

KENNESAW STATE UNIVERSITY ORAL HISTORY PROJECT

INTERVIEW WITH J. LARRY STEVENS

CONDUCTED BY THOMAS A. SCOTT

EDITED BY SUSAN F. BATUNGBACAL

INDEXED BY THOMAS A. SCOTT

for the

KSU ORAL HISTORY SERIES, NO. 70

MONDAY, 9 APRIL 2007

Kennesaw State University holds legal title and all literary property rights, including copyright, to this oral history. It is not to be reproduced without permission from the director of the Kennesaw State University Oral History Project.

Kennesaw State University Oral History Project
KSU Oral History Series, No. 70
Interview with J. Larry Stevens
Conducted by Thomas A. Scott
Edited by Susan F. Batungbacal; indexed by Thomas A. Scott
Monday, 9 April 2007
Location: CIE/CETL House, Kennesaw State University

Mr. Stevens currently serves as Executive Vice Chairman of the KSU Foundation and is a former Chairman (President) of the Foundation.

TS: Larry, we always start by asking people about their background—when they were born and where they were born and where they went to school and things like that.

LS: Okay. I was born in 1948 in Macon, Georgia, and grew up in Macon. I lived in Macon until I came to Georgia State University in 1966, where I graduated in the summer of 1970 with a degree in accounting. I began work with Price Waterhouse on September 1, 1970. I worked as an auditor originally and then got into the mergers and acquisitions and investment banking business in 1989. I've been in the deal business since then. Price Waterhouse is now Price Waterhouse Coopers, and I've been with the Firm for thirty-seven years. I intend to retire June 30th this year. We have mandatory retirement at age sixty, and I've always wanted to beat the mandatory retirement date.

TS: That seems to be strange to have retirement at sixty.

LS: It's a young man's business. It's worked well for us for a hundred years or so. The idea is to continually keep new, bright, young people coming through the business, and so the partnership stays viable and strong that way.

TS: Okay. I guess your degree was in accounting from Georgia State?

LS: Yes.

TS: Any mentors or anybody that stood out that influenced you in that direction? How did you decide that this is what you wanted to do with your life?

LS: I actually wanted to be a history teacher or an English teacher. That's what I really wanted to do. But I concluded early on that I could make more money in accounting. At the end of the day I could make more money in accounting and in the business world.

TS: There's no doubt about that!

LS: To some extent I sacrificed something. Now, having said that, I've been a teacher all my life. While I haven't been teaching in an academic or university environment, I've had an opportunity to teach lots of people, and I've had the opportunity to learn from lots of people; so to some extent I have fulfilled my ambition of being a teacher. I've been

responsible for making twelve new partners in our firm. The greatest accolade we think we can have is to count up how many partners you've made in the firm.

TS: So you mentor them?

LS: Yes. You mentor them into that. And I've had lots of mentors over my life. Ed Harris was probably my biggest mentor. Ed was a partner in the firm. He joined the firm in 1955 and retired somewhere in the early '90s. He was a great mentor. If you had a problem he could solve it faster than anybody else. Part of that is just being smart and part of it is just being wise.

TS: You must have been one of those people like Dan [Daniel S.] Papp that had a high draft number or something about 1970.

LS: Yes, that's pretty interesting because when I was at Georgia State, of course, I was in ROTC. I can remember Captain Fuimano, who was the instructor in the ROTC class, and he made it all sound very glamorous. He looked very good in his summer tans. But the life expectancy of a First Lieutenant was one and a half days in 1968. Somehow, I missed the draft. My wife became pregnant with our first son, our only son, in 1968, and I had a student deferment. Then the student deferments went away, and then I had a marriage—what was called a 3A deferment. Some call it lucky, some call it, "You weren't lucky, you would have had a great experience!" But I didn't go to Vietnam.

TS: Right. One of the things that was so upsetting about that period is that the military just flat didn't need as many baby boomers as there were out there and therefore could be selective in ways that oftentimes weren't always fair, but at least exempted people with family obligations or skills that were considered valuable to society—teachers, for instance.

LS: That's right.

TS: So you go into Price Waterhouse. Maybe you need to explain to me exactly what you do. But it sounds to me like your main job has been to give people advice on whether they want to purchase a particular property or not.

LS: Yes. Early on I was what was called a junior accountant, and then I became a senior accountant in three years. Then in five years I was a manager, and then at the end of about ten and a half years I became a partner in the firm, and I was an audit partner. I was responsible for signing financial statements, for doing an examination of a corporation's financial statements and signing the firm's name to say that those financial statements present fairly the financial position of the company. In the 1980s, I had lots of little clients, and the way you really made money in those days was not so much auditing, but it was in doing other things for companies. It was helping them buy things, helping them sell things. Then in the '80s came the LBO craze, the first leveraged buy-outs or management buy-outs, so we were well positioned as a firm to take advantage of that and advising companies and individuals who wanted to buy their companies. The interesting

thing in the 1980s is you didn't need to have any equity. I did a deal for a young woman who was thirty-three years old. Her name was Marilyn. Marilyn walked into my office and said she wanted to buy the Dorsey Trailer Company [Elba, Alabama], which made highway trailers. She had no money. At the end of the day we bought that company for forty million dollars or so. Marilyn bought it and owned it, and she had no equity because the banks were so loose with money. Westinghouse Credit [Corporation], which doesn't exist any longer, loaned more than 100 percent of the purchase price in debt. So she was able to buy the company, pay all the fees, which were large, and end up owning virtually 100 percent of the company by herself. Pretty interesting!

TS: Wow. Is this what leads to the savings and loan crisis?

LS: Yes, to some extent. If you follow that through, what happened in the 1980s—the buyout business and related easy credit got started in the early '80s, but really was at its peak in '85-'86. By 1989, it was coming to a close, and if you put a clock on it, you could say that the deal business came to an end in November of 1989. Part of it was because of some infamous names you'll remember like Michael Milken and Drexel Burnham [Lambert] and the so-called junk bond companies. These companies would go out and buy a business, finance it with a bridge loan. A bridge loan simply was a short term loan that would ultimately be replaced by finding permanent financing. The bridge loan would be converted into permanent financing. Well, in November of 1989 First Boston—now CS [Credit Suisse] First Boston—was the first investment bank that was unable to place one of those bridge loans. They got stuck with the bridge loan. All of a sudden the whole financial market just began to tumble, the junk bond market went out of business, and Michael Milken went to jail. But having said that—Michael Milken financed Ted Turner. So CNN might not be here if we had not had the so-called junk bond market. I've been in business since 1970, and everything goes in cycles. From 1973-'74, when all of us were wearing sweaters because Jimmy Carter said we had to save oil; to Nixon's wage-price controls, which made the accounting firms a lot of money; to the S&L debacle of the early 1980s; to the LBO craze of the mid-'80s; to the Junk bond crisis of the late '80s; to the recession of the early '90s; to the technology boom of the mid to late '90s; to the Internet bust in early 2000; and the subsequent recovery in 2004.

TS: Those wage-price controls of the Nixon administration may be one of the most surprising things about Nixon—contradictions in his character and philosophy and so forth.

LS: Right, you wouldn't have expected that. I think it was a bit of a knee-jerk reaction. In our firm, any time there's change in the way business functions and certainly the tax law, then that's great for us because somebody has to help businesses manage that change. I still have a booklet that is an antique now on the implementation of wage-price controls.

TS: We probably aren't going to need it again!

LS: You hope not.

- TS: Well, I would assume that Atlanta was growing so much—metro Atlanta—I do remember when the real estate market tanked, but on the whole Atlanta got over it pretty quickly didn't it? Or am I wrong about that?
- LS: Yes, it took some time, but Atlanta worked through the real estate debacle of the '70s and then again in the '80s in part because Atlanta has always been financed with money from outside Atlanta. You need an understanding or an appreciation that there has never been any capital formation in Atlanta. If you really think about it, since [General William T.] Sherman's plan of Reconstruction, which was financed by folks not from Atlanta—since then, no capital formation. So you get into the 1960s, and business just sort of chugged along. Jimmy [James J.] Ling and Ling-Temco-Vought came along and created the conglomerate in the mid-'60s, which blew all the accounting models—the business financial reporting models that were in existence—out of the water because nobody knew how to account for a company that had twenty companies, and they were all different. The rampant expansion of buying companies one right after the other: it tested the accounting structure; it tested the financial models that were in place. So you had all of this change that was being created in the financial markets with the FCC and the regulators not really knowing how to deal with all of that. Real estate was no different. You got through the '60s, into the '70s and you had people building in Atlanta that were not Atlantans. Atlanta was built with Texas money—with the Trammell Crow [Company] groups. It was built with Dutch money—you know the name Noro [Broadview Holding Co. of the Netherlands]. It was built with a lot of New York money. It was built with Japanese money. I remember our friend [G.] Conley Ingram [III] used to call the IBM Tower the “Sumitomo [Corporation] Tower” because IBM built it and then sold it to the Japanese. So you've never had any real capital formation in Atlanta. Today, when we talk about private equity, which is a huge business in this country today, private equity is buying up corporate America, and it's a relatively unregulated business, private equity. But you can count on one hand the number of private equity funds in the southeast that have more than a half billion dollars. Now that's compared to in New York, Boston, even San Francisco where there are funds that have tens of billions of dollars. But in the whole southeast, if you take what I refer to as the Old Confederacy, there are less than five that have five hundred million dollars in funds available to invest. So even today, companies in Atlanta are being bought by private equity funds outside of Atlanta.
- TS: So it sounds like what you're describing is what we used to refer to as a “colonial economy” in the South; it sounds like it still exists.
- LS: To some extent it still exists, indeed it does.
- TS: Wow. The Transaction Services Group that you're a partner in now, I gather this is related to Price Waterhouse, or is it not?
- LS: Yes, it's all a part of it. What happened was, during that LBO/MBO period of the '80s, Price Waterhouse was doing a ton of work in the deal business and getting paid less than we thought was appropriate. For example, the transaction that I referred to with the

