

FBL 27

Interviewee: Jerry W. Davis

Interviewer: Julian Pleasants

Date: February 21, 2003

P: This is the February 21, 2003. I'm with Jerry W. Davis. We are in Gainesville, Florida, and this is Julian Pleasants. Tell me a little bit about your early life, where you were born and where you grew up.

D: I was born May 24, 1944, in Jacksonville, Florida. My mother was originally from Vidalia, Georgia, and my dad was from Thomasville, Georgia. Back in those days, Georgia only had eleven grades in high school, so my mother moved to Jacksonville with her sister who was living here, and she began as a telephone operator. My dad had moved down from Thomasville and was working in the shipyards. He met my mother, and they got married in 1943. My dad went into service in 1944, and I was born in May of that year. Later on, in 1945, my dad was being shipped overseas and was involved in a train wreck out in the west coast before he shipped out and came back to Jacksonville. He worked in the shipyards for a while and then started driving a taxicab. He ended up driving a taxicab in Jacksonville for thirty-three years. He was really an entrepreneur back in those days. He would rent his cab for \$10 or \$12 a day and buy gas from the company, and whatever he made beyond that, that's how my family lived. Needless to say, when he was sick or something like that, we didn't do as well financially as everybody else on the block. We never starved until my dad got sick a couple times and we needed financial support from other members of the family.

But my dad, he always made us work. I started selling papers on the corner of 44th and Main Street. I sold *Jacksonville Journals*, which was the afternoon paper, and I'd start selling them after baseball practice and that kind of stuff. I did that for about five years until I got myself a paper route. My dad made me save X amount of money, made me tithe X amount of money to our church, and then the rest of it I could use for whatever sources I needed. So, I was just raised like that in Jacksonville. I went to North Shore Elementary School, and it was a great school. Academically, I did very well there. I became a school board patrol, and to this day, some of my friends are still close friends that we were in school board patrols with back in the sixth and seventh grades. In fact, of the nine of us that were selected in fifth grade to be school board patrols, every one of us graduated from college except one. We've had two CEO's of public corporations out of there, and we've had four master's degrees and two doctorates from that group of young men. I had a great childhood. I went to Andrew Jackson High School in Jacksonville and was not a very good student, I might add. I participated in football and track, and like a lot of young men, I thought athletics was probably a bigger priority than academics. After that, I had the opportunity to attend a community college in Palatka and then also in Ocala and then came the University of Florida.

P: What year did you come to the University of Florida?

D: I came to the university in January of 1966.

P: Talk a little bit about the people who had the greatest influence on your life when you were growing up.

D: Well, I had an uncle who was a carpenter in Jacksonville, and I did a lot of hunting and fishing with him. He had a great influence on me in terms of work ethic. Also, my dad had a great influence on me, too, as far as work ethic was concerned. My father was not a loving man. He was a pretty stern individual who really believed in hard work and just committing yourself, but he was also a devout Christian, and he made sure that we were in church at all time, as my mother was. So, my dad had a big influence on me. Then, my aunt also had a major influence on me. She was just a wonderful, wonderful woman who made every holiday special in our life: birthday, Christmas, Thanksgiving, whatever it was. Her son, my first cousin, came to University of Florida, got his master's degree here, and he really had an influence on my brother and I both coming to the University of Florida. We just grew up knowing that this was the place for us to come.

P: Early on, did you have any sense of what you wanted to do with your life?

D: No, not really. I would like to say I had this great strategic plan, but I didn't. I just wanted to graduate from college so I could earn a decent living, and that was really my only focus at that time.

P: What about your other activities in, say, high school? Were you involved in clubs?

D: Yes. I was involved in Hi-Y, and I was an officer in my Hi-Y. I was a pretty popular kid. I can't say I was a socialite, but I had an array of friends. I tell my wife many times, one of my toughest problems will be whom I'm going to designate as my pallbearers when I go because I'm blessed with a lot of good friends.

P: And many of those were made in Jacksonville growing up.

D: Yes. In fact, my closest friends are guys I [played] ball with and went all the way through school with.

P: When you say play ball, what are you talking about?

D: [We] played football and ran track, and we played basketball.

