL: Right, almost all my electives were in religious thought. That's when I learned that colleges will put any professor in a classroom if they don't have somebody, whether they know the subject or not. That was kind of interesting. Particularly in something like religious thought. Professors have preferences; and if the dean's mad at them, they put them in a subject they don't want to teach—where they don't know enough about it, so they're uncomfortable. I got to see a little bit of that at school. But every course was great because the professors—I think maybe because of the university that they were at—they turned to the students. I took a course on Christianity, which the professor knew almost nothing about. So during class he would always check and say, "Paul, is that right?"

DY: He liked to defer to you then.

PL: Well, in that particular course. But I learned a lot about the religions of the world. I think the world could be a better place if we understood more about the religions of the world.

DY: Really. We might not be involved in a war [in Iraq].

PL: Almost every aspect of our lives is so religiously based, regardless of what people say about it. And maybe that was Tony's inspiration, also that Jews generally being liberal, and Tony being a liberal evangelical. I don't know if he'd call himself a liberal, but I call him that because he didn't have an answer for everything. All his books reflect that; his teachings reflect that. And he was very funny. You know, when you're in college, you're like people being very funny.

DY: We do like that, anytime.

TS: Are you investing in real estate at the time you write the textbook?

PL: By the time I wrote the textbook I'd been in the real estate business for years. What got me into writing books was, after public accounting, I went to work for a real estate company.

One of my childhood friends said, "I want you to go for an interview with a client of mine." It was actually my brother-in-law's brother, who was a lawyer. I said, "I'm not interested in real estate. I'm not interested in making money." I was still interested in social sorts of things. When I was in public accounting, while I did some real estate work and worked with many other businesses, I did a lot of non-profits; I had a specialty in non-profit organizations. [My brother-in-law's brother] Jerry Rokoff said to me, "I'm not asking you to go; I'm telling you to go for this interview." I like to describe that to students: If you don't have a friend who will tell you you're a jerk once in awhile—or tell you to do something because you need to do it—then you don't have good friends. Because that's part of the relationships you build. I went to the interview. It was a small real estate investment company, Meridith Management. Larry Fiedler, the founder and president made me a job offer, and I turned the offer down. Real estate is such a money business, as many businesses are. They're really driven by making money. How much can you make? I still wasn't attracted to that. I turned the offer down. They doubled the offer, and I started work the next week.

I like to share that with students, another story on the serendipity of life. I already had an expertise in an area called private placements, which is the type of securities used to raise money for real estate, particularly in those days. So the first introduction to real estate I had, other than as an accountant, was working for this small company.

The president taught a continuing education course at NYU, like an eight-week course, and I sat through the course. I left the company within the year; the company had some problems. On one hand, I knew I'd probably get rich if I stayed. On the other hand, I was concerned that the company would collapse, and I don't want to be there when things get worse. Within a couple of months, I started teaching at NYU. The week before the semester started a faculty member was unable to teach for some reason, so a course opened up that fit what I could teach. I was now teaching a real estate course there, and that was one of those little serendipity sorts of things, the timing of that. When I first taught, I was like most teachers, where you lecture and you don't even like to take questions because . . .

DY: You might not know the answer! [chuckle]

PL: Right, you might not know the answer. And here was one of many times in my life where a female friend had a big impact on me: Jennifer Golub, a friend I

grew up with, produced commercials at the time and came to class one day just to listen. After class she said to me, "You know, you're really a fun guy. Why don't you just talk to people?" There are so many things that people help us with along the way . . . that wasn't the only time that someone gave me great advice.

TS: So you were just straight lecturing with your notes?

PL: Yes, and I was the youngest one in the class also. It was continuing education; almost everyone who was there was there to do a [real estate] deal, to make a million dollars within a year or two—and I'm teaching them how to do this. So age-wise, there was also some insecurity. I wasn't a professional teacher at all at the time.

I had a few teaching, speaking experiences when I was in public accounting. The managing partner once said, "That was a really good talk you gave. I look forward to hearing you talk about something you know about." I was assigned by a manager to give a talk on a topic that was relatively new at the time, which was computer service bureaus. Nobody knew about computers in those days. So I had to give a talk, and the feedback [provided me some] important lessons to think through: "Do you really want to give a talk on something you don't know?" Although the fact is that no one else knew either. But he knew that I didn't know.

DY: Paul, this is all very surreal. Someone talking about something they don't know about to people who don't know anything! [laughter]

PL: I had a lot of good bosses along the way, a lot more good ones than bad ones.

DY: It seems like you had people who were honest with you.

PL: Well, sometimes I think I seem kind of helpless, so people always try and help me out. That's part of this collaborative environment in your life—that people will tell you something, help you out. I'm sure I'll have some more stories like that before we're done.

So after being in real estate for a year, working at Meridith, I started my own business. [He was] someone I met my first day, in my first class at Penn, at 8 a.m.; we were friends. After college, he was a CPA also—got his license, left one of the Big Eight firms, started his first business, and the business failed. We were friends during the whole time. He told me how it failed, and I liked what I heard about the business and the way it failed. I liked the way he handled it, so we talked about going into business. We came up with a few ideas and eventually started a real estate company that, within a year, would be the largest real estate management company in the United States. It was a franchise company. We were twenty-six and twenty-five when we started the business.

TS: What was his name?

PL: Bruce Auerbach. We would raise about \$750,000 over the next couple of years to fund the business, hundreds of newspaper and magazine stories talked about the business and about the amount of money we were making. But we weren't. We were actually just breaking even at best. The most common number quoted was \$2.7 billion in real estate managed.

In 1982 that was a lot of real estate. Today there are a lot of companies that have billions of dollars of real estate. We didn't own the real estate; we managed apartment buildings, shopping centers, hotels, industrial properties through our franchises around the United States. That's how I kind of got into writing books, because our operations manual would eventually become a book.

I originally hired someone to run the business. He was the former head of the Housing Authority here in Atlanta in the early '80s. He didn't work out well; he was a great at hiring other people but wasn't a good leader or manager himself.

So I ended up being the president of the company. A PR guy we hired said to me, "You have to learn how to talk to people." I was an accountant. I said, "Well, I'm going to hire someone." He said, "No, no, it's your company. You have to learn how to communicate." And within a few months, we were getting national coverage, I was being asked to do interviews, and positioning our business in a way that people would buy our franchises. We had a cover story in the *Wall Street Journal* and got 200 phone calls to buy franchises and talk to us about the business. I started doing some TV shows in the early '80s. I played those yesterday in class—the end of Venture Analysis, my senior class. I played them videos from TV that date back to the early '80s through last year in about fifteen minutes. So they [got to] see me at their age, mumbling as much as I am now. I mumbled a lot more, actually!

DY: What changed in your style? When this person came to you and said you've got to talk to people, what did you do to talk to people? It sounds like in the past, you had a barrier up there?

PL: No, I just had to learn how to talk business. I had to learn about selling. There were no courses in selling when I was in school.

DY: Okay, so you're talking about content as opposed to delivery.

PL: Well, even the delivery. Bruce was definitely better than I was in terms of what I would describe, or what would be described in communication or selling, as the approach. Bruce came from a well-to-do family, so he could sit down and talk about racecar driving overseas and all sorts of fancy things. I grew up in a middle-class working family for the most part. And then when we got down to business, I would talk business. But it wasn't just about talking business; it was allowing people to believe in you. One of the things you see when you're asking people for money is they really need to believe in you. Jimmy Swaggart and Jim Bakker are really good models who understood that they weren't just selling

religion; they were selling faith in themselves. One of the greatest desires that people have is to believe in other people. Of course, this is why the world is really such a mess because we really need to believe in ourselves. It's okay to listen to other people, but we have to make some decisions for ourselves along the way.

TS: And when these guys self-destructed, it really caved in entirely because people lost faith in them.

PL: But they're still giving Swaggart a half million dollars a month—down from \$2.5 million a month.

TS: Really?

PL: I like to say, there's nothing wrong with forgiving him; there's something wrong with giving him more money. Anyway, to sell franchises, I understood that people needed to believe in us, and they wanted to believe in me. Here I am, twenty-six, twenty-seven years old at the time, so that's a real maturing experience. Some of the guys that I grew up with who were working in business—I would say, "What happens if the president [of the company] would die?" "We'd go out of business." "What would you do?" I'd ask. They'd say, "I'd leave." And here I was the president, so I understood about how to build a good team that would work together. Some of the most fun times in my life were building that company.

TS: What was the name of the company?

PL: The Prime-PM Corporation, or Prime Professional Management. Kind of a play on prime real estate and property management.