young woman who bought Dorsey Trailers was a deal that I essentially originated, did all the valuation work, and did all of the accounting work. Because we were only casually in the deal business we brought in an investment banker from Robinson-Humphrey. At the closing table when the checks were written, the investment bankers received well in excess of a million dollars. The lawyers got three or four hundred thousand dollars, and Price Waterhouse got two hundred thousand dollars. So we shook our heads, and said, “What’s wrong with this picture? It’s the other people who didn’t do nearly as much of the work who are making more money.” So we started an investment banking business. We formed a business across the country and started hiring investment bankers. I had ten investment bankers in Atlanta, and we were helping shareholders sell companies. The good news is, as an interesting connection to KSU, I went to see Michael [J.] Coles and said, “You have a business; if you ever think about selling it, we ought to talk.” A few months later at a KSU trustee meeting—Michael was a brand new trustee—he came up to me and said, “My partner has had a heart attack, and he’s really got a new sense of his mortality. I think you need to come back and see us.”

TS: For the Great American Cookie Company?

LS: For the Original Great American Chocolate Chip Cookie Company. I did go see him, and Michael and his partner hired me to sell the company. In 1993 we in fact sold the company, and as a part of that whole process I asked Michael, “What are you going to do with all this money?” He said—I remember like it was yesterday—“I’m going to Disney World!” I said, “No, seriously, because I think there’s an opportunity for you to have a major impact. I want you to name the business school after yourself and your family.” So he said, “Well, how much will that cost?” I said, “Well, one million dollars.” Now, Michael and I both have taken lots of flack over the years for selling the name of the Coles College for a mere one million dollars, but, in fact, there was a brochure that the business school and the administration had on the street that had the business school naming opportunity at one million dollars. While today we would never sell the name of the business school for a million dollars, at that point, it was, in fact, the going price.

TS: I think that was the first million-dollar gift to Kennesaw.

LS: It was the very first—nobody had ever even thought about a gift that large to KSU. In hindsight, what a great investment! Then Michael just continued to be a major supporter of the university. So to some extent I, in my own way, attribute the fact that we’ve got the Coles College to the decision that Price Waterhouse made to get into investment banking business.

TS: Right. Do you think he would have gone for more money if you would have asked him for more?

LS: That’s a good question. Maybe. We probably should have asked for five million dollars. He certainly could have afforded it.

TS: But at any rate that was the going rate.

LS: That was the asking price.

TS: And now we've got a chair in the history department that was a million dollar gift.

LS: Absolutely. That's right!

TS: With the Shaw [Shaw Industries Distinguished Chair in Business and Economic History].

LS: Absolutely.

TS: Okay, so, I think we've made the transition to Kennesaw. You have been on the Foundation, I believe, since 1985.

LS: That sounds right.

TS: At least in the directory for the Foundation that's the number they have.

LS: I lose track. What really led to Kennesaw was my involvement in the Cobb Chamber of Commerce in about 1982.

TS: Were you a partner by that time?

LS: I was a partner. I became a partner in July of '81. A guy named Ron [Ronald E.] King, who is one of our trustees, asked me to get involved in the Cobb Chamber of Commerce in 1982. Chet [Chester A.] Austin of Tip Top Poultry was the Chamber president in 1982.

TS: Are you living in Cobb County by that time?

LS: I'm living in the city of Marietta. I had just moved from over near [R. L.] Osborne High School to the city of Marietta, near the mountain. I met Ron, and he said, "Well, you need to come to a breakfast." So I went to a Chamber breakfast meeting, he got me involved in the chamber. He had been asked by Chet Austin to serve on the finance committee. Chet, through Ron, asked me to serve on the finance committee, and so I got heavily involved in the Chamber. I say heavily involved, somewhere around 1983 or '84 or '85, I concluded that if I was going to stay involved in the Cobb Chamber that I wanted to be the chairman of the Chamber, so I set a goal that in three years I would be chairman. It took me six years, so I became chairman in 1991. Kennesaw took a backseat during those years, especially during the two years before 1991 when I became chairman of the Chamber and the year after.

TS: I'm doing my math and you were just in your early forties at that time. That's really pretty remarkable.

LS: Yes, well, I don't remember. I was born in 1948, so

TS: I get forty-three if I'm calculating correctly.

LS: Yes. But that was a really interesting time in Cobb County's business history.

TS: That's about the time that the Galleria project was underway, wasn't it, I mean, the convention center at the Galleria [Cobb Galleria Centre]? Were you involved in all of that?

LS: I was. I don't know how much of this you want to hear.

TS: I'd love to hear it.

LS: That period of time in Cobb's business history seemed to be a period when there was an incredible number of bright, young, prominent or to become prominent people involved in the Chamber. I remember this like it was yesterday because around the table in a board meeting was Conley Ingram, Johnny Isakson, John [A.] Williams—Kessel [D.] Stelling [Jr.], who has been very active in the Chamber wasn't even around at this point in time—[James E.] Mack Henderson, and on and on with the list of people who were involved actively in the business affairs of Cobb County.

TS: Tad Leithead?

LS: Tad [Roger B.] Leithead [Jr.] was just a young guy.

TS: So he's not involved yet?

LS: Tad was not involved yet. The Chamber was really driven by John Williams because John was building apartment communities in Cobb, investing heavily in Cobb.

TS: With Post Properties [Inc.].

LS: And then you had all the major banks who were involved from SunTrust, who was a big one, to First National Bank of Atlanta, which is long since gone, to National Bank of Georgia, names that most people wouldn't even remember these days, and even the old C&S Bank, of course.

TS: Right. Was it still around then?

LS: It was sort of it in its prime. I guess they were just on the verge of becoming Nations Bank at that point in time, but Barnett Bank was around. Wyman Pilcher, Jr., was in that group, on that board. Wyman, III, was getting involved at that point in time, so it was a very active business community. As I look back on that period, I say, "Gosh, I was really fortunate to be able to sit and to learn from some of these people who really understood what they were doing; but more than that, they had a real passion for the community at large." Kennesaw was a natural extension of that for me and I think for the Cobb

Chamber of Commerce because none of us went to school at KSU, so there was no real reason for anybody to have a need to be involved, but through Betty [L.] Siegel's efforts at promotion—which she was and continues to be wonderful at—she engaged the business community in KSU. So when someone asked me to join the KSU board in 1985, it was a natural thing to do, not because I cared about supporting KSU as much as I cared about supporting the community. KSU would make this a stronger community at large and certainly a vibrant business community. So you had people who were willing to get engaged in the college for that very reason. There became a blurring between the Chamber Board and the KSU Board of Trustees, so guys going back to like Jim [James H.] Powell and [C.] Howard Daniel were active in the Chamber of Commerce and at the same time active at KSU. There was simply a blurring because if you were on the Chamber Board, you often times had the opportunity to get involved in KSU. At the end of the day you have to give Betty Siegel credit for that.

TS: She was the president of the Chamber a few years after you were.

LS: I think Betty was Chairman in 1996.

TS: Do you remember who asked you to be on the Foundation? How that came about?

LS: I don't remember who asked me to be on the Foundation. I actually think it was probably Ron King and Chet Austin who got me involved in the Foundation. I can remember who asked me to be chairman of the Chamber of Commerce; that was John Williams; but that's a really good question. I'll have to search my memory for that one.

TS: Okay, well, if you think of it later, let me know.

LS: I will, I'll try to think about that.

TS: I was asking you earlier, I can't remember whether it was your year or a couple of years later that the Galleria Specialty Mall—how did that work—the county bought it to become a convention center?

LS: Yes, thank you for reminding me about that. There were a couple of things that happened when I was chairman of the Chamber that I remember extremely well because they were not only fascinating, but I recognized then that they were important. As I look back I had a sense of history, I guess, because two things stand out, and one of them relates to this. We were intent on turning the Galleria mall into a convention center because it really wasn't working as a pure retail center. So we set about to do it, but what we really needed was help from the county and city governments to do it, because we wanted to create a performing arts center or a concert hall as a part of this. I was heavily involved in supporting and trying to make something happen in the arts. I never will forget, we wanted the city of Marietta to give the [Marietta-Cobb Coliseum and Exhibit Hall] Authority a little piece of the hotel/motel tax of the city. Joe Mack Wilson had lost his seat in the State legislature where he was the chair of the House Ways and Means Committee. He was at this time the mayor of Marietta. So we went to Joe Mack and had

some discussions about getting the hotel/motel tax, but we had to have legislative approval. I remember this like it was yesterday. Phil [Philip] Sanders and I went and met with a group of legislators.

TS: Phil Sanders was the executive director?