P: Did you continue that after you left high school?

D: You mean playing ball?

P: Yes.

D: No. I would like to say I was good enough to play, but I really wasn't.

P: I want to go back to your dad. Talk about his World War II service. What did he do?

D: He enlisted in the Seabees in the Navy, which was a construction battalion. He went through his training, and then he got shipped up to Providence, Rhode Island. My mother and I went up to Providence. I was about three months old at that point. We went up there and stayed for about four months, and that's when he got shipped out. He was on a train headed for California, which is where they would be shipping from, and there was a train wreck. They put him in the hospital, and they discovered that he actually had TB at that point. So, about three months later he was discharged. From that point on, my dad always had some lung problems throughout his life. Unfortunately, he was a smoker and ended up dying of lung cancer at age sixty-one, which was a relatively young age. That was in 1975.

P: Where do you think you got your entrepreneurial skills from?

D: Well, one of the things my dad made me do was to tithe at our church and also save a certain amount of money. I knew that I had those commitments for my life, so I guess there was some drive there. Also, I was a bag boy at Winn Dixie in downtown Jacksonville. I had a store manager there, and his name was Mr. Gould. Mr. Gould was probably one of the toughest men I've ever worked for in my life. I had four of my friends to come to work there, and every one of them got fired because they couldn't keep up the pace. We would play football on Friday nights and come in on Saturday morning to work all day until eight or nine o'clock at night, and most of my friends couldn't do it. I don't know, I just had the drive to do it because I needed to, for one thing. Maybe some of my friends didn't have the same financial need that I did, but they never were able to make it. But Mr. Gould instilled in me the work ethic that hard work pays off, and it certainly did.

P: How did that translate to the time when you were boss?

D: I was a pretty demanding manager. I got a lot of direct training in the DuPont company. I spent ten years with the DuPont company following my graduation from here. In the DuPont company, as you might imagine, there was a lot of good

competition there because DuPont hired a lot of great people from a lot of institutions that were much more well-known back in those days than the University of Florida was. I think that in itself enabled me to rise to a higher level because of the level of competition that we had. Back in those days, I was in [the] photo products department of the company, and we manufactured medical X-ray film, graphic arts films, engineering reproduction products and what later became photo assist for the manufacturer of chips and so on.

P: What about your other jobs while you were in either grammar school, high school?

D: Gosh, I've done everything. I mean, on the way over to the interview today, I was telling the driver from the hotel... I took him by the cancer center over here that bears my wife's name and my name. He just happened to be a young black [man] who is a student here, and I was trying to tell him that regardless of the economic circumstances you come from, you can be successful, you know, if you graduate from the University of Florida and you apply yourself. I took him by there and just showed him my name on the building and my wife's name just as a kind of a... He said, what all did you do while you were here? I said, you know, I did everything. We loaded potatoes in Hastings, Florida. I worked at Certified Grocers down in Ocala and would hitchhike back at two or three o' clock in the morning between Ocala and Gainesville to go to class the next morning. So, we did everything; we had to. I've delivered kerosene at night here in Gainesville. We did everything, bussed dishes at the Tri-Delta house. We did everything.

P: Oh, I bet that was a good job.

D: Yes, it was. [Laughs.] Hard to believe some people would have paid me for that job. We just did all sorts of things.

P: So, in essence, from the very first time you got a paper route all the way through college, you always worked.

D: Yes, always.

P: So, you didn't have much time off in the summer or Christmas vacations. You were pretty much at it either in school or working after school.

D: Yes.

P: Do you regret spending all that time working and perhaps not as much time socializing?

D: Well, I guess if I had my choice of whether I came from money or didn't, I think I

would have chosen coming from money, but that wasn't an option, so, therefore, I didn't know any different. I look back on it. I really didn't know what it was like to have had a privileged life or something of that nature. I just didn't because where I grew up, we all had to do it. Where I grew up, the rich person on the block was a fellow whose dad was a fireman or a police officer in Jacksonville because they had a guaranteed income every month, and that wasn't the case in my house.