TS: This is very intriguing to me that a couple of young guys in their twenties can build such a giant company almost overnight. Real estate's not something new that's just emerged. How did you all do it?

PL: In the '60s and '70s, more millionaires were made in franchising than in any other form of business: Century 21, McDonald's. McDonald's made more money in the '60s than any other company; Century 21 in the '70s. There were no computer millionaires at the time we started this. Bill Gates was getting started within a year of when we were getting started. Subway was started by a college dropout—actually, he started it when he was in college because he needed to make money to pay for school. A friend said, "Well, you've always got to eat, so why don't you start up some sandwich shop?" The guy gave him \$1,000 dollars. The first [shop] didn't make money, so he opened a second one. The second one didn't make money; he opened a third one. He now had three, and he looked like he was a bigger business. In the last five years, the guy who started Subway personally takes out about fifty million dollars a year, his share of the profits. Fred DeLuca started that business. Every time I've met him, he still mumbles all the time. I think he's a great inspiration. It's good for people to see that you can



mumble, not graduate college, work hard, and still do well. So franchising is a pretty straightforward business. You're reproducing something over and over again in other cities while reducing your need for capital.

TS: The novel idea is the franchise of real estate.

PL: Real estate management. And the world was changing. In the past, the three of us might pool some money and buy a multi-family house, maybe five units. And one of us would manage it. Well, by the '80s, people were buying fifty properties at a time, and they weren't good at managing it. It was difficult to find good managers because real estate management was a completely fragmented business. It's no different than what Blockbuster did for the movie business or Waste Management did for the garbage business. We were just consolidating a business.

We identified people who were already managing property and sold them the rights to do business under our name so that a franchisee in Delaware would benefit from a franchisee in Detroit. They'd get to share their client lists, and lots of other information; we'd give them manuals on how to manage different types of real estate. It was really a classic franchise rather than what's called a hope and dream franchise—selling you something you know nothing about, but you hope it's going to be easy and you make money. We were selling conversion franchising; the people we were selling to knew enough to know whether it was a good investment or not. That was just incredibly fun.

I have a plaque in my office from my employees that called me the “Whiz Kid of Franchising” from a cover page story in the *Atlanta Business Chronicle*. *Venture Magazine* listed us as one of the fastest growing franchisors in America. It was really a fun time. I'm still friends, very good friends, with two people from that time—one that helped me started the Corporate Governance Center, and one who helps me do some of the [current] work in the Corporate Governance Center.

There are tremendous similarities between Prime-PM and the Corporate Governance Center; building is building. Building big things and how you put the pieces together is fairly similar and it is a transferable skill.

DY: And what time period is this?

PL: This is '80 to '86.

TS: So you're making a ton of money.

PL: No, no. Everyone's writing [that] we're making a ton of money. I'm making a living—and not a very good living. I was making more money working for the real estate company in the investment business than I ever made in Prime-PM. The money that came in went out to build the franchise, and the business would eventually be sold to a franchisee. We just couldn't build it big enough to make any of the type of money that we had hoped to make. Some venture capital firms invested in us, and a lot of individuals invested. We had a nice investment group,

too—a lot of nice people. But in franchising you need to grow big enough fast enough to keep your momentum so you [can] get to the point where you're making enough money to fund everything you want to do—your advertising, your training, bringing in new franchisees and customers.

I was inspired by Ray Kroc's story about how McDonald's was built, as well as the story about Art Bartlett, who started Century 21. A couple of people who worked for me used to work for Century 21. That company was started with eight thousand dollars and sold five years later for \$80 million. The opportunities were just incredible at that time. And computers—we didn't have a PC when we started this business. It was just coming out in '81—the IBM PC. So you wouldn't have bought one for a few years, and they were about \$5,000 at that time. That's how different the times were.

TS: How did you get to the South from New York—from Pennsylvania and that area?

PL: This is so funny, some of this, because part of the video I showed is from 1982, and it's me on a half-hour television show answering these same questions. Isn't that pretty funny? So we were watching part of this yesterday, and they're in hysterics—the students—because I had a full black beard and more and thicker hair. And I was a lot younger at the time and just as goofy.

DY: Except that you probably looked like a guru.

PL: Then? No, I looked more like a rabbi probably.

DY: A wise man at any rate, right?

PL: I don't know about that.

Developing the business in New York City—which is where Bruce and I were at the time, doing our research—we actually surveyed hundreds of people about the need for this business, doing the types of things that we teach in business school. It was pretty clear that a lot of people didn't think we should locate a national franchise company in New York. As you travel the country—and when I worked in the investment company, I traveled the country—it was also pretty clear that a lot of people don't like New Yorkers, and a lot of people don't like Jews. Now look at this in 1981.

TS: People don't like Jews?

PL: Yes, lots of people don't like Jews in 1981. We couldn't change one of those things—we were Jews. But we could change being from or in New York. At the same time, we'd get cheaper labor; we'd get people who are less interested in making a lot of money. Now in New York—everything is relative, but it was expensive then to live. You had to pay for parking. And you move down here, you don't have to pay for parking. We considered a few different cities, and Atlanta was just a great choice.

TS: So Bruce came down here?

PL: No, Bruce stayed there, and I came down here. Bruce would come down here to work once in awhile, but when I came down, I came completely for business.

TS: Did you flip a coin to see who was going to come to Atlanta?

PL: No, no, no. I already was spending 100 hundred percent [of my time] in the business. He was still in his family business for the majority of the time, and he helped me with things he could help me with. One of the best things he did was come to meetings with me. If you want people to believe in you, it's good to have someone else [at the meeting] that believes in you. See, there are two of you, [Tom and Dede], and it's really an honor to talk to both of you today. But it makes your project more credible that there are two of you instead of one of you, although you [Tom] didn't need any more credibility, and Dede would have been fine.

DY: That's right. He doesn't need [more] credibility.

PL: But it's very hard to build something big by yourself.

TS: So you came to Atlanta to continue the franchising real estate business.

PL: It was actually just to start sales. We'd completed all of our research, our development; now we were starting to hire and sell franchises. That took off pretty quick once we were down here.

DY: This is '81?

PL: This is. Actually, I remember moving down here when Reagan was sworn in, I was here on that day, so that's January of '81, right?

TS: Now, are you married at this time?

PL: No, no, I'm single.

TS: So you're footloose and fancy-free.

PL: Well, I worked a lot. I liked moving down here. See, in New York City you had to have money to date, for the most part. I lived in Manhattan at the time. But here, if you had a job, people thought you were attractive. That was very strange. Like you'd go out to eat, and full-time schoolteachers that were working as a [part-time] waitress wanted to date you because you had a job. That was a very strange sort of world at the time, to be out with people I worked with. They'd say, "Paul just moved here; he runs a business," or "One of the girls that works here is real nice and would like to date a guy who just moved here." It was just amazing at the time.

The problem was that I worked a lot. So someone setting this up would say, “Can you meet her at six?” I said, “I can meet her at eight.” They said, “No one’s going to wait around till eight.” But I was focused. I put my life in the business, and so I was single for a couple of years. I actually met the woman I married through my salesperson’s sister, who worked with her. She introduced us on a blind date, and in the fall of ’82 I married Marsha Diane Lanier. She goes by Didi, spelled D-i-d-i. I looked up when I got here about the spelling of your name, [Dede]. There are more Dede's than Didi's.

DY: Yes.

TS: So you met your future wife, Didi. Why don’t you tell us a little about her?

PL: She was selling convention space and rooms for a hotel chain at the time. One of my employee’s sisters was, I think, a trainer in that business. So they had met, and the sister fixed us up. I was two hours late for our first date because I got lost. She had a real estate license and had been a real estate agent. She was Miss Cobb County in, I think—boy, it’s hard to go back in years to figure out what year she would have been Miss Cobb County! I guess maybe 1978.

TS: We’ll have to go find a picture in the *Marietta Daily Journal*.

PL: I learned a lot about the South through her and her family.

DY: She’s a native?

PL: She’d grown up here. I think her father was from Mississippi. And here I’m really a New Yorker. When you heard my accent back then, you just totally [heard a] different world.

TS: Is she Jewish?