LS: He was President of the Chamber, which is another interesting story. But we went down, and we met with Larry Walker who, I guess, is from Perry, and the new chairman of the House Ways and Means Committee, whose name I don't remember—Joe something from Clarkesville, Georgia. I had arranged this meeting at the Commerce Club downtown. The legislature was in session, and these guys came over to have lunch. The then chairman of the House Ways and Means Committee looked across the table and said to me, "Son, let me tell you how this works. You want something from me, and in order to get it you've got to do something in return. It's not hard. You need to understand that I owe Joe Mack Wilson for everything that I have. Everything that I am in life I owe to Joe Mack Wilson. When you come back and tell me that you have given Joe Mack Wilson whatever he needs in order for me to vote for this, then I'll do it. If you don't come back with Joe Mack Wilson's approval, this will never get out of my committee." So I sat back, Tom, and said, "What an introduction to Georgia politics!"

TS: I was just thinking what gratitude for somebody who had already been voted out of office.

LS: There are old time politicians like Joe Mack Wilson who had an interesting twist on everything. I can remember Joe Mack telling me, and he was a great friend of KSU, and I can remember him telling me, "Larry, I understand that you're in this Leadership Cobb Class." I was in the second Leadership Cobb Class. "You're in this Leadership Cobb Class. You know what that Leadership Cobb is?" You may have heard this.

TS: No, but I've got an idea of what Joe Mack Wilson would say [laughter].

LS: He said, "That ain't nothing but a charm school for yuppies!" I said, "Well, Joe Mack, you may be right." I think the point of this story is that the concert hall got so embroiled in politics at the state level, but much more in the local political arena—with guys like Joe Mack Wilson and even [A.] Max Bacon over in Smyrna—that we just couldn't pull it off. They finally made John Williams mad because John Williams had a deal cut. John Williams would tell you this today—he went to a meeting with the deal cut to get all this money, the motel/hotel tax money, and as he went to the authority meeting to sit down, John Williams walked by Joe Mack and Joe Mack grabbed him by the sleeve and said, "John, you're fixing to get screwed." He sat down, and Joe Mack reversed his position at the table, reversed his position and made John Williams so mad that he couldn't see straight. As a result of that, the concert hall fell apart and simply didn't happen. Now, we went on to have the Exhibit Hall Authority, and it's done great, it's doing great. As a matter of fact, I'm on the Exhibit Hall Foundation Fund Raising Committee, and we're now raising money for the concert hall which opens September 20th.

TS: I was going to say, you had to wait another sixteen years or so

LS: Another sixteen years to pull it off, but we really made an effort in those years. It wasn't all about business and having success for individual businesses. There was a real passion for the community, for the business of living in the community. We were very active in trying to make something happen in the arts. We actually tried to pull together what was called Partners Fund. **Partners:** if you think about that word, there is **art** in the middle. So we had a neat logo that displayed art as a part of Partner's Fund, and it was a united campaign for the arts. John gave us a hundred thousand dollars to start the funding, and we were going to raise money corporately for all the arts in Cobb County, to keep Theatre in the Square [Marietta] and others from having to go beg and borrow for money. We would go raise a bunch of money and then allocate amongst all the arts organizations.

TS: This is before the crisis over Theatre in the Square that Bill Byrne and Gordon Wysong provoked?

LS: Yes. It was in fact before then. So we put this together. Barbara [E.] Williams, who is now chairman of the Authority that's doing the performance center, and some other people created Partners Fund, to be a united organization for raising money for the arts. Unfortunately, once we raised the money, a number of the arts organizations got mad over the allocation, over how equitable it was, and at the end of the day, it just didn't work. Barbara Williams and I have talked about this in the last ninety days. Jubilee [Southern Festival of the Arts] came out of that whole process. But it just wasn't the right time. When I was chairman of the Chamber we were trying to get the Cobb County commissioners to allocate some money to this project, to have the courage to stand up and say, the arts are so important to the community that we'll put some money in. I rented two Greyhound buses and got all the arts organizations to meet at the Chamber, and we took two busloads of people to the Cobb County Commissioner's meeting. We walked in with all these people, and I can remember it like it was yesterday, standing in front of the Commissioners, because Bill [William A.] Cooper who now runs the Chamber, was on the commission. I took this group of people up there, and understanding that this was going to be hard for the Commissioners, I made what I thought was a great impassioned speech. I knew the paper would be against it, *The Marietta Daily Journal*, so I asked somebody to get me the number of paid subscribers to the paper, and there weren't very many, maybe eighteen or twenty thousand paid subscribers. So in my speech to the Commission, I said, "You need to have courage because it will take courage to do this. You need to have the courage of Napoleon, who talked about the courage of 4:00 a.m. when you're not clear thinking, but you've still got courage to do what's right. You need to have courage to do what's right. Don't worry about what Otis [Brumby] and the newspapers say because they've only got eighteen or twenty thousand paid subscribers anyway." So the next day the newspaper has a wonderful article at the bottom of the front page that says—in French—"L'armée de Chambree Marches On." They talked about the fact that the Cobb Chamber of Commerce was trying to steamroll the Commission and convince them to do something with the arts. They said, "The chairman of the Chamber invoked the spirit of the French general Napoleon." That led to an off and on running battle with the newspaper, which

we all have. We all love Otis, but you've got to have somebody to beat up every now and then.

TS: I guess so. What are you proudest of from your year as president of the Chamber?

LS: I'm probably proudest of the efforts that we made in the performing arts center and in the funding of the arts. While we were ahead of our time, I think we did the groundwork and laid the foundation for what others have been able to accomplish since then. I've heard Betty Siegel—and she's quoting someone else—say, "The arts fill the potholes of the soul." I probably recognized that just a little bit then, but I've grown to realize it a whole lot more.

TS: I was going to ask you how you got interested in the arts.

LS: You've got to remember, at the end of the day, when I said I wanted to be a teacher, I would never have taught accounting. I wanted to teach English literature. I'm a writer, and I've always had an interest in the arts. I think it was a recognition—and I believe this today—that you will not have a flourishing economy or a flourishing business community, and certainly you won't have a great place to live, if the arts don't have a center spot in the community.

TS: Right. Were you involved with the Cumberland CID [Community Improvement District]?

LS: Yes. I moved into the Galleria. My office for Price Waterhouse was downtown until 1983, and then in 1983 we tried an experiment. I took four people and fifteen hundred square feet in the 100 Galleria building and moved in in January of 1983 to see if we could get new clients. We got sixty new clients in the first year.

TS: Wow. That's a pretty successful experiment.

LS: It was a great successful experiment. That led to us going from fifteen hundred square feet to nine thousand square feet and then led to us actually taking a whole floor in the 200 Galleria building.

TS: Were people skeptical in Atlanta that this would ever work in Cobb County?

LS: Oh, absolutely. But we saw small companies moving into the suburbs, and we said, "Why don't we try an experiment?" Subsequently, a number of the accounting firms have tried it. Arthur Andersen [LLP] moved to Gwinnett County, Deloitte [& Touche LLP] actually opened an office in the Galleria; Alston & Bird [LLP] opened an office in the Galleria. It became to some extent fashionable, but, on the other hand, everybody knew that it was moving that way, that there was a business center being developed around the Galleria, so we all wanted to be a part of it. Then the CID came in a little bit later [1987]. History has proven that those were good decisions to move out there, that

we do have a vibrant business community in Cobb County, and to some extent the Galleria is the center of that.

TS: The Platinum Triangle.

LS: Yes, the Platinum Triangle.

TS: Let's talk a little bit about '85 when you first began to serve on the Foundation. How big was the Foundation in '85? How much money were they raising? What was your impression of the Foundation and of Kennesaw when you first got involved in '85?

LS: It was very small, and one of the reasons I got involved was because my mentor, Ed Harris—when I told him that someone had asked me to join the Board of Trustees at Kennesaw State University—said unequivocally, “You need to do that. Whatever you do I'll support you because being a member of a board of trustees at a university is the highest volunteer position you can have, no matter what it is.” His words were, “Being a trustee of a college or university is the most prestigious position you will ever have a chance to hold.” I had no clue of that. I didn't realize that. Then, when I got to KSU, one of the first things I remember was going to the breakfast for the annual fund-raising campaign. The way we raised money in those days was we were invited over to the old Student Center, which is about half the size it is now. In a small room in the Student Center we would have a horseshoe of tables set up and there would be pledge cards with names on them. The trustees would go around, and you would pick up pledge cards that you would call on, and you would ask them for money. We were asking them for a hundred dollars here, for twenty-five dollars here. To ask someone for a thousand dollars would just be incredible. So we literally raised money for the annual campaign by picking up pledge cards, and everybody would take five or six pledge cards, and then you would make your calls. I was naïve, and so I would take doctors and physicians. I'd see physicians' names and I'd say, “Gosh, I was brought up all my life, middle class, Middle Georgia, to think doctors were the richest people in town and they were “God,” so surely I would get a lot of money. I can remember asking doctors for twenty-five dollars for KSU, and being told, “No, I have to give away free medicine, so I can't give fifty dollars.” I had surgeons tell me, “I can't give fifty dollars.” So I remember thinking, I'm sure Ed Harris is right; this is a prestigious position to hold; but we're walking around a table picking up pledge cards to raise money for twenty-five dollars. He's probably talking about Duke University or some place else, but he can't be talking about Kennesaw State University.