P: A lot of people I've talked to, business people, said that was really significant in their long term career. Having the discipline and the commitment to that work really, in the long run, helped them learn about business, human relationships. Many people see that as more valuable than any other training they could have gotten. How would you comment on that?

D: I've thought about that through the years, and I look at my experiences with the DuPont company where I competed with some guys who had silver spoons, who were born with silver spoons, and most of those guys worked just as hard as I did and so on. So, I think there are probably some people who, their backgrounds may have a negative effect on their work ethic, maybe. I worry about that with my children, for example, but they both seem to be doing fine. You know, whether you're from privilege or not, maybe it matters, but I think in my particular case, I think had I been born into money with my personality, I think I would have worked just as hard.

P: A lot of people argue that because they start out with the necessity of making money, it gives them more ambition, more striving, that they want to succeed more than, perhaps, other people.

D: Well, I think that's certainly the case. I'll say this: I knew what it was like to be poor and I didn't want to do it again. When I first started working, when I graduated, I found out my wife was pregnant and accepted a job with the DuPont company all in about week-and-a-half period of time. That was an incentive in itself to work hard in my first professional career.

P: What about siblings?

D: I've got one brother. He's five years younger than I am. He graduated from here and got a degree in electrical engineering and almost got his masters degree. Right before he was to finish his masters degree, Bell South made him an offer to come up to Atlanta and work in one of their divisions, and he took that assignment. He's now retired from Bell South and runs a school supply company in Atlanta. His wife's a teacher, and we're still very close.

P: What about the influence of any teachers in, say, high school or at the university?

D: I had a couple of good teachers in high school. I had a history teacher in high

school who was really influential on me, and I had a coach also who was very good. I'll tell you, by and large, the quality of the teachers I had in high school were not very good. We just had our fortieth class reunion, and I was talking with some of my classmates, some of who are now school teachers and college professors and things of that nature, and there were a couple of teachers in the science area who were very good and in the math area who were very good, but other than that, we really didn't have the skill sets that we needed to be competitive in college with most everybody else, I don't think.

P: What about important teachers in college?

D: I will tell you, I had some over in the College of Journalism and Communications who were very good, and then I had one over in the College of Business who was very good. His name was John [H.] Faricy [assistant dean, U. F. College of Business Administration, professor of marketing, 1966-1978]. I believe Dr. Faricy passed away now about three or four years ago. One of the things I did, I wrote him a letter after I took my company public and I told him. In fact, I made two A's in both his classes. I think I made three A's the whole time I was at University of Florida, I got two of them in his classes.

P: What classes?

D: It was advertising/marketing, and what the other one was, I just don't recall right now. But I got A's in both his classes, and I tell you he was a great teacher. He excited you about the subject, he encouraged you to learn all you could. I just enjoyed him as a teacher very much. In fact, I mentioned I wrote him a letter, and I just thanked him for the encouragement that he gave me and the direction and just the influence that he had [on me] in terms of being a student.

P: When you were in the College of Journalism, did you ever had a class with Buddy Davis?

D: Yes, I did.

P: What did you think of Buddy?

D: He was tough. I can't say that I liked him. [Laughing.]

P: I would have to say that your opinion would jive with anybody else's opinion.

D: I didn't particularly like him at all, but he was a tough teacher and you learned, so he did his job.

P: Well, that's what he always says; that was his purpose, and it wasn't to be

popular.

D: I'll tell you, I used to tell people in my company, I don't care if you like me as long as you respect me. I think that was certainly [true in] his case; you had to respect him, but he was a tough teacher. He didn't let anything get by him.

P: When you left high school, you first went to a community college. Which one and why?

D: I went to St. Johns River Junior College over in Palatka, and I basically went there because it was close to home and my dad was sick and I needed to work. I don't know if I could have gotten into the university then or not; I probably could have, but I chose to do that because it was just easier for me to get back and forth to Jacksonville and the cost was very low. I had a job in Palatka, also, so it helped me. Then from there, I went to Central Florida Junior College down in Ocala. The reason I got there, I got a job at a motel at Silver Springs, right across from it, that summer. I took a couple of courses out at the junior college that summer, and then I graduated the next fall and then came on to the university afterward.

P: You came here in January of 1966, and you finished in two years. Why did you decide on journalism and communications?