PL: No, she wasn’t a Jewish girl. We dated for quite awhile. She had done a little modeling and want to be an actress, I think, and when we got married, I said, “If you want to do it [modeling or acting], go do it.” She had a college degree at Georgia State, and she started working as a waitress. The first place she worked, during her first week, she gets picked up for a movie. She’s a waitress at the Holiday Inn on Powers Ferry—what *was* a Holiday Inn; I don’t know what it is right now. The crew for *Six Pack* with Kenny Rogers is staying there. So she’s waiting on them, and they offer her six weeks of work. It was like three little parts, including being a lighting person for—I wish I could remember who she was, a very famous star, too, the woman she was the lighting person for. She was also a stand-in, and she did a couple of other small movies. In fact, her brother was in *Six Pack* also with little tiny parts.

And then we had our son, August 2, 1983, ten or eleven months after we were married. That’s probably about as much fun as anybody can have—having a child. Although not everybody, apparently.

TS: What's his name?

PL: John. He's twenty-one. Actually, he'll be twenty-two in two months or so. That was the quick story on that.

TS: How did you get back into teaching again?

PL: Right when I started—let's figure out the chronology and timing of this.

DY: '80 to '86, when you are doing Prime-PM?

PL: Yes, the summer of '80 is when Bruce and I were first developing what we were going to do. It's in the summer of '80 that I went over to NYU before I heard that they might be looking for someone to teach a course. They have a very big real estate continuing education program, and I started teaching there in the fall of '80. I think actually I got my master's in August of whatever the summer session was. I wasn't even thinking about my master's at the time; I was just thinking there was this opportunity to teach over there. And then when I moved here, I used to fly up every week to teach a course at New York University. Actually, the commute from here in those days wasn't much different than the commute from Long Island to Manhattan. So I'd go up, do a couple of business appointments, then teach my class and take the late night flight home. That was actually very good for business. New York is a money center. You're there every week for two eight-week periods during the year, so you've got to make some appointments. That was really incredibly enjoyable, doing that. So I started teaching at a university in the fall of 1980, and I've taught straight through since then. I didn't start teaching full time until much later.

TS: I see. So this is continuing education courses. How long did you do that at New York University?

PL: Actually, I was still on faculty there and still flying up to teach as late as '93. By '92, I'd go up for a two-day course and teach.

DY: This is continuing education?

PL: Continuing education.

TS: Now, I saw you interviewed in the newspaper when Life University was having its problems a few years back. Did you teach some courses there?

PL: Yes, my first full-time teaching job was at Life College; in December of '91. I stayed for just under two years. Someone that was on my son's soccer team, his father taught at Life, and he said, "There's an opening over there. They're starting a business school." I'd never even heard of the school, but I knew I wanted to teach.

By this time, I was a single parent. Didi and I were married for just about four years. She went to New York to go pursue her acting career, and I was raising John, which is much more of a lesson than anything I've told you about so far for most men becoming a single parent. So I thought teaching would be a great thing to do. I remembered that was kind of my dream when I was younger. I would just do it sooner because it would give me more flexible time, and I could be home more with my son.

I went for an interview, and a few months later they hired me. I was writing books in the meantime. That was really a blast. What a great opportunity to teach at a relatively small school. My classes had ten to twenty students; I taught twelve different business courses there. I didn't teach all of them great, but when you only have that many students, it's amazing how well you can do. It's almost like studying everything in undergraduate and graduate school in business again.

TS: I bet you learned a lot doing that.

PL: And I had the same students in almost every class; I'd have the same students three times in the same day. So you have to develop different teaching styles. And actually, some of the coaches there helped me with that. Most of my students were scholarship athletes, so I'd go out to lunch with the coaches and just hang out. It was a tiny school; it was really enjoyable. I'd go to the games, and it really gave me the opportunity to experiment a lot. I think a lot of people, probably after they get a Ph.D., don't have that freedom because they need to impress somebody. There was nobody I needed to impress over there. I was the only business professor, and then they started hiring the part-timers. But I knew I had to get out of that, that I probably couldn't stay for more than a few years until it would fall apart.

TS: You realized that then?

PL: Yes, I realized that. Now, prior to going to Life. in the late '80s, two investors of mine at Prime-PM offered me a job to raise money for them for their company. I had already been offered [positions] to raise money for some other companies, and these were very high-paying jobs at the time, where people would make \$250,000 to \$750,000 for giving a talk. Every professor could do well if they wanted to, giving the same talk and answering the same fifty questions. I didn't think I would be good at it, just like I didn't think I was going to do the PR and promotion for a business. I'd always said, "You have to be able to find someone better than me."

These two investors, Ivan Bloch and Paul Zlotoff, had given me \$125,000, and they thought that if I could raise money from them, I could raise money for them. So I went to Detroit and started traveling for them; maybe the first time was in '86. The first year I raised \$30 million for them; the next year I raised \$66 million for them. These two partners split up, and Ivan offered me a partnership in his business. He was moving to New York, so in 1988, I moved to New York

with my son. Part of the motivation for that was that his mom was in New York, so I thought it would be good for him to be by his mom.

Ivan Bloch was a fascinating man. He was probably worth \$25 million dollars on paper when I got there, and within a year and a half, he was bankrupt, which is a very New York thing to do—to have money on paper that is going to be worth nothing soon.

One of the things I see about people down South, for the most part, is they're more interested in being able to pay their bills than how much money they have. Having a lot isn't as important as being able to take care of my family, much more social orientation. And part of it is the cost of living was great.

Ivan Bloch—before he went bankrupt, he owned nine different houses that somebody was living in, a spouse, son, daughter, girlfriend, you know. Two of the houses were almost \$10,000 a month, so it was really quite a lifestyle. I met a lot of movie stars: Sean Penn and Madonna, Susan Sarandon. Liza Minelli, Christopher Walken, Melenie Griffith. I got pictures of me with Robin Williams and Peter Max. I met probably dozens of movie stars and politicians with their wives and girlfriends. Rich people attract a lot of other rich people. It was really a fun time.

Bloch owned Sardi's Restaurant in New York City. If you've ever been up to the Theatre District, it's the most famous independent restaurant in the world. Just really had a blast in a lot of ways, but he overextended himself in almost everything he did. That was a good thing to see in a lot of respects, too. It was one of the more fun times of life, but I've been fortunate in most of my career of making fun no matter where I was.

TS: So he goes bankrupt, and you come back down here.

PL: I actually stayed a little longer. Deloitte and Touche, one of the now Big Five accounting and consulting firms, offered me a partnership in the real estate practice area. Before we could consummate that agreement, the firm merged with another firm, so [my offer] was withdrawn, which worked out just fine. I became a consultant to Coopers & Lybrand, now PricewaterhouseCoopers. They paid me to do full-time consulting for the firm in their real estate practice. They wanted to use my name from the books that I had written to promote their business. Then I came back after that. Something dawned on me when I was there for nine months, and I said, "You know, you moved to New York to be a partner for a real estate business. You move to New York because John's mom was here. But Ivan's company and Ivan went bankrupt, and John's mom moved back to Atlanta. It's really expensive here. Why don't you move home again?" All the time we were there, John would pray that the house [in Georgia] wouldn't sell—I had rented it out because it didn't sell. He wanted to move back here, and he wanted his bar mitzvah in the same temple we went to before we moved up there.

TS: Which one is that?

PL: Beth Hallel, a Messianic Jewish congregation. At his bar mitzvah at age thirteen, I told that story about kids and their prayers and how annoying they can be sometimes. [chuckling] I sure wanted the house to sell, but he was able to get something he wanted from the time he was—I guess when we moved up he was five, and when we moved back he was eight years old.

DY: So only three years then?

PL: Yes, three years to the month, and I rented my house almost within three or four months when it wasn't selling. One person rented the house the whole time, and another friend of mine who's in that business took care of the house the whole time. So I didn't have any aggravation. I made a lot of great new friends in New York, single parents, for the most part, because I was a single parent at that time, and that's the little world that you live in.

TS: So how do you get to Kennesaw State?

PL: I wanted to get out of Life. I was learning how to teach, but I also had already taught at New York University and at Columbia University for a semester. [I started at] New York University part time, and then I taught a graduate course at New York University for like a year and a graduate course at Columbia University in 1991.

I really liked teaching. I knew I really liked it because [after] one of the courses, I got really bad reviews. I think that's the way most teachers learn if they really like it, when you get some negative feedback, how you take it. You can take it by learning from the feedback, withdrawing, getting angry, or giving up on teaching. I was fortunate. After I had already decided that I want to continue teaching, one of the students at Columbia University said, "By the way, you're the only professor in the program who grades the papers." The program I taught in was a pass-fail graduate program, so the professors, which were about 90 percent adjuncts like I was, didn't return their papers. I was glad I didn't know that before I went through that whole thinking of "how do you deal with that kind of negative feedback?" I had some wonderful students there. I had some super-rich students who would say, "I didn't deserve a C because I did a lot better than that." I said, "Did you look at any of the other papers?" "No." I said, "Well, you'd have a better argument if you looked at some of the other papers I graded before you challenge that." But they were the children of some very rich people in New York City. New York is a big real estate town.