So it was interesting because the Foundation was made up of a group of people who I've learned to love and respect, but to understand their limitations—a group of people that Betty Siegel called the “Long Marchers.” While Betty was president for twenty-five years, if you've heard one of her speeches and she didn't mention the “Long Marchers,” I'd be surprised because I heard it a hundred times. The “Long Marchers” were those great trustees who helped start the Foundation and who were so instrumental in really jump starting the KSU Foundation. They were great supporters of Horace [W. Sturgis] and great supporters of Betty. Betty befriended these people and gave them a forum and

made them a part of things. The “Long Marchers”—you go back and you give credit to Campbell Dasher and to [W.] Howard Ector and to others who did so much in taking a sleepy, little junior college and moving it forward. So while I’m tongue in cheek, and I sound a bit judgmental when I say we walked around a horseshoe table picking up pledge cards, that was progress for those years. But the “Long Marchers” had one big problem; it was all Cobb County, all long-time Cobb County, and it was, if I can use this term, “inbred.” It was only Cobb County, and we only talked about Cobb County, and we only thought about Cobb County, and the leadership came from Cobb County. If you do that over and over and over gain, what happens is you continue to do the same things over and over again. To some extent our greatest strength, our golden friends of the university, our “Long Marchers,” became one of our greatest weaknesses.

Somehow, we began to realize that this had to change because during that period from ’85 until ’89 or so, the economy was flourishing and the college was growing. The Foundation was growing and beginning to change, but not making much progress. We really were not making huge progress in changing. I remember Howard Daniel becoming chairman, and Howard was a great, great guy. We all worked very hard, but our biggest challenge was worrying about Betty spending money. I say that lovingly toward Betty, but I say it critically of ourselves because that’s what we thought about. Betty wants to spend money on everything, she wants to do all this stuff. We don’t have all that much money, and sometimes she spends money and doesn’t even ask us, and so as trustees we said, “That’s not right.” So we spent lots of time ringing our hands and probably not enough time trying to raise money for Betty to do more stuff.

TS: Did Betty attend all of the Foundation board meetings?

LS: No, she attended most of them, but she did not attend all of them.

TS: Was Jim [James A.] Fleming the director of the Foundation by that time?

LS: No, the guy who was in charge was Norman [H.] McCrummen [III].

TS: I remember Norman.

LS: He was [Director of Development] when I came; Jim Fleming was [Assistant to the President for College Advancement]. Norman McCrummen was a wonderful guy. He went on to be a member of the clergy.¹ The way I got really involved was somewhere in 1986 or ’87, I honestly can’t remember, somebody asked me to chair the annual campaign. I remember thinking, well, I’ll do that, but we’ll have to figure out some ways

¹Fleming hired McCrummen shortly after he came to Kennesaw College. They had worked together on a major capital campaign at the University of Mississippi. See James A. Fleming, interviewed by Thomas A. Scott, 27 September 2006, KSU Oral History Series, No. 49. After leaving Kennesaw, Dr. McCrummen enrolled in Columbia Theological Seminary where he earned the M.Div. degree. In 2007 he was senior pastor of Spring Hill Presbyterian Church in Mobile, AL. <http://www.springhillpresbyterian.org/>

to make this different. We shouldn't be sending people out to ask for twenty-five dollars. I said, "Let's take the twenty-five dollar ones, and let's do it on the telephone. Let's at least get on the telephone, and maybe we can call more people and ask for twenty-five dollars, and people we don't even know, we will ask for twenty-five dollars."

TS: How much were you raising a year?

LS: Gosh, if we raised a hundred thousand dollars, it was a lot. Maybe we raised a hundred and fifty thousand dollars, but it wasn't even close to five hundred thousand dollars, not even close. So Norman left, Jim Fleming took over, and Jim was instrumental in helping begin to make some things happen. Where Norman was very low key Jim was a bit of a bull in a china shop. So we started pushing to do different things, and Jim started pushing the trustees to do different things, to nurture relationships. I give Jim a lot of credit for the direction that the Foundation took, and, quite frankly, I stayed involved in part because of Jim and where I thought we could go. I became chairman of the Foundation in 1992. I stayed chairman for three years. You were really only supposed to stay two, but I just don't think we had anybody that was willing to do it another year, so I stayed chairman for three years.

TS: These are years right before we actually got university status in 1996 when we were Kennesaw State College.

LS: Just before we got university status. I can tell you that over those years there are a few things that I remember vividly. If you were going to say, what did I accomplish as chairman, I would say there are three things that I remember. I'm not sure all these are accomplishments, but there are three big things I remember. The first was that I concluded that the Foundation could no longer remain as a Cobb county inbred group. We had to change the complexion of the Board of Trustees.

TS: So that's when you start bringing people from all of metro Atlanta into the Foundation?

LS: Yes, but the way we did that is there was a guy who was good friends of the business school who wasn't a trustee, and his name was Jack [A.] Dinos.

TS: Several chairs are named for him now. What was it, Southern Tea [Company]?

LS: He owned Southern Tea and ultimately sold it to Tetley [Inc.], he and his brother Tony. Jack had not been involved in the business community; he was never involved with the Chamber of Commerce; but he was involved with Craig [E.] Aronoff and Tim at the business school.

TS: Tim [Timothy S] Mescon.

LS: Tim Mescon. And at some point we said, "Let's put this guy on our board." So we did; he became a trustee. And then maybe the first year I was chairman or the second year I was chairman I asked him to lead the nominating committee. As I look back on it, it was

maybe the smartest decision that I ever made in anything I've ever done with KSU. The second thing I'll tell you about is maybe the dumbest thing I ever did, but the smartest thing I ever did was to ask Jack Dinos to be on the nominating committee. I asked Michael Coles to be on that nominating committee. I said to Jack, "What I want you to do is to shake this board up because we have to stop this mentality that exists that if it's on the other side of the river it can't be any good." If you go back to the old politicians, even—the Joe Mack Wilsons—they believed that we should blow the bridges over the Chattahoochee and put piranha fish in the river. We told Dinos, you've got to mix things up. So between him and Michael Coles we really started the process of reaching into Atlanta and finding board members who didn't look like they came from Cobb County, didn't think like they came from Cobb County.

TS: Had Michael Coles made his million-dollar gift at that time?

LS: No, I don't think Michael had made his million-dollar gift at that point in time. Michael made his gift in '93 or '94. But it was close on its heels. We began to invite other people to join the board and before long we began targeting companies—you know, why shouldn't Coca-Cola have somebody on our board? And I think that has made a dramatic difference in who the Foundation is. I think we did it without losing the tradition of those "Long Marchers" because we didn't ask anybody to leave the board.

TS: Well, a lot of them are emeritus now, I guess.

LS: A great number of them have become emeritus trustees, but when we started picking out trustees, we would give a preference to someone who was not Cobb County because Atlanta didn't know anything about Kennesaw State College, and if they did, they knew Betty Siegel. So we started that process and over a period of time, slowly but surely, we began to build a board that today is really a diverse board. It is a combination of Cobb County and Atlanta people who have made a huge difference. Even our current chairman, Tommy [Thomas M.] Holder—you think, why would Tommy Holder be a part of Kennesaw State University? Why would he do that? Well, he would do it because he could make money at it? How? He can't make any money at it. He's precluded from bidding to do projects, so he can't make any money at it. He can do it because all of his Atlanta colleagues are there? Well, they're not. He can do it because he loves KSU? Well, he went to Georgia Tech [Technical Institute]. It was a real feat. It was easy for Tommy to join [elected in 1995], but those early Atlanta members, it was not as easy for them to join. Now we've got a great group of people, and it really is prestigious to be a member of the KSU Foundation because there are really good, prominent Atlanta and Cobb County people who are a part of it. I think the smartest thing I ever did was to pick Jack Dinos to chair the nominating committee and give him instructions to change the complexion of this board, so it's not Cobb County. The dumbest thing I ever did was to sign the contract with Newt Gingrich.

TS: Oh, yes. That was a mistake.

LS: To teach the Renewing of American Civilization course.

TS: You signed the contract because he was going to raise two hundred thousand dollars for the Foundation or gave two hundred thousand dollars to the Foundation to fund the course?

LS: No, it wasn't quite as bad as that. It wasn't about money because Tim Mescon and Dr. Siegel came to the Foundation and said, "We have a great opportunity for Newt to teach this course on campus. It's going to be televised; great publicity for the university." I remember Jim Fleming and I said, "Well, what's it going to cost us?" They said, "It's not going to cost the Foundation anything. It's not going to cost you anything to do this. It's going to be self-funded." The dollars will flow through the Foundation, but we didn't get any of the money from teaching the course. The Foundation was a vehicle for taking donations. I can remember asking Betty, and I can remember asking Tim, "Is there any PAC [Political Action Committee] money involved in this?" The answer was absolutely none; no PAC money involved in this.

TS: Which is what, I guess, Newt was claiming at that time.

LS: That's exactly what Newt was claiming at that point in time. I've thought about this a lot, and to some extent we were all naïve. As smart as Tim is and as smart as I think I am and as smart as we all know Betty is, we were all a bit naïve because we got caught up in the notion that this is a great opportunity for KSU. We said to Betty, "What does the Chancellor say? Have you asked the Chancellor? Have you talked to the Chancellor?"