D: It was a pretty easy choice. I couldn't pass MS205, which was a requirement to get into the business school, which was analytical geometry and calculus. Back in those days, that class was mixed with the engineering students, you know, and the curve was very high. My math skills were such that I was smart enough to recognize that I wasn't going to pass that class. I could accomplish almost the same thing by going to the College of Journalism and Communications, and, quite frankly, I think I'm better off. I took a lot of my courses over in the business school without having to take MS205.

P: Good thinking. Now, you said one of things that really helped you as a graduate of the College of Journalism is to help you in communication. Could you be a little more specific about how you would translate that training into your professional work?

D: One of the things you learn over there is how to communicate in written format, how to be an effective communicator, how to sell your ideas, how to sell your plans. From a marketing standpoint, I think that aided me quite a bit in my career. I was able to write incredibly fast, concise, with what I think were reasonable grammar skills. Of course, that was back before we had the days of spell check, so you had to actually learn all the rules of grammar and so on if you were going to be effective. Quite frankly, that was one of the reasons I had an opportunity to

move up in management in the DuPont company after five years.

P: Do you think it really matters in business whether you major in business, or could you be just as effective if you major in English?

D: I think if I had majored in English, as an example, I might not really understand what a balance sheet is, I may not understand what a P&L statement [profit and loss statement, or "operating" statement] is, I don't know that I would have a solid basis of what marketing is really all about, but that doesn't say that an English major can't be successful because they certainly have been. I've seen a lot of engineering majors, I've seen a lot of political science majors, I've seen a lot of attorneys become very good CEOs. In my case, it probably would not have served me as well as the area that I chose.

P: When you look back on your experience at the University of Florida, how would you describe it?

D: It was a very good one. It was a tough time during those days because of Vietnam. I was out of phase [academically], so I went in service. Then when I came back, I was a little bit more mature at that point and I knew exactly what I wanted to do. In fact, the last quarter I was here, I had gotten married, and I took twenty-one hours the quarter I graduated. I had eighteen hours in class, and then I had a correspondence course out of the old museum building downtown. I don't think I've ever worked that hard before in my whole life, but I had to get out. I just had to. I had financial commitments, and I had a wife who was teaching school. I also worked part-time during that period, too. One of our experiences was in the summer of 1967. I still had a reserve obligation, and I went to summer camp and I came back. We had paid our rent for the summer, and my wife, because she was a teacher, was not working, so we didn't have any income coming in. She always wanted to go home for a few weeks during the summertime to Tennessee to see her parents. She is from a very close family. So, she had bought herself an airline ticket with her last paycheck to get her back to Tennessee. We didn't have any money, and I started scouring the town to find myself a job. I finally went out to an A&P shopping center that was being built over the northeast quadrant of Gainesville. I walked in to the superintendent there and I said, do you need any laborers? He said, I've got something but, and I don't mean anything demeaning by this statement, but he said, since you're a white guy, you won't be interested in doing this job. I said to him, I'm your man.

P: You didn't even know what it was at that point.

D: No I did not, but I needed the money. My job was pouring concrete down block walls about every hour and a half, two hours when that concrete truck rolled up. The other time was moving dirt from one end of the store back to the other where

they had too much dirt. We would work eight to ten hours a day, and I would make \$1.25 an hour. That was probably the toughest job I ever had, but we were able to pay our rent and feed ourselves during that period.

P: Tell me about your service. When did you go, and why did you go?

D: I went in January of 1966 and came out in December of 1966. I joined a reserve company up in Jacksonville and went through AIT, went through basic advanced infantry training, and also I went through signal [school].

P: Did you go to Fort Benning for that?

D: I stayed at Fort Jackson. Then I went down to Augusta at Fort Gordon for signal school. Then I came back, and I was assigned to a unit here in Gainesville, and then I was assigned to units in Louisiana and Ohio and so on as I was moving around the country.

P: Probably fortunate you did not get called into the Vietnam conflict.