But it was fun teaching there; it was fun teaching at NYU. I kept doing that, and I knew I wanted to teach—partially because I was a single parent and partly because of my childhood goals. I was going to do it, and I needed to stop traveling so I could be home with my son more. So I came up and met Tim [Timothy S.] Mescon, Ralph [W.] Frey, and Mike Curley. After teaching at NYU



and Columbia, I figured I could teach finance and accounting; I might as well meet the dean, and he was just up the road. In fact, after Tim and I met, he went over to go take a tour of Life College. [Dr.] Sid [E.] Williams gave him a tour over there just in terms of good, neighborly experience. A year later, there was an opening here [at KSU]. I think it was the day after Mike Curley said, “You’re never going to get a job here because if we have the money, we’re going to hire someone with a Ph.D.”

TS: Yes.

PL: The next day I’m reading the *Chronicle of Higher Education*, and there was a job. I could teach all those courses in the management department, so that was amazing. I called up and checked up on what their thoughts are—to make sure it was a real job. Two hundred [individuals] applied, and they interviewed five people. I was told later that they had already told two people who were working here that they were getting the job. So, in a sense, some one had to lose a job for me to get the job.

DY: What was the position?

PL: Just an assistant professor of management teaching general management courses at the time. That was the first time I had ever had to audition for a job. They had us teach our colleagues on a course. I was as nervous as can be, and one of my good friends said, “Look, you did a seminar for my company. Just talk to them the same way you did for me.” What I learned at Life wasn’t enough for me to do my own audition here. It was really good advice he gave me.

DY: What class did you have to teach?

PL: I was actually teaching five professors, and you could pick whatever you want.

DY: So it wasn’t a real class.

PL: Right. You could pick what you wanted to talk about. In that situation, even though they had supposedly told two people they were getting the job, it was really kind of unfair to the professor who lost his job. I had been doing not just adult education, but professional education, and now that I had this thought to talk to them the same way you do in professional education—you’re talking to adults, and you’re able to talk to them on a subject that they know enough about to really stimulate some interest. So the goal wasn’t really to be a great teacher that day, it was to get the job. So you would have adapted what you would have done, necessarily in a classroom in terms of development, so that you would touch people. And one of the questions to me was, “How do we know that you’ll be this good every day?” And I said to the woman who asked me this, “Did you ask your husband that before you married him?” That was enough for her.

DY: So she didn’t ask her husband?

PL: She didn't say that then, but I didn't know she was going through a divorce at the time. But I did what teachers are supposed to do, connect with people. And they offered me a job that afternoon. So I came over here. It was a really big bump in pay, and I was going to teach the same courses over and over again as opposed to twelve different courses in less than two years. I knew that I had to move up, and that's how I came over here in the fall of '93, the same time that Dana [R. Hermanson] came. Interesting, because during orientation, who am I sitting next to? Dana and Heather [M.] Hermanson. The man that I started my first business with, I met my first day in my first undergraduate class. There are a lot of similarities between the two of them. If you want to build things, you've got to find people who are different from you that have complementary skills. At the time, we had no relationship whatsoever; there was no thought or any knowledge that we would do this.

DY: So another little serendipitous situation.

PL: Right. Yes, I would say the world puts enormous opportunities in front of you if you're open to find them. If it wasn't that, then it's going to be something else. No matter how bad things are, you'll always find some silver lining, as they say. There are always good things waiting out there, even if you're in a crisis.

TS: So you're here two years, and you form the Corporate Governance Center, correct? '95?

PL: Yes. The first week in June, it'll be our ten-year anniversary. By then, I hope I look up what day exactly.

TS: So not quite two years when you formed that. How did that come about? What's the inspiration for creating it?

PL: Isn't that amazing, how long it is to get to that topic?

TS: Well, the background's important to understand where you're coming from.

PL: I had been interested in governance probably since the time I got out of college. One of the things you learn at a place like Wharton . . . Donald Trump, Mike Milliken [Drexyl Burnham Lambert], Ron Perlman over at Revlon—you have a lot of people who have either been indicted, almost been indicted, or should have been indicted who were alumni of mine. I always say, I was a failure [by some Wharton standards] because I've never been indicted.

I was interested in the subject. When I worked on non-profit clients in accounting, you get to meet board members and senior managers. When you work on for-profit companies, you only see lower-level employees. So I was already stimulated by that. And I've always had an expression: "Start at the top; stay at the top. Start at the bottom; you've got to climb your way up." Starting my own business, you're at the top when you start it. I had my own board when I had

Prime-PM, so I understood the power of a board of directors. I was writing on the subject probably since maybe '91 or '92.

I started writing on boards largely because the real estate business, which had been largely fragmented, was now getting organized. Real estate companies were now going public, so I was able to use [my experience in] writing for the real estate industry to now write about forming a board of directors. I was writing about a management topic for the real estate business. What I wrote for real estate publications started getting picked up in mainstream management publications. In '93, I went on the board of a public real estate company, and I had been on the board of another public company when I was in New York. So I also knew the board issues, the board of directors, and that kind of fancy world from a business point of view.

In 1993, I was consulting with a company to take it public and I went on the board when they went public. Very quickly, the CEO said, "You know, our goal was to get to \$300 million in three to five years. We got here in a year and half. Now what do we do?" I said, "Let's have a retreat." He said, "Why?" I said, "I don't know why, but I know if we get together and we hire someone to facilitate us, and we talk about it . . ."

At that retreat, I said, "You know, it's time for me to do something big again." I never thought I'd do something big again because it was very painful after Prime-PM. While I sold the company, I sold it for very little money, and at the same time, I was going through a divorce. So I had a lot of pain and didn't know if I'd ever make a living again. I didn't succeed at Prime-PM, even though I had a lot of good things come out of it for me. The investment that we made, we lost. My investors lost their money, and it was just a difficult time. I'd been in New York, and the guy I worked for went bankrupt and got sued; so you're going through some difficult things along the way. But at that seminar, I said, "You know what? This company—I took them public. I got credit for taking them public, and I'm sitting on the board. I'm now at a meeting because we achieved our five-year goals within two years. And I'm thinking, maybe there's something here worth doing. Maybe I should do something bigger."

At the same time, a man named Bobby [W.] Vick, whom I had known since 1981 when I moved here, was a partner at Price Waterhouse. And he said, "Hey, could you meet me for dinner at the Capital City [Country] Club? I want to talk to you about a business idea." We talked about his business idea, and I said, "That is so dumb. Remember years ago, we talked about something related to audit committees and board of directors, and you'd been interested in that? Why don't you do something like that?" Then we started talking—this is the last week in May of '95—we started talking about it, and I knew I couldn't do it by myself. Bobby was outside [of KSU], and I had heard Dana present a paper on boards. Listening to that paper, I could tell he was a really smart guy. So I said, "Maybe I'll see if he would be interested in it." Actually, I asked five people who knew

Dana what they thought about him because I also knew the importance of having a good partner and who you associate your name with.

And Bobby, Dana, and I met for lunch the first week in June of '95 and just talked about what we might do. We said, "Let's noodle it around for a week or two, then call each other and see if we want to do something." We didn't know what the name would be or exactly what it would focus on in the governance area. But the next day, everybody called everybody else and said, "Let's do it." We were all touched in some way to do something.

Within a month or so [of that], I remember telling Kevin Solomon, my rabbi's son, "I feel the hand of God in here." Now, I didn't tell that to Dana for two years, and Dana didn't tell me something for two years because we were both courteous enough not to drive the other person crazy. If I told him that, for most people it would feel strange to them. But at that time, there was no governance center in the United States. There were only four schools in the United States teaching governance in any formal sort of way to professionals—and we were just about to jump on a wave that was about as big as any academic wave in history.

But that's the humble beginnings in the summer of '95. We asked Gary [B.] Roberts to help us. And Heather Hermanson. We put together a draft of what we value, what our goals were, what type of programs we might have, and who we could get involved to help us. Within a couple of months, we came up with a statement that we agreed on, our vision, values and programs. And within a couple of years, our basic vision came true, the Center was nationally recognized as one of the leading providers of corporate governance information to directors, CEOs and other senior executives, researchers, professors, advisers and the public.