TS: Had she?

LS: The answer was yes, Betty talked to the Chancellor, and the Chancellor said, "Betty, that's your decision. This is your decision." There was an incredible value placed on academic freedom. I appreciate that. Academic freedom is not having to bow to political pressure or outside pressure in what you teach at a university level. So the Chancellor said, "It's about academic freedom, Betty; it's your choice. I'm not going to tell you to do it, and I'm not going to tell you not to do it."

TS: This was [H. Dean] Propst at that time?

LS: Yes. So at the end of the day the trustees said, "Okay, let's do it." I can remember Bill [William E.] Bullard, who was a trustee, who owned the funeral home in town, Mayes-Ward-Dobbins Funeral Home, calling me and saying, "Larry, have you gone completely out of your mind? Why would you let Newt Gingrich on this campus?" Well, I knew that Bill was a staunch Democrat. I had as many Republicans calling and saying, "This is a great thing to do." So all of a sudden I began to realize that this is political, and this may be a neat thing to do, but there are some real political consequences to this. At the end of the day we were all probably a little naïve. It was not with malice of forethought that we did something that we thought was wrong. The university supported it, Betty supported it, we thought the faculty supported it, we certainly knew Tim did so.

TS: You thought the faculty supported it?

LS: We thought the faculty supported it. In the interest of helping Betty and Tim and all those that wanted to do it, we said, "Yes. We can't think of a reason that we shouldn't do this. It's not going to cost us anything, so let's do it." Well, at the end of the day it obviously didn't turn out so well. The Foundation spent almost four hundred thousand dollars with the law firm of King & Spalding [Atlanta, Georgia] defending the positions that we'd taken. It got very political because the IRS obviously got involved, challenged the Foundation's tax exempt status; we spent four hundred grand with King & Spalding defending it and ultimately winning the battle with the proviso that we sign an agreement that essentially said, when you cut through all the words, "You're not going to do anything like this anymore, and you'll put controls in place to ensure that the Foundation is not a rubber stamp of the administration."

TS: This is the agreement with the IRS?

LS: With the IRS. It said you won't do this anymore, and you will put controls in place to ensure that the Foundation is not a rubber stamp of the administration of the school. That becomes important later on in this story. The Service said, "As a result of that, we're not going to bother your tax exempt status." So we signed the agreement and commenced to put the appropriate controls in place. Ron [Ronald H.] Francis then becomes chairman shortly after all this happened, and I never will forget, I went to Washington, and I think I was with one of these Chamber of Commerce Washington fly-ins that we used to do. I saw Newt. Newt said, "Larry, how's it going at Kennesaw with the IRS?" I said, "Newt, we've hired King & Spalding to help us through this." Newt Gingrich looked at me, and he said, "That's terrific. That's a great law firm. I'll raise the money to help you pay for it." My head was like a wedge because I was hitting my forehead saying, "Newt, you don't get it! We don't need you to raise this money! This is a Foundation issue. We'll pay the bill. We don't need any more political money." We put the appropriate controls in place, and the interesting part of the story is that as a result of that, the Foundation began a process of becoming extremely independent of the president's office, to a fault independent. That was a direct result of the Internal Revenue Service saying, "You have to be independent or else we'll come back and challenge your tax-exempt status. You can't be a rubber stamp of the administration. You are an independent foundation."

TS: You've cleared up two things for me, number one, how much money. I think Roger [E.] Hopkins told me one time a half million, so four hundred thousand is the first that I've actually heard a definitive figure on that. The other was that I had always had a sneaking suspicion that there was a direct relationship between Gingrich resigning from Congress and the IRS dropping the suit.

LS: Absolutely not.

TS: Okay.

- LS: No, absolutely not. My sense is that was a politically driven action on the part of the Internal Revenue Service directly aimed at Newt. When they went after the Foundation, they were going after Newt.
- TS: You're saying that they were?
- LS: Yes, they were, absolutely, the Democrats were going after Newt. They wanted Newt badly, and one way to do it was by attacking the Foundation and the course on Renewing American Civilization. We provided a forum for Newt, and in fact, when the light of day dawned, I remember discovering one of my good clients, Roger Milliken, the staunchest of Republicans, had given ten thousand dollars to this Renewing Civilization course. When I saw that, I said, "You know this just smells like politics." At that point it was too late, it was happening. But at the end of the day, I think the critical piece of that whole story is that it led to the Foundation making a decision, a very definitive decision, that we were going to be independent.
- TS: Can you define what exactly it means to be independent of the university as a Foundation?
- LS: Yes. It was simple for us. It meant that we would not just do what the administration asked us to do. In the past, if the administration came to us and said, "We need ten thousand dollars to do this," we simply did it. The Foundation exists at the pleasure of the university president, and we supported the President without a lot of diligence or other consideration. Post Newt, we believed the IRS agreement mandated that we be independent in our thought process and do the necessary diligence around requests from the university. We started down that line, and from a budgetary standpoint we got very strict with how money was allocated and how money was approved. We got very strict as to what it was allocated to. You've got to remember that the undesignated money that the Foundation used to run the operations of the Foundation was never more than about a hundred thousand dollars. During those later years it may have reached a hundred eighty, maybe two hundred thousand, but it was a small amount of money.
- TS: Right. So you're saying if people had designated their gift for the Coles College or for scholarships....
- LS: Then the Foundation couldn't spend that money. The Foundation just managed that money. Scholarships were a big thing. If you look at the Foundation records today, we've still got lots of small scholarships, you know, a thousand dollars here, five hundred dollars here, ten thousand dollars here, because people wanted to give money to scholarships. Of course, with the advent of the HOPE scholarship the need for scholarships diminished and scholarships became a much smaller priority for the Foundation. But independence became a really important thing that all the trustees became attuned to. So fast forward to 2004 or so, when Tom [Thomas C.] Meredith is fighting with the University of Georgia and all the foundations and they sent out an MOU—Memorandum of Understanding—to the foundations saying, "Sign this and send it back." Our Foundation said, "No, we're not going to sign it and send it back." I

remember Dr. Siegel was really upset with us at the Foundation because all the universities were signing the standard MOU, but the KSU Foundation said we are not ready to sign.

TS: And the Memorandum of Understanding would have said what—that you served the president?

LS: It essentially would take away some of that independence and essentially resulted in the Foundation serving the president. Our Foundation said, “No, we don’t and we can’t because we remember Newt. So we fought a long battle and ultimately our position was, “We’re not going to sign this Memorandum of Understanding until we see the agreements that the University of Georgia, the Medical College in Augusta, and Georgia Tech have signed. When we see their agreements, we’ll sign the agreement that they signed.” Because we had this fear that you sign an agreement and then somehow there’s a negotiated agreement for the larger universities. Now ultimately it all worked out, and we negotiated and signed an agreement. This was a very tense time in the Foundation’s history because we recognized that there was a great political battle being fought at a level much higher than KSU, and to some extent we were just a pawn in that process. Having said that, we still had this deep seeded belief that we needed to be independent and if we gave an inch in that process it would compromise the battle that we fought and the ground that we gained before. Unfortunately, as a part of that process, it began to alienate the Foundation from the president. I say unfortunately and I truly mean that it was an unfortunate time in the history of the Foundation because we became so insistent on independence that we viewed the president as being essentially teamed with the Regents and the Chancellor’s position that he had to bring all these university foundations back under control because they were getting too big for their britches—all of it generated by the University of Georgia issues with the Athletic Foundation and the firing of Vince Dooley.

TS: Right, Vince Dooley had a lot to do with that.

LS: We got caught up in that process, unfortunately, and I guess it was inevitable that there was this alienation between the president’s office and the Foundation to the point that Dr. Fleming, as the president of the Foundation, was viewed as Foundation, and he became alienated from the president and the president’s cabinet because he was Foundation. It was unfortunate because there has never been a greater supporter of Dr. Siegel than Jim Fleming. He defended Betty over and over again on issues and things, and so it was just a difficult, tense period of time. Ultimately, we signed the Memorandum of Understanding, hesitantly at first, but nonetheless we signed it after we knew what Georgia and Georgia Tech were signing.

TS: So you were signing the same thing?

LS: So we were signing the same agreement that they were signing, and we had our lawyers spend a lot of time looking at it. By now—because we’ve got a diverse board, we’ve got a woman on our board and on our executive committee who is a leading partner in an

Atlanta law firm. So we had lots of input as to this whole process. We went to lots of national meetings where the other foundation presidents and staff meet. This independence issue was being debated not only in Georgia, but around the country. The long and short of it is it was a tense period of time, but we came through it. Dr. Fleming retired . . .

TS: Was he forced out?

LS: Was he forced out? I think Jim recognized that it was time for him to go.

TS: His effectiveness was over?

LS: I think in the interest of the university he retired probably a year earlier than he would have retired. He was not going to be around four or five years, but I think he probably retired a year early. He just got tired of fighting the battles.

TS: As I recall, I guess he got stripped from the advancement part but continued to be the president of the Foundation? Is that the way it worked until he retired?

LS: Yes, what happened was Dr. Siegel wanted the Foundation to build a concert hall, and we did not think that that was the highest and best use of Foundation funds to build a concert hall, but Betty was adamant that we had to build a concert hall. That led to some alienation between the Foundation and Betty, in part because our continuing issue over independence.