D: You know, I was going to go into advanced ROTC [Reserve Officer Training Corps] here, and I was all set to go up to Kentucky for the summer in ROTC training. This was the summer before, and I was out of phase, which meant back in those days I should have been graduating in 1966 and I was not going to graduate in 1966. So, I was at a phase, so I went to see the draft board up in Jacksonville and let them know I was going to go into advanced ROTC. They let me know that regardless of what happened, when my number came up, my number came up. I simply told them, I said I'd sure like to finish my degree before I went. I'd love to serve, I don't mind. In fact, when I graduated, before I found out my wife was pregnant, I had set it up so that I could go to OCS [Officer Candidate School]. I was going to go on active duty because, quite frankly, I felt obligated to do it. Back in those days we had a lot of people here on campus who were – by our standards today it would not be, but back then I almost thought it was – subversive with all things that were going on in this campus during that period of time.

P: Do you regret not going to Vietnam?

D: I don't now, not that I think the war was wrong or anything of that nature. It was probably not managed the way it should have been; it was more of a political situation, I think, than anything. I'll tell you what I regret: I regret all those people that gave their lives in Vietnam and now we've turned our backs on them to a degree. I lost a couple friends over there, and that's just the way it is. It's an unfortunate thing.

P: Now, when you graduate, you're going to go with DuPont. Did you consider other

jobs and other positions before you decided to go with DuPont?

D: I did. I had an offer from the Lincoln Mercury division of Ford Motor Company. During my career up in Jacksonville with Winn Dixie up there, I'd had an opportunity to meet Ed Ball. Ed Ball was the head of DuPont family. There were fifty-two corporations back in those days that Mr. Ball handled. My dad would have Mr. Ball in his cab periodically, and Mr. Ball would come in my grocery store where I worked on Friday nights. [During] the football season, he always made me carry his groceries out, not to the cab, he made me take them over to where he lived, which was down at the St. Johns Apartments before he moved to a hotel in town. He would give me fifteen cents for taking his groceries up four or five blocks. He was a tough old man, but anytime I needed a job, Mr. Ball would put me on with the railroad or anything else. In fact, he hired me and some of my friends to ride the passenger trains. When the federal government made him put them back on, he hired me and four of my friends to ride the passenger cars down to Miami and back from Jacksonville to prevent the unions from shooting at the cars and shooting them up. Well, that didn't always stop them.

P: That was a pretty dangerous job back then.

D: Yes, it was, and my mother and dad didn't know we were doing it. If they had, they'd have probably killed me. Still to this day, my mother doesn't know I did that.

P: What is your view of Ed Ball? Almost every politician I've talked to said that while he was not always publicly involved, that behind the scenes, he was as powerful as anybody in Florida.

D: He was unbelievable. He is probably the worst case of a micro manager you can imagine. I mean, he was involved in every salary for every employee in every corporation. He was just a tough old man, as stingy as all get out in financial terms, but he would pour his heart out to you. Anyway, the reason why I bring Mr. Ball up, Mr. Ball was of course very close to the DuPont company, and he encouraged me to certainly interview the DuPont company, and I did so. In my immaturity, I didn't really realize until later years what a powerful man Mr. Ball really was. I would go out to the estate every now and then where his sister lived and work in the gardens out there and things of that nature. I knew they were super wealthy people and so on, but I never really realized how powerful Mr. Ball was until later years.

P: You also say you worked for Winn Dixie? When did you do that?

D: I did that in high school, bagging groceries.

P: What did you think, speaking of powerful people, of the Davis brothers?

D: People ask me in Jacksonville all the time, at least those who don't know me, they say, are you part of the Davis family? I say, yes, I'm part of the Davis family, the Jerry W. Davis family. I say, no, we had to earn our money; we didn't inherit it or anything of that nature. That was a fine family. The brothers who founded Winn Dixie were very hard working people. In fact, one of the brothers came out to Winn Dixie and tried to encourage me to stay with the company and not go to college. My dad, bless his soul, thought that was probably a great idea because I'd have a guaranteed income and they had a great retirement program and all that sort of stuff, but I just felt like I didn't want to work in produce the rest of my life.

P: I understand they were pretty tough and pretty stingy, as well.