I would say during the early years, I could hear the marketplace talk to me. I've always said in business that I've met people who I know the marketplace was talking to them. Not like they're hearing an audible voice, but they could see things that other people can't. If you're competing with someone who's slugging it out in the marketplace—they're always trying to figure out what's going on—that person's almost always going to lose. There's a young guy here in town, the youngest MBA out of Emory who's very successful. I know the first time I met him, I knew the marketplace is talking to him in the business area that he's in. He knows as much as, if not more than, anyone else in the marketplace. And that's where I was in '95, '96, and '97. The world responded to us. The National Association of Corporate Directors joint-ventured with us; executives from ten or so different organizations joined our advisory board—leaders in the field, including three former White House officials. Bill Seidman, who worked in three administrations and who's the chief commentator on CNBC and also the publisher of a publication called, at that time, *Bank Director*. Now he has a second one called *Corporate Board Member* that goes to 50,000 directors and CEOs every quarter. So it was a good relationship to have. A former SEC official . . . many others, clearly these people were the pioneers in our field.

DY: Hopefully not Watergate.

PL: Seidman might have been around about that time, but I think it was before his time. The market just responded to what we were doing. We held our first public director education programs in '96 and took in eighty to one hundred people over the course of three days, with the help of John Nash, the president of the National Association of Corporate Directors, and Ronnie Zall, the director of education.

The *Wall Street Journal* wrote about a story that I broke in the fall of '95. So really, just a few months after we got started, that cover page resulted in about forty phone calls by other media outlets. Other papers wrote about [how] we were the first center of its type and always linked us—because of good timing—with Harvard, Wharton, Stanford and Northwestern. Those were the four schools that were there [in director education] before us, all were and still are top twenty schools. Over the years, we probably got twenty or thirty pieces that link us with those schools, which in terms of positioning, is part of what you're trying to do when you build a program.

By the winter of '98, I think, I had four people that I thought were interested in endowing two chairs for us at half a million dollars apiece, and the school had said they weren't interested. They were interested in Dana having a chair but not in me having a chair, [possibly] because I [only] had an MBA. At that point, we started to actually reduce a lot of our programs because if you've got to fight to go forward . . . It was just really tough.

TS: What I really wanted to ask you about is whether the administration at Kennesaw was supportive—enthusiastic about the idea of creating the Corporate Governance Center?

PL: In the beginning, their support was terrific—from both of our department chairs, because we were in different departments.

DY: Dana was in accounting.

PL: And I'm in management.

DY: Who was your chair?

PL: Teresa [M.] Joyce. [Currently, dean of graduate studies]. They were very supportive at the time. The Executive MBA Program was just in its early years, so in terms of building a national program in governance, which is a top management subject, it was great for school publicity. That support probably stopped within two years or so, and not just in terms of publicity.

I mean, [Dean Tim] Mescon brought us Promina [WellStar], which was interested in the governance center doing a study, which we did for a year and worked with their boards—we helped Promina take five different boards of directors and make them one board. They needed outsiders to legitimize what they were doing and

help them with the process. But that [relationship] brought in ultimately \$300,000 to the school, and, actually, an entirely new position was created. A new faculty member came in after that because they had also asked us to do some integration and operations consulting. Promina's CEO asked me if I would do that work, and I said, "I don't really want to do that." So I proposed it to a few other people at the school, and they eventually brought George Manners in with the money that came from that program. I think it funded him for the first full year or two. So it was really good for the school.

We were out in the marketplace doing work with Oglethorpe Power [Corporation] and all of the companies over at the [technology] incubator at the Advanced Technology Development Center. We still, to this day, do *pro bono* advising with them on governance matters, boards, and advisory boards. So early on, I thought the school was very enthusiastic about it. I think there were a few things that turned some of the administration neutral and some against the program in late '96—just a year and a half into it—and then more so in '97. By that time, I thought that there were more than a couple of people interested in endowing our program, which would have been the first two chairs of corporate governance in the United States. That would have been a very big hit. Now there is one [chair of corporate governance]. Charles Elson, one of our professional friends—and actually someone who's involved with the center from the beginning—got a chair at his school [University of Delaware], which was the first chair of corporate governance.

Dana and I were pretty focused on thinking through how you build things from the early years. He had not built anything before like this, so in a sense he was both a partner and my advisor. And, as your meetings with him told you, he's very thoughtful. He has been a great partner and advisor. His father was a Regent's Professor [at Georgia State], so his father would give advice on things that made sense, didn't make sense, and the political environment of the university.

TS: You've got a couple of years where you've got great support, and then does it become lukewarm support after that?

PL: Well, it depends on who it is at the university. Tim's still on our advisory board, and Betty [L.] Siegel's on our advisory board. I always give my advisory board an opportunity to leave every few years. Of our twenty or thirty advisory board members, most are governance people around the country. The last time I [provided that opportunity] was about two years ago. Betty's secretary called within minutes and said, "No, no, Betty wants to stay on the advisory board." Tim's secretary—or Tim—said to me, "Tim doesn't know." And I still never got an answer on that one, so we left him on the advisory board.

TS: So while you've got your dean and your president on your side—that's pretty significant.

PL: Well, the dean hasn't been on my side since the fall of '97, which is kind of an odd thing—that he'd stay on an advisory board [when] he would like the program to disappear. And actually, they've done some things to try and get us to close the center down, which is why—you probably heard—Dana left the center about two years ago. We talked about closing the center down for many years because of some of the struggles internally. In 2003, when he made that decision, I completely supported him. I think it was the right decision for him, and we still talk about it now. And I think it was the right decision for me to continue with the center.

TS: So you see the center going on indefinitely?

PL: Well, the center could prosper indefinitely, or it could easily move out of the school, and that's another subject—to do something like what the [Cox] Family Enterprise Center did. They have a family enterprise center at school, and then they have a family business consulting group outside of school.

The [governance] center is very well known nationally—what we do in scholarship, teaching and service—from well over a hundred unique press stories every year plus the positioning with a lot of these other schools. It's very difficult to run a center. Actually, there's an article in the *Chronicle of Higher Education* on program building, and the negative impact it sometimes has on academic careers. It's very hard to continue with a center when, at least for five years now, the school has been trying to have me teach four courses a semester. It's very hard to do that and run a center.

TS: You are teaching eight courses?

PL: This year I taught three and three, but this comes up every couple of years. Then we go through e-mails and fighting, and I've only done it two semesters.

TS: Were you teaching two-two?

PL: No, I think I had one year that I taught two-two, but mostly three-three. A three-three, it's manageable.

TS: But having a center and having a three-three is really . . .

PL: What was sad to me was that Craig Aronoff hadn't taught a course in nine years while he was running a multi-million dollar consulting business outside of school on school time. It was a big thing in the department, the battle over that. There were many people in the department who were very mad at Craig, particularly the faculty with Ph.D.s, because they felt they were carrying his load. Joe [Joseph H.] Astrachan was teaching three, where normally, he would teach four, but he had made a deal when he came here to teach three courses, I believe. So there's been a lot of resentment about the Family Enterprise Center, which was in our department.

TS: Joe was teaching a three-three?

PL: No, three a year as opposed to four.

TS: Oh, three a year. That's a little different.

PL: And there was a lot of resentment for the privileges they had by a lot of the colleagues in the department. Some of that would be directed towards me, because I was able to teach a little less some years because the center had money to buyout courses. Also because I was building something that some people may have thought that an MBA shouldn't have been building. So that led to some real problems in '97 and '98.

TS: Okay, now you say you were buying out your course. So what were you teaching then?

PL: One year I taught two and two; I only did that one year. But most of the time, it was what would be three and three.

TS: I know I've got a two-two now, and running the Center for Regional History and Culture, I feel like I'm working all the time.

PL: I work a lot. I've been single since my divorce so I . . .

TS: I don't see how anybody can do three-three and run a center.

PL: There is no one else running a center in the business school that teaches more than two-two, and one's a chair; he teaches one. Craig taught zero for nine years. Even Ed [Edwin A.] Rugg said to me in a conversation years ago how absolutely impossible that is to understand [Craig not teaching any courses]. It would be one thing if you were running the center. But you're running a center *and* you have a consulting business where you're spending almost all your time making hundreds of thousands personally outside the school. Nothing wrong with doing some work outside of school, but there's a limitation to it. So that happens to be an ongoing battle that I still have with the university.

TS: So you've never really been on the scholarship track in the business school.