TS: This is post the Newt crisis?

LS: This is post-Newt.

TS: Because even during the Newt crisis there was an attempt to raise money for a concert hall that was shot out of the water by the Newt affair, wasn't there?

LS: Right. Dr. Siegel had wanted to build a concert hall forever, so post-Newt it became a major priority.

TS: For her?

LS: Dr. Siegel wanted it to be a priority of the Foundation, and the Foundation said, "No, just because it's a priority for you doesn't mean it's a priority for the Foundation so we don't agree." I can remember meeting with Michael Coles who is now the chair and with, I think, Ron King and we said to Michael, "Michael, you have to convince Dr. Siegel that this is not the thing the Foundation needs to do. You need to convince her that we can't raise the money to build a concert hall." That was on an afternoon at Applebee's before the executive committee meeting the next morning. Michael said, "I'll convince her. I can do this." I remember saying, "Michael, this is important; you have to convince her; and you can do it because she'll listen to you; she has great respect for you." So the next

morning I go to the Jolley Lodge—which is another great achievement of the Foundation, by the way; we can talk about that too if you'd like—so I meet early at the Jolley Lodge because Michael was having breakfast at the Cracker Barrel with Betty. I see him coming in. He parks at the Jolley Lodge. I'm waiting on him, and he walks up to me, and Michael Coles says, "That woman is the best damn salesman I've ever met. I wish I had her selling franchises when I had the Cookie Company." My forehead is like a wedge again. I said, "Oh no, Michael you didn't." He said, "I'm telling you, maybe this concert hall is a good idea." We get in this meeting, and it's obvious that Betty, in her inimitable way, has convinced Michael that this is a great idea.

My little story illustrates a couple of things; it illustrates the separateness or the alienation that is happening between Betty and the Foundation over the concert hall, but it also demonstrates why this university is where it is today. That is because when Betty Siegel has a vision and gets passionate about it, nothing will stand in her way until she accomplishes her vision. I, in my own way, tried to convince Betty over and over again, this the concert hall should not be a priority of the Foundation. At one point in time Betty told Jim Fleming, "Your only job is to raise money for the concert hall. You've got no other job. You work for the Foundation, but that's not really your job. You raise money for the concert hall." Here's the ironic part of this story: John Williams asked me to co-chair with Jack Ward, who was formerly the CEO of the Russell Company, the major gifts committee for the new Cobb Energy Performing Arts Center and to join the Cobb Energy Performing Arts Center Foundation board, and so I did. I accepted the job of co-chair to raise the last forty million dollars. So who did I call? I called Betty Siegel and said, "Betty, I need you to join my committee to help us raise this money." I've told that story a few times to my trustee friends, and I say, "It's really strange; for a number of years I tried to convince Betty that we didn't need a performing arts center, and now here Betty and I are making calls together to raise money for a performing arts center." And we have; we've called on some of the most important business people in this community, Betty and I together, to raise money for a performing arts center.

TS: How expensive is that if you're raising the last forty million dollars?

LS: It's a \$145 million dollar facility. We're down to thirty million dollars or so. And Betty is enthusiastically involved and engaged and is playing a key role in that whole process.

TS: Twenty-odd years ago people were telling me that in Cobb County we have plenty of affluent people, but nobody was really rich that could give money like that, and I think you're saying the money is there.

LS: Yes, I think it is. It's there but we are really pushing it with as many things as we try to do in the county, whether it's saving the Strand or building a performing arts center. And it takes people like John Williams who put in ten million dollars of his own money, and it takes Cobb Energy who put in twenty-five million dollars to do those kinds of things.

TS: At one point when you were talking about the period when you were chair of the Foundation you were saying that there were three major decisions; we talked about

diversifying the board, and then we talked about the Newt Gingrich course. Do you remember what the third one was?

LS: Yes, I do. The third initiative that I remember undertaking, which I think was ambitious at the time, was to get the Foundation assets to \$100 million. I remember saying at an annual meeting that our goal was to have a hundred million dollars in assets. At this point we probably had fifteen million dollars in assets. I said, “We’ll never be a great Foundation until we can say we’ve got a hundred million dollars in assets, and a big chunk of that needs to be an endowment. We need to be in a position where we do not have to depend on some annual campaign to raise money to run the Foundation. You’ll remember, we talked earlier about the fact that you picked up those pledge cards and you raised fifty, eighty, a hundred thousand dollars in undesignated money to operate the Foundation. Well, you can’t take people who you think are prominent and busy people and ask them to become trustees and then ask them to go raise those piddly amounts of money. So we needed to get the Foundation to a point where it could sustain itself—it had an endowment that would just create dollars.

TS: Right. So is this where you start accumulating properties?

LS: Yes. So at this point in time, under the leadership of Michael Coles, who was chair—we did a couple of things. Michael continued to expand the diversity of the board; Michael is responsible for Clyde [C.] Tuggle, who was the assistant to [Roberto C.] Goizueta [former chairman and CEO of the Coca-Cola Company] joining the trustees; he’s responsible for Tommy Holder; he’s responsible for Norman [J.] Radow. We asked Michael Russell to join the board, who is African American, the son of Herman Russell. The point of all that is Michael continued to increase the diversity of the board, and as a part of this process Michael began to think about housing on campus because we had talked about that for years. It would be great to have housing on campus. Michael dreamed up this notion of creating student housing through a public-private partnership. So we started. History should give Michael Coles credit for initiating the housing at Kennesaw State University. Just subsequent to this, Michael became a Regent and became less active on the Foundation. Although he represents KSU and this district, he still has to represent the whole state, so being very sensitive to conflicts, he played a lesser and lesser role. But Tommy Holder came in, and real estate is what he does. History will tell us that we would not have been able to execute on all the housing had it not been for Tommy Holder. Tommy played a major, major role in helping us be able to execute that plan and go through that process. So, yes, we started with a goal of a hundred million dollars in assets. I can’t take credit for playing any role other than somebody being bold enough to stand up and say, “Hey, we need a goal of a hundred million dollars.” It sounded like it was unreachable.

TS: But this is mid-’90’s.

LS: This is ’94 or ’95.

TS: And what do you have now—two or three hundred million?

LS: Yes, it is. It'll be a billion dollars in the next few years.

TS: Do you think so?

LS: Absolutely. It'll be a billion dollars, and if that's not our goal it should be.

TS: What's UGA? How much do they have?

LS: I don't know.

TS: We're going to be up there though, aren't we? I mean, that's a lot, isn't it?

LS: Yes, a billion dollars is a lot.

TS: Other than UGA and Georgia Tech, does Georgia State have that big of an endowment?

LS: Georgia State probably does. Somebody ought to go look those numbers up. I think probably they do. But you see where it's all coming from, of course, is building housing and acquiring the land to build the housing. So the Foundation went through that turmoil period where there was alienation to almost instant change overnight. Jim Fleming retired, and Wes [Wesley K.] Wicker became the president of the Foundation. I've got to tell you at the trustee executive committee we worried about that; we worried about the fact that Jim, who was a Foundation guy—he was not a university guy although they paid his salary. He was a Foundation guy. Wes Wicker was a university guy, and Betty wants him to run the Foundation, so do we trust Wes Wicker? We ought to be careful about Wes Wicker, which goes back to that deep-rooted belief that you've got to maintain the independence.

History has taught me that a lot of our problems, a lot of our issues, were because we were at a point of change. It was the confluence of events that was causing us to experience turmoil. Jim Fleming was on the verge of retiring; Dr. Siegel was slowly, but surely, recognizing that it was time for her to retire; new trustees were coming in like the Holders and the Radows, who were thinking, I'm not here just to fill up a seat; we need to do stuff. We were at an inflection point in the history of the Foundation. So look at it today. We have Dr. Papp who came in new and shared his vision with the trustees. And the trustees get on board with Dr. Papp and his vision. We have Wes Wicker who we've grown to love because he *is* a Foundation guy. He's first a Foundation guy and then a university guy. So he now is in tune with the president and the president's cabinet. Dr. Papp is in tune with the Foundation; the Foundation is in tune with Dr. Papp. So we're at a point where I think the future is extremely bright as it relates to the Foundation's relationship with the university and our ability to partner together to accomplish great things. So we are approaching three hundred million in assets, and the university is at twenty thousand students?

- TS: Well, I think we were a couple hundred under twenty thousand last fall, so probably going to be twenty-one thousand this fall.
- LS: Right, so call it twenty-one thousand students, so where will it be in ten years: thirty-five thousand students? So it's not a stretch for me to get from three hundred million to a billion dollars as you look at the design of this campus and where we want to take this campus in terms of the whole Town Point area. We've already acquired property that's a bank site. We paid a bunch of money for a piece of property right there on the corner that's in part a ditch. There's a culvert there. You can see it when you go by. So that was a bank site; we competed with banks who wanted to buy that.
- TS: Are you talking about behind Spring Hill Suites?
- LS: Actually on Chastain Road. You know the Quiznos [1133 Chastain Road] and those little shops . . .
- TS: Mellow Mushroom.
- LS: Yes, you come down, and if you're going away from the university, on the left, there's a little site there. We bought that site for the sole purpose of preserving it so that a bridge could be built across Chastain connecting the campus with Town Point.
- TS: That would be great.
- LS: A pedestrian bridge that would take you across.
- TS: That's badly needed.
- LS: Then we're talking about what else we can buy in that whole Town Point development.
- TS: Now the Foundation owns that four-story building?
- LS: We own the four-story building, tremendous investment.
- TS: Which is where the Foundation has its headquarters.
- LS: The Foundation has its offices there, and now the university has leased most of the rest of it.
- TS: Betty Siegel is over there, I believe.
- LS: Dr. Siegel is over there, but the university has leased it for other reasons. We have also talked about buying more property on the other side of Chastain road where we are sitting today.
- TS: These houses where we are?