D: Yes, they were, but they were a very giving family, too. It is unfortunate what has happened in that corporation. My own view is that maybe they became a little bit inbred, and it's good that they've got an outside CEO now, who I think is going to turn it around.

P: When they passed on, I think maybe some of the leadership and the skills were gone.

D: Well, most of the people or the family who were involved in the company did not get a formal education. They were really people who were really given a lot of things rather than having earned it.

P: When you went with DuPont, was it your object to get into marketing and you felt like this was a good strong company and this was a good place to start?

D: My objectives were to make enough money to feed my family, I wanted a company car because I couldn't afford to buy a new one, and I wanted some kind of expense account so I could operate. They were a great company to work for. I'll tell you, it was the best thing that ever happened to me. I was taught, and, of course, back in those days, DuPont was considered one of the best [managed] companies in the country. There's a lot of history there from the old dynamite making facilities back in Delaware to the breakup of General Motors and Uniroyal. In fact, my second business career, when I left the company, I went to work for Uniroyal, which was also an off-shoot of the DuPont company. So, I was able to work for a company that was so very well-managed, and I was given a lot of opportunities there.

When I left, I was a level six manager, and I was running our business in the Midwest. I had a lot of great opportunities, but one of the faults I had with DuPont was that they rewarded longevity. Of course, I had been fortunate enough to rise

fairly quickly in the company, and I had a lot of people who were working under me who were making more money than I was. Their bonuses were bigger, and I was the guy leading the troops, and I thought there was something not good about that system. Of course, they would try to do as much as they could, but within the Hayes system of compensation, it just didn't allow it to happen. I got recruited to run a specialty chemical business at Uniroyal on a worldwide basis, which gave me the opportunity to really have full P&L responsibility in a company that was really on the verge of bankruptcy at the time that I went there. I was able to grow my business in a tough environment where the bankers would call me every Friday afternoon to find out what our working capital requirements were going to be, how sales were and things of that nature. I really learned how to grow a business in a tough financial environment and how to run a business very prudently, where the bottom line was absolutely everything.

P: You were at DuPont ten years, is that right?

D: Yes, ten years to the day.

P: Where were you...

D: When I left?

P: Yes. Well, give me your basic ten years. Where were you stationed? How your job changed?

D: I started out in July of 1968 in Philadelphia in training, and I stayed there until September, and then I went to Rochester, New York, for a couple of weeks.

P: That's where the headquarters were, right?

D: No, headquarters were in Wilmington, Delaware.

P: That's right, sorry.

D: We had a plant in Rochester where we made all of our photo recording devices, and one of my assignments was going to be calling on NASA down in Mississippi where they tested the Saturn-Five boosters and also in the [Miehoud] facility in Louisiana where they made the boosters. So, I needed a background of photo recording because they used all of our products in these oscillographs down there. From Rochester, I went to New Orleans, and we were in New Orleans for two years. I was a technical representative in the field. I called on, of course, the industrial space industry as well as the seismic industry. I've gone out on a lot of seismic boats and land crews where I was actually working with a DuPont dynamite salesman to sell our oscillograph products and things of that nature.

So, I got a very diverse field experience. Then I went up to Ohio, where I basically had an assignment inside the printing industry there where we made products. I spent two years up there, and then I went to Nashville, and we were there for fourteen months. Then I was promoted into what would be the first level of management in the company, and I was called a planning assistant, which means I published our departmental monthly reports, worked with all of our manufacturing plants on certain product lines that I was responsible for. Later I became assistant product manager and then a product manager. Then I had an opportunity to work in finance, and at that point was where I was really exposed to data processing from a systems analyst standpoint.

P: That would have been really the beginning stages, right?

D: Oh, yes.

P: Compared to today, it would be pretty crude.