PL: I was on the balanced track for eighteen months; that was to justify me doing three and three because that's the balanced track of the business school. I published three refereed articles—had those accepted or published in eighteen months—but they refused to let me stay on that track. They put me on the balanced track because they wanted to show that I couldn't do it. Well, when I did it they said, "You can't stay on it." The reality is that there are a lot of things universities can do to drive you a little crazy if they want to. As one of the chairs in the business school said, "My first few years, I couldn't do anything wrong, and the next few years, I couldn't do anything right."



Fortunately, the last few years the governance center is doing very well. Professionally, things are going very well, and my health is good.

DY: Is that where you think your intellectual interests lie, in the governance center?

PL: I do more work in governance than any other subject. In the last year, I got calls for six or seven expert witness cases, which is something that I hadn't done for about twenty years.

TS: Is this where you're talking about providing litigation services?

PL: Litigation services, yes. I did some years ago. Dana gets calls for these also. Part of the reason I didn't accept it was just stress-related between running the center and also the battle going on with school, in terms of my course load and changing rules. But a couple of my colleagues, Bobby Vick in particular—who is a co-chair of our advisory board—said, “It's worth trying it. See how you feel about it.” I just finished a very big project for an Alston & Bird client, and it was really a blast. And then I did a tiny little project and it was really fascinating in terms of the intellectual stimulation. This is very serious research that you're then going to be asked, “Is this right?” by someone who wants to prove you wrong. So that's been very enjoyable.

I still have another program in me. I don't know what it is, but I told my mom and I told Dana that I'm going to do one more thing before my career is over. I became a national figure in the real estate business and widely published in the governance area, and I can see that I'll probably do another one at some point.

TS: Good for you! Let me ask you about a few things that you've got on your resume that I'd like for you to explain. You list that you're a member of the national faculty for the National Association of Corporate Directors. Can you explain that?

PL: The National Association of Corporate Directors is the only organization in the country that is a membership organization for people that are directors or who are interested in board and director issues. It has probably grown since we have started the center from, say, two thousand to twelve thousand members. Because of Enron and WorldCom and Tyco, people started joining that. I happen to be on their advisory board. Actually, I'm not on the national faculty now; that was a few years ago. I'm on their national advisory board and the local chapter's advisory board to address governance issues. I write for one of their publications on various topics; I have probably a dozen published in there. I speak at their national conventions and give them advice on various topics. So that's one of the pivotal organizations—maybe *the* pivotal organization—in the governance field for professionals. You'll see directors of the largest companies in America and worldwide show up there, as well as many small companies also. You may have six hundred people show up to a conference. Quite an interesting group because the average pay for a director is \$60,000 to go to maybe four meetings a year.

At big companies like Coke, it could be \$125,000 to \$150,000 a year. At a few companies, it's \$300,000 a year, and that's to go to six to nine meetings a year. So the subject matter is not only interesting, it's very rewarding. And that, of course, had some attraction to me both intellectually and as a Wharton graduate like Donald Trump, Mike Milliken and Ron Perlman . . . You know, money does have *some* attraction. Even though I wasn't interested in making a lot of money, it's not a bad thing, particularly when you are a professor.

TS: The Center for Board Leadership Blue Ribbon Commission on Audit Committees. What was that about?

PL: The NACD [National Association for Corporate Directors] picks a topic every year to study and [then] issues what we would call a white paper—one hundred pages or less—on how to improve something in the governance area. Audit committees was the topic that really got us together in '95—Bobby Vick, Dana and myself. And when they were putting together that commission, I was asked by the then-president if I wanted to be the chairman of the commission. And I thought, "It's easy to say no," because the commission before mine had a professor that was fighting with his school, and the same president said, "Should we remove him from the commission?" He didn't know that I was already fighting with my school because it wasn't in the press yet. So I sure didn't want to be the chairman of a commission that could embarrass the NACD or myself.

I got Dana on the commission, and Bobby and five other people that we worked with, and we had been studying audit committee issues at a time that it was getting a lot of attention—although nothing like it would get a few years later. For me, that was a great professional experience, and I was a sub-committee chair over there. For Dana and many of what I would call the more serious academics, these kinds of commissions and study groups are very common. But that was the first thing I had done like that professionally.

TS: You list service on several boards of directors like Sun Communities Incorporated. Are you still on that?

PL: Yes, I'm still on the board.

TS: What is Sun Communities?

PL: Sun manages real estate. It's what's called a real estate investment trust. It went public in December of 1993. I was involved in taking the company public as a consultant beforehand, consulting with them, while I was teaching at Life. The company had about \$20 million in assets at the time and was thinking of going public at \$20 million. We went public at \$100 million, and now Sun owns about \$1.2 billion in real estate. It's a fairly big company. It was really fun.

The principals had asked to meet with me for several years because I raised money for one of their competitors in the mid-'80s, and I wouldn't meet with them because I was still under contract from their competitor. Of course, saying

“no” is always a good relationship builder. People would say, “No one’s going to know.” And I said, “People always know. It doesn’t matter where we meet, people will know.” And when I was no longer under contract, they were still interested in going public. We met, and I figured they had about a 50 percent chance of going public. They heard this from me. I met with the principals there, and it’s not an easy thing to convince people to give you \$20 million or \$100 million or now a billion dollars. They were incredibly successful. But one of the things I did was not only teach them about going public, but how to talk about going public—kind of the same things that I learned running my business and then raising money for other companies. I developed a model on how to raise money—to understand what words, what sequence, and then to develop your own talk. Gary Shiffman, the CEO, is a much better talker than I am now. He was one of my best students relating to money that I’ve ever had.

TS: You’re probably making more money on these boards of directors than you are at Kennesaw.

PL: Not quite. But I’d like to.

TS: And then you mentioned Board of Directors Network, Inc.

PL: The Board of Directors Network—two of its founders came to see us when we started the governance center. I think I may have seen a promotion for them, and they came up to school and met with Dana, Heather Hermanson, and me. The network is a group of women—particularly at that time in ’95, a very small group of women—who believed that there should be more women on boards.

I remember at the end of the meeting, I said to Dana, “This is one of those things where it’s easy to think there’s no fruit in here. This is one of those odd times which this relationship is going to be very fruitful.” And I’m very interested in the topic; I’m sure that’s, at least in part, because of my sister. So we developed a very good relationship. I got on their advisory board and then their board of directors. It is the first organization in the United States whose sole purpose is to increase the number of women on corporate boards.

Today, there are six organizations, and they publish a joint study. I actually brought you their last study on women on boards and minority women on boards. One of the things that was really interesting about it was being in a boardroom with just women. I was the first male member (it’s a membership organization) and the first male director. Last year, we elected another man to the board. I’d read a lot about executive women being different when we’re not around. There’s a lot of literature on that subject. But it was really funny, too. After awhile when I was no longer there, as often happens with women on a board . . .

TS: They don’t perceive you as being there.

PL: Yes. And to experience some of those things, like being minimized . . . I was a subject matter expert to them, but I was a guy. And I got to see some of the

things that women experience in the boardroom and in some workplaces. We talked about it; we talked about it at the meetings. I would get to the point that I would say, “Can I give you a male’s point of view on this?” Because there really was a different point of view on some issues. I wouldn’t think it would happen very often in a board, but I guess it would where typically, if you had one woman on a board, the things she’s most likely to speak up on are things sometimes that guys just don’t get.

There are a lot of Georgia companies that still don’t have . . . maybe 60 or 70 percent of boards have women on them, but it’s often one woman on a board. As you go nationally, women hold only 11 percent of the board seats of all public companies. Yet, they are much more than 50 percent of the purchasing power, so there’s no logic to that whatsoever. Part of that comes from really odd sorts of things. When people are looking for a director, even this year, they’re looking for someone like themselves, maybe someone who likes to go hunting. Now being a board member of a public company shouldn’t have anything to do with going hunting. There are still tremendous social functions in a lot of the older company boardrooms. You’re a lot less likely to find a woman that’s a hunter than a man, so there’s still a lot of discrimination in the boardroom against women and minorities. The percentage of minorities on boards is miniscule. That was a subject that was a natural for me, and I became very passionate about it.

TS: So your goal is to make companies aware that these are the people out there that they might want to take on their boards?

PL: Yes. I think there are enough qualified women candidates that any board of any company, when looking for a director, they have no reason in the world not to look at women directors other than the fact that they are discriminating. It doesn't mean they're going to pick a woman, but there are enough women out there. I gave a speech to four hundred or five hundred women with a few guys in the audience. The goal of the organization is to have as many women as there are in the workforce represented proportionally by as many women on the boards. In this state, we have maybe 5 percent of the board seats [belonging to] women. That’s half the national average, which isn’t surprising at all. The goal isn’t 10 or 20 percent; the goal is that it reflects the number of women in the workplace.