- LS: These houses, the ones that we're sitting in, the nine houses along Campus Loop Road which used to be Frey Lake Road. We bought these nine houses with a view to continue the growth in this direction, which I guess is north or west.
- TS: You're pointing west.
- LS: And we've even had discussions about acquiring at some point the Pinetree Country Club.
- TS: Are those serious discussions?
- LS: Well, those were discussions that said, "Where do we grow? How do we grow?" I think the Foundation has now come to conclude that the better growth scenario is continuing to try to acquire the Town Point property.
- TS: I know you also had some houses to the north on East Shiloh where one house at least had some of the international visitors staying there for a while. But you're getting out of that kind of stuff?
- LS: Yes, well, I think to a certain extent we're opportunistic; if there's an opportunity to get land that's near then you've got to think about it. But the good news is, as a result of all of this, we've formed a real estate foundation, so we have a separate real estate foundation.
- TS: Separate from the Foundation?
- LS: Separate from the Foundation with a separate board.
- TS: Are you on that board?
- LS: I am not. Ultimately it reports to the executive committee of the Foundation, but Norman Radow [President, the Radco Companies, LLC] is chairman of that group; Ron Francis [Vice Chairman, Bank of North Georgia], who has been a long time member of the executive committee, asked if he could leave the executive committee to join the real estate foundation. So we're happy to have someone of Ron's financial experience sitting as a part of that group. The real estate foundation has great, incredible goals as to where we want to go because one of our primary objectives is to continue on-campus living and to expand that. So, we will have new housing opening up for the '08 school year.
- TS: Right, another nine hundred units.
- LS: Right, another almost thousand units. So we're continuing to grow, and it's changing the campus, it's changing the complexion of the student life.

- TS: I know Dan Papp said he'd like to have maybe five thousand students on campus; is that what you all are shooting for?
- LS: Yes, I think that's a wonderful short-term goal. My vision would be if you've got thirty-five thousand students, five thousand beds are not enough. You need ten thousand beds, twelve thousand beds. And the more ambitious we get as we talk about athletics and football and moving up from an athletic perspective, I think you continue to move that trend toward traditional versus non-traditional students.
- TS: Right, right. We haven't talked about KSU Center. Were you involved with the Foundation's role in KSU Center? Does the Foundation own KSU Center or does it lease it?
- LS: The Foundation owns KSU Center. When it was an outlet mall it became available, and the university desperately needed space. So this was in the formative days when we were saying to ourselves as an executive committee, where do we grow? To some extent, we're landlocked; where do we go? Chastain Road divides the campus from going this way; there's housing all around; and then you've got I-75; where do we go? So it became available, and, opportunistically, we bought it. Actually, we did a lease initially with the Tull Foundation. Holder or somebody could remember the absolute details, but we ultimately exercised our option to buy it, and so we own it. It's been a great investment. It houses the continuing education program. I know it's even housed MBA classrooms in the past. In hindsight it was a great investment.
- TS: It's a great place for public programs because there's parking all around.
- LS: We are at least entertaining discussions now about what do we do with it now because, as we continue to grow around Town Point, do we keep it? Do we sell it? And so over a period of time we'll figure out what to do with it. But it was a great decision because it met a need, continues to meet a need.
- TS: Yes, if you sold it that would create a real space crunch for things like Continuing Ed.
- LS: Yes, you'd never do it unless you bought other buildings.
- TS: That would be a great property to go up more than one floor though.
- LS: I think the building people would tell you no; that there would be too much cost in the process. It just wasn't designed for that. But nobody's going to do anything with that property until we've got . . .
- TS: Other properties?
- LS: But the point of that is I don't think you're going to see the Foundation growing and the university growing in that direction.

TS: Okay. Across the interstate?

LS: Yes, the direction is not going to be east and south; it's going to be west and south.

TS: Okay, so the Town Point is going to be . . .

LS: It will be a prime area for growth in the future.

TS: So there are more properties back there that might be available?

LS: There are a lot more properties that are either available or will become available. We'll continue to do that and continue to support Dan Papp in his vision of how he wants to see it. See, Dan Papp's vision is we continue to buy properties and we build a hotel.

TS: We build a hotel?

LS: We build a hotel; the Foundation and the university build a hotel like the Georgia Tech Conference Center and Hotel down on Tenth Street.

TS: So we can bring people in from all over the world?

LS: We can bring people in from all over the world for a conference; they stay right on campus; we also let others in the community use it for conferences, which is profitable business. Price Waterhouse goes to the Georgia Tech Center all the time to hold conferences.

TS: It's where people can stay when they come to the football games.

LS: There you go! [laughter]

LS: So I think great opportunities are there to continue to grow, and I guess the way we got into this discussion was the notion that the Foundation and the university administration have really come together and strategically are in sync, and there are lots of synergies between what we're doing and what the university is doing. That is not to say or to cast aspersions or be negative about the prior administration. Betty Siegel is one of my dear friends. But it was that confluence of change that I think gave us the opportunity to say, hey, there's a huge opportunity here for us to come together in a way that we quite frankly couldn't come together before. So the next ten years will be an interesting time to watch the Foundation grow.

TS: What's your impression of the academic side of Kennesaw State now? Where do you think we are now?

LS: I think we have made huge progress, and it's on two fronts: one that's recognizable to the community at large; and one that's recognizable to academicians or those that really understand higher education. The public, the community at large, and I include myself in

that, we don't really understand higher education. You've got to live in it to really appreciate what we have at Kennesaw, and you have to have seen it at other places. Our faculty all came, by and large, from other places, so we don't have an inbred faculty, which is a wonderful thing. But, on the first front, you only have to look at the reputation that the school has among high school seniors who are now graduating. There are several reasons for this: number one, not everybody can go to the University of Georgia. Cobb County, historically, has supplied more freshmen to the University of Georgia than any other county in Georgia. That's probably not a shocker, given the size of Cobb County, the affluence of the community, and the proximity to Athens. So it's no surprise, but that's changing. So as they've had overcrowding issues, their SAT requirements have gone up—I don't know what they are now. They're high [1222 for first-time freshmen at UGA in Fall 2006].

TS: They're a lot higher than ours; 150 points higher [1071 for first-time freshmen at KSU in Fall 2006].

LS: One hundred fifty higher. So you take kids who at one point would have gone to the University of Georgia, and maybe they got 1200 on the SAT and they for whatever reason can't get into Georgia; those students are coming to KSU. One of the things that the parents are finding is that, you know what, you get a good education at Kennesaw. Couple that with housing, and all of a sudden you've got a changing public perception of Kennesaw State. And then the publicity that Betty has given us for years and continues to do, and then Dr. Papp is the new guy in town, and all of a sudden he's got this honeymoon period where he's getting lots of. . . and so, academically, the public all of a sudden says, "Kennesaw State University, well, that's interesting, when did it become a university?" You take that community awareness, and you combine it with the recognized academic reputation of the business school, the school of education and nursing school and before long you have perception meeting reality. The school of nursing is maybe the best example of where our great academic accreditation has partnered with the business community vis-à-vis Wellstar to create real magic.

TS: It's phenomenal what they do over there.

LS: Nursing has a phenomenal reputation. You look at our nursing program, and we don't take just anybody; there are lots of kids graduating who want to be nurses, and they can't get into KSU, and they're going other places to take the six or seven courses that they have to have A's in before they can get into Kennesaw. Similarly, the Bagwell College of Education is sending hundreds of great teachers throughout the Cobb County and the Marietta school systems and that continues to grow the reputation of KSU. Then, you add all that to what Larry [Laurence I.] Peterson is doing with all the smart people he has in the College of Science & Mathematics, and you walk away saying, "Holy Mackerel, this is a real school, this is a real university!"

Then you get to the business school and you look at the masterful job that Tim has done in carving out a niche as an entrepreneurial MBA program and the outreach program he has to corporations in Atlanta like BellSouth and others. Tim has created a place that

attracts talent in both academicians and the business community. I think then you look at even the other liberal arts areas. Just look at what you guys have done in history as you've teamed with corporations to write a carpet book, to do all the things that you're doing; we continue to perpetuate that. I now understand what Ed Harris was trying to teach me when he said, "Being a trustee at a university is the most prestigious thing that you can do." When you think about all the things that we're doing and the impact that the university is having, I think it's phenomenal.

TS: Well, you are certainly a great ambassador for Kennesaw.

LS: I think the future is just incredible.

TS: Well, there are probably a million other questions that I could ask, but I think we've hit the most essential things unless there is anything that you can think of that we've left out that ought to be on the record.

LS: I think, Tom, if you look at the last twenty-five years, and you think about KSU going from thirty-five hundred students at a junior college that most of Georgia didn't even know existed, and if you look at the way through a number of folks' leadership, predominately Dr. Siegel's leadership, we have grown the university, then you realize just how far we have come. We have created a group of trustees that have truly done marvelous things in raising millions of dollars for the university and building great friendships with Atlanta and with the political environment and with the business community. I think the university has just accomplished tremendous things in a very short period of time.