D: Yes. Well, you could put all the computing power we had at the DuPont company, you could probably put it into that PC that's sitting on your desk there now, maybe. That's probably an exaggeration. We were able to get current sales and earning numbers and things of that nature. I learned, really, how to design systems at that point. A lot of people working in the areas where I was working back then were not as young as I was, for one thing, and probably didn't have the desire that I had to get the reporting techniques maybe a little bit clearer and more precise and more information. I worked with our customer service representative in data processing. We completed redesigned all our earning reports and things of that nature, and they were really good. That really got me interested in data processing. To this day, I am not a programmer, I do not know how to program, I do not want to learn how to program, but I can design systems. From there, I had a recruiter call me one day, and I was happy as a lark sitting out in Chicago, [though] a little bit bored. I started spending my afternoons – I'll say it now, I certainly wouldn't have said it to my manager back then – I would get on the train and go down to the Chicago Options Exchange. That's when I really got involved with the stock market. Let me back up just a little bit. I had an opportunity at one time to have dinner with Dr. Land.

P: Land Camera? Polaroid? [Edwin H. Land, inventor of Polaroid film in 1932]

D: Yes. Dr. Land graduated from MIT with our general manager of our department in the DuPont company.

P: So, he was working for DuPont at that time?

D: No. He was a customer of ours, and the Rochester plant made a lot of our

products. I just happened to be there at the right time at the right place and had an opportunity to have dinner with Dr. Land one night with our general manager. Dr. Land asked me if I had bought any Polaroid stock. I simply told him I didn't have enough money to buy Polaroid stock, I didn't earn enough money to buy Polaroid stock. He told me, he said, what you need to do is to buy options on Polaroid stock. He talked to me a little bit about options and so on, and I became very interested in him. When I got moved from Wilmington to Chicago, I sold my home in Wilmington for about \$56,000, which is about a \$1,000 more than we had paid for it 3 years before, and we had to pay \$108,000 for a home out in Chicago, and we did that because I had been playing options. I would buy a Polaroid option and turn the thing around when I would make \$.05 or \$.10, whatever it might be and then it just started kind of mushrooming. In 1976, I made about \$14,000 in Polaroid options that year, which was a lot of money back in those days. That's how we were able to buy our home.

P: Did you ever keep any Polaroid stock?

D: I did for a while, and I continued to trade their options quite a bit. Of course, Polaroid now...

P: You don't want it now.

D: You sure don't, and that's a classic case of a company not having the right leadership.

P: What did you think of Dr. Land? This guy was obviously something of a visionary, understood how things were going to change and was able to, I guess because of his scientific background, take advantage of that.

D: Oh, he was a heck of an inventor. I didn't know him well at all. I just had that one two-and-a-half-hour meeting. But if you look at his life, he was just a gifted technician, that's all there is to it, and he ran that company very well. Of course, that was back in the days when technology bred a lot of other things. Coming from Boston technology area where he did, those types of technical people were certainly there.

P: You eventually go to Uniroyal, and one reason that you already indicated is that there was really not enough incentive in DuPont for you to move up financially.

D: The DuPont company had trained me to run a business, and one of the things I recognized in the DuPont company was that, because of my age, I was not going to be given that opportunity anytime soon to run a business. The other thing was that I didn't have a Ph. D., and the previous three guys to run the photo products department were all Ph. D.'s who came out of a research background. The

directors were all Ph. D.'s who came from research. In the DuPont company, they seemed to have the philosophy that you're good enough to carry the bag but you're not good enough to run the bag carriers. One of the toughest things in life I think we have to recognize is whether we are going to be capable of doing something or not.

P: So, you have to try.

D: You have to try. I recognized I was not going to be given the opportunity to run a division in DuPont, or the company for that matter. Maybe I'm wrong, I don't know, but that was my perception.

P: Well, certainly in DuPont, you have got to do the technical side, you have got to be in field and marketing.

D: Marketing, manufacturing, r&d [research and development].

P: And you did the whole thing, so that really puts you in a position to move up in management. Now, why Uniroyal? You mentioned they were having some financial difficulties. They gave you a great opportunity, obviously.

D: They had some photo-polymer technology, and they had a product that was very competitive. They actually had a particular product that created a proprietary position for them in the marketplace, and they didn't really recognize it. Uniroyal, if you looked at the company, was one that had a lot of old technology that was rubber-related, if you will. Then they had a lot of technology that came out of their agricultural chemicals area that was very good. This particular product that they had, it was a small market to them but a very important market, and they wanted somebody who really understood the printing industry on a worldwide basis, which I did, and somebody who could understand the technology of the product.