One of the great lies that people say is that “women aren’t qualified to be on the board.” It seems to me that my son would have been qualified to be on the board of Enron, WorldCom, Tyco, Adelphia, Global Crossing, so how could a woman not be qualified? In other words, “women aren’t qualified to commit fraud” is what seems like that argument was. I’ve done a lot of interviews on this subject, and the reason women were kept out of the boardroom—and you actually know, probably from your childhood and noticing this with your mom—is that women ask more questions.

And women also do their homework. We see, as professors, that women often come more prepared to class than men do. And you see it in the workplace that

women also do a better job than men do at an awful lot of entry-level and middle-management jobs. I don't have enough evidence moving further up the chain of command. So women are not only going to ask more questions, but they're going to be more prepared to ask those questions. They're going to do more homework, just as mom did when she said, "What'd you get on the test? Let me see it. What's your homework? Let me inspect it." Whereas most fathers are more likely to say, "How was your day? Fine. Okay." There's much less interaction. I watch this with CEOs and board chairs of very large companies who say, "I'm not good at asking questions, but my wife is." So you watch a lot of men—older men, men our age and older—that really understood that. So putting women on boards meant that you were going to rock the boat a little bit because they are going to ask questions. Also, I think a lot of men don't want to feel like their mother is on the board—that kind of reaction. We still have a big problem in that area, with the excuse is that women aren't qualified. But I think all the evidence is that women are imminently qualified. There's a CEO who said that there's no woman qualified to be on his board. The next three years, his stock went down about 80 percent relative to his peer group. And a nun actually reprimanded him in the press for that statement.

DY: What is the benefit, then, of having women on the board? I mean, you said his stock went down. Is that because he hasn't tapped into what women might know and bring to that table?

PL: Well, a woman might have told him not to make that statement in the first place and that it's not good business to fight with a nun. But the fact is, when you're not open to feedback, you're going to make a lot of mistakes. His statement that half of the country isn't qualified to give advice probably was reflected in other bad thinking and poor decisions.

There's definitely movement in the right direction, but it is incredibly slow.

TS: Let me make sure I understand this. The Board of Directors Network is primarily educational then, to educate corporate folks to the value of putting women on their boards?

PL: Yes. The Board of Directors Network's primary purpose is to increase the number of women on corporate boards through education. They do some research on corporate governance and publish an annual study on the number of women on public companies in Georgia. So they do some of that, but largely [they do] education and advocacy. The study is sent to every CEO in the state every year, and they go visit with CEOs and directors.

I don't know if you remember the cover of the Sunday *Atlanta Journal Constitution* probably three and a half years ago. The cover was a picture of the SunTrust board, and the headline was: "No Women on Board." The next week there was a woman on the board, and two and a half years later, there are now two women on the board. People respond to embarrassment, which is really kind of a

shame. I'm really more aggressive than most of the women on the board, and that's probably because I'm not a woman. So I'm able to say, "Why don't we just picket a few companies? Why don't we really blow this [situation] up, kind of Martha Burk-style?" And these are all executive, professional women who, understandably, don't want to mess up their careers at the same time.

I get a lot of credit for it in terms of the marketplace, but there are times that it's kind of interesting that I'm more aggressive. I am happy to defer to them because it's their battle. It's *our* battle. I just wrote a two-page white paper or statement on why there should be more women on boards; we've been working on this for years. It just got published, and it ends with something about [the fact that] our daughters and our sons are watching us. It's hard for women. You look at the amount of problems in young women in America because of objectification and other issues. It's easy to see, Britney Spears and the craziness of the world. [It affects] both boys and girls, but particularly the girls, I think. Having women role models is incredibly important.

DY: Woman as a commodity.

PL: That's a big issue I've worked on with my son.

DY: Good for you. Thank you.

PL: And I think he's done a pretty good job. I can say he's done a good job, from what I can tell, at being honest about his intentions and seeing what their intentions are.

DY: I have a question: What is a white paper?

PL: Like a monograph. Often, when you're doing a study, you come out with a position paper on it.

DY: Okay. Thank you.

PL: Thank you for asking that because I'm always happy that I know something another professor doesn't now.

TS: Let me ask you something. You're doing an incredible amount, it seems to me. You're teaching a lot of classes, you're writing a lot of books and articles, and you write a couple of columns for different publications. You're also doing an incredible amount of community service. Let's focus in a little bit on Kennesaw State. How have you found the students at Kennesaw State? Compare them to where you've taught at New York University or Columbia, for instance. What's the impression of students that you get at Kennesaw State?

PL: It took awhile when I first got here to get a good framework for students. The students here are so much more laid-back than Northern students; they're so much more relaxed. As a generalization, their attitude toward education is much more

relaxed also, as opposed to a more competitive nature, say, at New York University, or even the self-confidence of the Columbia University students. The students here are very likeable, for the most part; they're delightful to spend time with. Clearly, they don't study as much as the NYU students, nor do they have that same self-confidence of the Columbia students; whether it's deserved or not, they have that confidence. So by and large, KSU students are really a pleasure, which means a very good reflection, probably, of our country—the students that we have here and the vast body of people who are in our country.

Overall, I really have thought the students have been great since I've been here. Even the students that had been asked to file a complaint, or did file a complaint against me, I thought the students that did that were fine also. I've never had a problem with any of the students in terms of doing the things that they should be able to do. That's always a test when you're dealing with a student who files a complaint against you; how do you feel about that? The fact is that they have an absolute right to do that, and you want to foster that right in terms of the ability to file a complaint.

I remember asking this of a colleague my first six months here: "How do you teach in an environment where you have some students who, if you met them in a dark alley, they would probably beat you up?" I never had that in New York schools, nor did I have that feeling at Life.

DY: You're talking about class difference here, really. Socioeconomic class; culture.

PL: I was thinking socially different, really, in terms of students who plan before class to start an argument over straights and gays in the workplace, as in, "Gays shouldn't be able to work at Cracker Barrel." I have to say that there were always students who would take the other side of the discussion. And I'd let it go on for awhile. But there's a general rule that people who hate gays and lesbians also hate Jews and blacks. Or, you know, "People who hate people, hate a lot of people."

About the question, a black colleague said, "You'll get used to it." I said, "I don't think I'll ever get used to it."

TS: What percentage are we talking about?

PL: I think we're talking about a miniscule percentage of students, maybe 2 or 3 percent, maybe 1 percent. Or the conservative students who feel that they take classes where—the popular debate—even the discussion is not allowed to be had. My experience from other schools I've taught at is that everything was open to discussion. In fact, the evidence here is as clear as can be.

More than once, I was asked by the EEO officer here, and in writing, to consider putting a warning on my syllabus that topics we discuss might be offensive to some students. We discuss sexual harassment in business and affirmative action; they're right in the textbook. And she suggested I discuss this with my

department chair, which I did, because I would love to put that on my syllabus. More students would want to take the class.

DY: I was going to say that would really draw them.

PL: I always use that in my introduction to the classes now. I believe when I went to college—and probably when you went to college—it was to allow you to think. It was not to indoctrinate you. It was to have a debate and a discussion and to stimulate your intellectual interests. Even though there might be right or wrong answers on the test, we might be wrong. I think this is where we're going in the state and nationally, to the point when our children and our grandchildren won't be able to get an education because people are afraid to talk about things.

Some of my colleagues said they won't talk about some of the things that I talk about in class. But I'm as happy as can be. A textbook that just came out actually has differences in the workplace, gender, race, age ...and for the first time ever, it has gays and lesbians. Looking back, I'm glad the three guys brought it up in the class, because while they were bringing it up for the wrong reason, it's an important topic to bring up.

And from a governance point of view, I've been interviewed on the subject because it's an issue that has made its way to corporate proxy statements. So we should be comfortable to talk about every business topic.

DY: It makes it on proxy? It does?

PL: Yes, at Disney somebody wanted to submit a proposal to undo their policy that provided benefits for same-sex couples. The proposal was rejected, but reporters wanted to know what I think about that? Should it be voted on by shareholders?

In the classroom, the idea is not for the students to be like me. I think that's what some professors want. It's pretty clear when you listen to students that there are still many professors that want their point of view to be the point of view that the students have. Not just for an exam, but they really want to change the students as opposed to profess.

We were at a faculty meeting, and someone says at the meeting that school isn't going to be as much fun anymore because of all the sexual harassment suits. And one of my favorite professors, Janet Adams, said, "More fun for whom?" I don't know if there's any evidence that women get treated worse in the classroom than men or [that] blacks get treated worse in the classroom than whites.