Have we made mistakes? Well, yes. We've talked about some of them. We have all made mistakes, both from a university standpoint as well as from the Foundation standpoint, but all I can tell you is we have laid a foundation for what we can become. Just imagine our 20,000 students being 40,000, then 50,000. Those numbers will happen within my lifetime, and quite frankly I think it is going to be a great ride getting there. You might remember that the playwright, Arthur Miller, said, "An era ends when it has exhausted its supply of dreams." Well, I am convinced that the era of KSU will never end.

TS: It's an exciting story of just what's happened in the twenty-two years since you've been on the Foundation, what you've told us today about how much it's changed. I was just wondering, our first bachelor's degrees were awarded in 1980. So there's not a long history of having bachelor's degrees. Do you foresee alumni coming to play a larger role in the Foundation as time goes on?

LS: Absolutely. We've talked about this for years. We talked about this twenty years ago, and we still talk about it today, and that is the fact that we have not had enough time to develop a group of alumni who have become extremely successful and well placed in their chosen professions who have an allegiance to KSU. The University of Georgia has had two hundred years to develop an alumni base that lives and breathes the University of

Georgia, and if all of them only gave a hundred dollars each, it's a huge amount of money. We don't have that base yet. We're certainly beginning to develop the base. The magic will be in ten years and in fifteen years and in twenty years when we have all these people that we are graduating in places of prominence in their chosen profession, and then all of a sudden we will have large alumni donors. I think the best thing we can do right now in terms of building a base of support, is exactly what you and all the other professors at KSU are doing—giving these people a great education and getting them graduated. We won't see it in five years; we may not see it in ten years; but in fifteen or twenty years from now alumni will be supporting this university.

TS: That will be a great day when we reach that point.

LS: No question. I go back to something I said early on. I said one of our weaknesses was the Long Marchers. But you have to put that in context and understand that our greatest strength, if you look back over the last twenty-five, thirty years, has been those early leaders of our Foundation like Bob [Robert T.] Garrison and Howard Ector.

TS: I did an interview with Howard Ector [W. Howard Ector, interviewed by Thomas A. Scott, 16 June 1995, Cobb County Oral History Series, No. 38].

LS: Howard Ector can tell incredible stories about the water works and the political shenanigans of Cobb County and the land that this college sits on, as a matter of fact.

TS: Oh, yes, I got some of that on tape.

LS: You've heard those. Those are great stories.

TS: Right. There was a huge controversy when the county sold Pinetree.

LS: Right, they sold Pinetree and the county attorney, the water works attorney . . .

TS: Harold Willingham.

LS: Right, Harold Willingham, all you had to do was mention Harold Willingham's name and Howard Ector could tell story after story.

TS: Right. We also have Harold Willingham on tape [Harold Stephens Willingham, Jr., interviewed by Beverly D. Hale, 11 July 1987, Cobb County Oral History Series, No. 11].

LS: Oh! That's fabulous!

TS: Well, I really appreciate this interview. You're a great interviewee.

LS: I'm happy to do it. I think this is important. I tried to get Jim Fleming to do this.

TS: We talked about it from time to time.

LS: Yes, I tell Jim, we need to interview people like Clarice C. Bagwell [for whom the Leland and Clarice C. Bagwell College of Education is named].

TS: We didn't do her in time, but we're going to try to do her son, Tommy Bagwell.

LS: Yeah, you need to do Tommy Bagwell. Well, you just need to understand, it's people like Clarice who had a passion for teaching, a passion for education, and a passion for the university—she was an instrumental part of the Foundation's role in this campus because she was a big supporter of our doing the Jolley Lodge.

TS: I didn't know that.

LS: She was a huge supporter of that, and one of my fondest memories is standing with a shovel between Clarice and Leo Delle and Lex Jolley.

TS: We do have an oral history with them [Lex and Leo Delle Jolley, interviewed by Mary Boswell Cawley, 13 and 20 October 1987, Cobb County Oral History Series, No. 4].

LS: That's great. I can remember that cold morning where we stood on the property where the Jolley Lodge sits and did a shovel of dirt as we were kicking off that project. There were those that said, "Why do you need a little lodge when there are so many other needs?" But it's turned out to be a fabulous place.

TS: It serves many purposes. I don't know how we'd get along without it.

LS: For faculty and for others to bring people in, it's just been a landmark on the campus. So, thank you!

TS: Thank you!

INDEX

Alston & Bird, 11
Aronoff, Craig E., 14
Arthur Andersen LLP, 11
Atlanta, Georgia, 4
Austin, Chester A. (Chet), 6, 8

Bacon, A. Max, 9
Bagwell, Clarice C., 31
Bagwell, Tommy, 31
Brumby, Otis A., Jr., 10-11
Bullard, William E., 16

Cobb Chamber of Commerce, 6-11, 17
Cobb Energy Performing Arts Center, 21
Cobb Galleria Centre, 7-8, 11-12
Coles, Michael J., 5, 15, 20-22
Cooper, William A., 10
Credit Suisse First Boston, 3
Cumberland Community Improvement District (CID), 11

Daniel, C. Howard, 8, 13
Dasher, Campbell, 13
Deloitte & Touche, 11
Dinos, Jack A. and Tony, 14-15
Dooley, Vince, 19
Dorsey Trailer Company, 3, 5
Drexel Burnham Lambert, 3

Ector, W. Howard, 13, 30

Fleming, James A., 13-14, 16, 19-20, 23, 30-31
Francis, Ronald H., 17, 25
Fuimano, Captain (ROTC instructor), 2

Garrison, Robert T., 30
Georgia State University, 1-2
Georgia Tech Conference Center & Hotel, 27
Gingrich, Newt, 15-17
Goizueta, Roberto C., 22

Harris, Ed, 2, 12, 29
Henderson, James E. (Mack), 7
Holder, Thomas M., 15, 22-23

HOPE Scholarships, 18
Hopkins, Roger E., 17

IBM Tower, Atlanta, 4
Ingram, G. Conley III, 4, 7
Isakson, Johnny, 7

Jolley, Lex and Leo Delle, 31
Jubilee Southern Festival of the Arts, 10

Kennesaw State University
 Coles College of Business, 5-6
 Shaw Industries Distinguished Chair in Business and Economic History, 6, 29
 Foundation, 5-8, 12-31
 Concert hall, 20-21
 Town Point, 24-27
 Residence halls, 25-26
 KSU Center, 26
 Academic reputation, 27-28
 Alumni, 29-30
King, Ronald E., 6, 8, 20
King & Spalding, 17

Leadership Cobb, 9
Leithead, Roger B. (Tad), 7
Ling, James J. (Jimmy), 4
Ling-Temco-Vought, 4

Macon, Georgia, 1
Marietta-Cobb Coliseum & Exhibit Hall Authority, 8-10
Marietta Daily Journal, 10-11
McCrummen, Norman H., III, 13-14
Meredith, Thomas C. (Chancellor), 18
Mescon, Timothy S., 14, 16, 17, 28
Milken, Michael Robert, 3
Milliken, Roger, 18

Noro Broadview Holding Company, 4

Original Great American Chocolate Chip Cookie Company, 5

Papp, Daniel S., 2, 23, 27, 28
Partners Fund, 10
Peterson, Laurence I., 28
Pilcher, W. Wyman, Jr. and III, 7
Pinetree Country Club, 25, 30

Post Properties, Inc., 7
Powell, James H., 8
Price Waterhouse Coopers, 1, 4-5, 11, 27
Propst, H. Dean (Chancellor), 16

Radow, Norman J., 22, 23, 25
Robinson-Humphrey Company, 5
Russell Company, 21
Russell, Michael, 22

Sanders, Phil, 9
Siegel, Betty L., 8, 11-13, 15-17, 19-21, 23-24, 27-29
Stelling, Kessel D., Jr., 7
Stevens, J. Larry
 Background, 1
 College, 1
 Career with Price Waterhouse Coopers, 1-6
 Retirement, 1
 Mentors and mentoring, 1-2
 Naming of Coles College, 5-6
 Beginning service on KSU Foundation, 6-8, 12-13
 Involvement with Cobb Chamber, 6-11
 Partner at Price Waterhouse, 6
 Service as chairman of Cobb Chamber, 6-11
 Chairing annual campaign for KSU Foundation, 13-14
 Service as chairman of KSU Foundation, 14-23
 Diversifying the board, 14-15
 Gingrich controversy, 15-20
 Growing the Foundation's assets, 22-23
 Continuing service on Foundation, 24-31

Sturgis, Horace W., 12
Sumitomo Corporation, 4

Theatre in the Square, Marietta, Georgia, 10
Tip Top Poultry, 6
Trammell Crow Company, 4
Tuggle, Clyde C., 22
Tull Foundation, 26
Turner, Ted, 3

University of Georgia, 18-19, 28

Walker, Larry, 9
Ward, Jack, 21
Westinghouse Credit Corporation, 3
Wicker, Wesley K., 23

Williams, Barbara E., 10
Williams, John A., 7-10, 21
Willingham, Harold Stephens, Jr., 30
Wilson, Joe Mack, 8-9, 15