DY: I think there's a great deal of evidence about that.

PL: I haven't read the evidence, but I've heard enough anecdotal evidence. I know from colleagues that male students seem to be more likely to get on a female professor's case, to complain about the course, exams, grading, ... than they are a male professor.



TS: And blacks as opposed to whites.

PL: Yes, I think so. Black professors say that every time they teach a class, the students want them to justify why they're there. I would have never known about that if I hadn't had my own experiences. So that's something worth having a bad experience for, just to learn that—how different a world we live in.

So, getting back to the question about KSU students, by and large, the students are wonderful, absolutely wonderful. And by and large, our colleagues—98 percent you meet and work with here—are just terrific.

TS: You know, that really does kind of make a transition to the intellectual climate on campus. How did you perceive the intellectual climate when you came here? Has it changed at all while you've been here?

PL: When I first got here, the first couple of years—and I remember I wrote to Betty Siegel about this, it seems to me, and I'm sure it's probably still true today—almost any professor could study almost anything that they find interesting, and they will get some support for it. That's the environment that I came to. There certainly wouldn't have been a governance center if there weren't some support for allowing us to do it. I was really honored to be allowed the opportunity to try and do that.

We've definitely been hiring more scholars here, in terms of more traditional scholars. I think that's good for the students and in terms of moving the university higher up in the ratings of colleges. Sometimes you have to remember to balance that out the right way.

I love meeting so many of the new faculty, learning about what they do, seeing how what they do relates to what I do and what I'm interested in, or just learning something totally different from what I ever would have imagined. The Institute for Leadership, Ethics & Character (ILEC) programs—the monthly luncheons—are just incredible in terms of really stimulating some thinking and just getting out and meeting people across campus. I find that, by and large, most of the people here are just terrific. I would say that's probably true at most companies in America, that, by and large, most people are terrific.

TS: I'm pretty much at the end of my questions. Did you have some you want to ask?

DY: You said one of the shifts that you see is a move toward more traditional scholarship. Where do you see the university in twenty years, Paul?

PL: This is a very tough question. It's very hard to see what the state's going to be like in twenty years, and the university will be somewhat reflective of the state and the state of education in this country. It may be to the point that courses are controlled in terms of what you can teach and can't teach; it seems as if many schools are banning professors at universities who have unpopular opinions or speak out against a school's administration.

I don't see that here as a problem, but I do see that nationally as a problem. The country, at least now, is in a very conservative mode where a lot of professors, even here, think they don't have free speech. There's a big backlash. I certainly have some concern about what any school will be like [in twenty years]. I think there will always be people attracted to the institution that will do the best that they can. I think, unfortunately, schools will continue, whether here or anywhere else, where most professors will be afraid of their supervisors, deans, and the administration. It is a low-paying job overall, so it's hard for most professors to accumulate enough wealth to be comfortable speaking up and not be afraid of losing their income stream. It's hard to get another job; some cases decided in the last few years have made it clear that the jury thought professors should be compensated for not being able to work in their profession ever again.

Again, I don't think it's a Kennesaw State University problem; I think it's a much bigger problem in this country. Americans should be very concerned about it, but I don't think they are. I think more Americans are concerned about a political point of view than intellectual stimulation. That could mean that American students will fall behind students that are in studying in some other countries. It could be, in a sense, the decline of America educationally, which will affect us in the marketplace globally.

Dana and I have done work with Ken Jin, and a lot of people from China on board issues. The first time we taught a class of Chinese executives and officials, we said, "You know, we're going to help them dominate world markets." Yes, we have a great program bringing the Chinese over here, but it depends on how the Chinese use it over time. While we see China as a controlled country, there's a lot of control in this government. I should edit that by saying that I had White House clearance for an appointment during the first Bush administration, in the Department of Housing and Urban Development. I've been a lifelong Republican, but I consider myself a liberal or moderate Republican. Religiously, I consider myself a liberal fundamentalist. Some of these terms may not make a lot of sense. Then again, I was a student and, in a sense, a disciple of Tony Campolo, a *thinking* religious person.

I'm definitely concerned about education—the move to online education and the way that we're doing it here and at other schools. I came from a meeting before this, and someone was saying, "I think the quality is as high in online education as it is in the class and that students are not [just] taking it because it's less work." Well, it's fifty hours less showing up in the classroom, that's for sure.

We know from national studies that the average student only spends eleven hours a week on their full-time load outside of class, or one-fourth of what time professors think they should spend. Students are graduating with fewer skills, I think, than they were ten and twenty years ago, on the average. At the elite schools, I don't know if they're still demanding the same sorts of things, and if it's as competitive as it was. But in my thirteen years here, I would say that students are graduating knowing less than they did thirteen years ago. My basic

theory of education is if a student knows he or she can't pass a class without knowing certain things, they're going to study and learn those things. So you have to make it clear that they cannot pass the class without certain fundamental knowledge and work harder and harder at developing the requirements.

You know, this university has a lot of bright people. The biggest decision on what happens in the next twenty years will be who the next two presidents are. I know from when I was on the faculty senate that if this faculty placed a vote of no confidence for Dr. Siegel without a fear of retaliation, the faculty senate leaders thought 90 percent of the faculty would vote a vote of no confidence. It wasn't that she didn't do a great job for years. But like Dr. Williams over at Life University, the time has passed. ... When you cannot relate to the people that work with you and they cannot relate to you, the environment changes. You guys have been here longer than me. I don't know how long you've been here, Dede—

DY: I've been here twenty-three years.

PL: Yes. Dana talked about that in some speeches in a very professional way about the changes from a two-year college to a four-year college to a university. That changes the type of professors you attract. Professors become superstars in their fields, and that's hard to deal with when the entire machinery of the university is geared to making the president famous.

I don't think it is much different at UGA. Emory's had a lot of governance problems, and Life University did too. Morris Brown. I mean, you look around the state; it is clearly a reflection of the much bigger society, what's going on in the universities. How's that for a thoughtful guy who spent a half million dollars in legal fees in the last seven years.

TS: Kennesaw?

PL: I have.

TS: Oh, you have. A half a million dollars?

PL: How's that for being thoughtful about a university with that type of an expense.

DY: How interesting. I wonder if you would advocate we all better rush out and join AAUP [American Association of University Professors] if we are not already members.

PL: I'm a member of AAUP, but I think everybody should be. Are you a member?

DY: Yes.

PL: I think everybody should be.

DY: I do, too.

PL: Two people who tried to start an AAUP chapter here in the past both lost their jobs. Both were Jewish; both wrote about it. I have things from both of them in my annotations. Of course, Jews are much more likely to organize; that's one of the reasons they weren't very well liked, as you go to a century ago.

TS: Actually, I was involved in starting the first AAUP chapter here.

PL: And then it went away?

TS: And then—I know who you're talking about; she was in the English department but became president later on.

PL: I didn't know that either did. I have a letter from her; her name slips my mind. And the other one was Bari Levingston, who just talked about it. It's not about the union; the AAUP is not a union.

DY: I know.

PL: It's a membership organization, but some faculty see it as some kind of a battlefield. It's really sad because people don't understand that we are not negotiating on a fair basis anymore in most universities. The fact is that a university can drive almost anybody out of the school. And if you've been here long enough—as you guys have been; you guys have seen more than I'll ever see on that subject. But I've learned a lot from writing about the types of experiences that people had—the stories from here at a nice school where mostly nice people work.

In my department, we're all management professors, and we supposedly study, practice and teach this stuff. I have said to colleagues, "Oh, you're shouting down the chain of command again. Why don't you see if you can fix the problem where it starts?" And so, I've seen colleagues curse each other out in the hall. I say, "You guys are mad at the boss; you're mad at a policy. But you don't want to address it, so you just scream at each other." I know that goes on across campus. Over in the art department, there has been a serious unresolved faculty issue for five or seven years or so. I'm sure it's true in many other departments. It's just insane. Here are educated people that, instead of looking at what's the source of the problem, are just fighting with each other.

TS: Well, certainly the purpose of this oral history project is to get the stories out . . .

PL: Oh, no, I didn't even realize the tape was on, but you're welcome to do whatever you want with some of that.

DY: It's yours.

PL: Everything I've had to say is on the record somewhere already.

TS: But at any rate, our purpose is to really get a record of just how much lots of faculty members on our campus have accomplished and contributed. So we really appreciate this interview.

PL: Oh, yes. I was looking forward to it. Thank you.

DY: Thank you, Paul.

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