P: What was the product, specifically?

D: It was called flex-lite, which was a photo polymer product that was used in flexography. Flexography, at that point, had been basically a process where you use rubber as the printing medium, and if you could take that over to photo polymer where you use a photolyzation type process, you could save tons and tons of money and improve print quality. The problem with some of that was that you had oil-based inks and you had water-based inks and things of that nature. Uniroyal actually had a proprietary product in oil-based inks, and they would be competing directly with DuPont. Uniroyal knew that I knew about the market, the processes and things of that nature, so I went over. The whole business was not automated. It had a number of accountants associated with it who basically did nothing but generate numbers which weren't needed. I immediately went to their

guy who ran corporate information technology, [which] back in those days was called data processing. He told me that he had so many things to do that he couldn't possibly help me for a couple years, so I went to our CEO and said I need to do something. That's when I got involved with data processing and hired myself a couple of analysts and a couple of programmers, and we got that whole system up in about a year and a half where we were completely online.

P: Discuss a little bit more about your time with Uniroyal. You were there, I think, for four years.

D: I went in July of 1978, and I left in January of 1982; it was about three and a half years.

P: Your job was the proprietary product, [which] was on a worldwide basis.

D: Yes. My title was worldwide business manager. At that point, the company had gone to business units and, as I recall, there were about seven or eight business units in the whole company, and I had one of them. I was one of the smallest business units, but I was one of the most profitable business units. We were able to turn that thing around, and we brought on a whole new manufacturing process. We were really competing worldwide with DuPont and also Hercules.

P: You stay with that company until 1982, and that's when you set up Computer Management Sciences Inc [CMSI]. Talk to me about how you decided to do that and how you got started and where you got your capital.

D: I would like to say that I had a grandiose strategic plan, but I did not. We were living in South Bend, Indiana for three and a half years, and to say that South Bend enjoys an inclement weather situation during the winter is a gross understatement. Basically, I got tired of traveling, for one thing. My father had passed away in 1975, and I wanted to raise my family in a different environment. So, we decided strategically that I was going to leave the company and we were going to move to Jacksonville and I was going to start a company. At that point, we did not have CMSI as a vision. What I had was the ability. I had the Boston Consulting Group and some more consulting organizations come in and help me in my business. I had built a rapport with those guys, and they had actually retained me on several occasions to help them out with some of their clients.

What I did was basically set up a small consulting firm in Jacksonville. My partner, who worked for one of my fellow business managers in Uniroyal, I brought him down to Jacksonville with me. We basically were generating revenue just from our own consulting skills for various companies as a result of the Boston Consulting Group and another couple of consulting companies. We then decided that this whole data processing thing was going to start emerging. As we

were doing work, we would always be interfacing with somebody, and we decided that strategically what we needed to do was to build that type of business. So, we incorporated CMSI in January of 1983, and we literally dialed for dollars, if you will. Back in those days, services were not easy to sell. It was not easy to sell somebody on having somebody from the outside perform your internal functions. There was a small company in Jacksonville, which was actually a national company but it had a small organization, and they were terrible. What we did was to basically go into their clients and basically take their clients away from them because it was like shooting ducks. I mean, they were so very bad. And we just grew from that. We developed expertise in banking. One of our business customers was Florida National Bank, which Mr. Ball was responsible for, and that never helped me there. I can tell you that it never helped me. Also, Independent Life Company in Jacksonville as well as Gulf Life, and we were able to basically develop insurance and banking expertise. We then took part of that expertise, and my partner opened our Hartford, Connecticut office, and we really branched into the insurance business up there.

P: There's a lot of insurance companies there, The Hartford [Financial Services Group, Inc.]...

D: A lot of insurance companies. The Hartford and Aetna and all those guys were up there, and we were able to expand our area of expertise into that area. From there, we got into Michelin Tire Company up in South Carolina and several companies in Atlanta, and we just kept growing. As we developed expertise in certain applications, we were able then to sell our services and our software to other companies.

P: Try to explain to me exactly what you do. Let's just take The Hartford insurance company. What kind of software would you develop for them?

D: The Hartford, in particular, they contracted with us to maintain some of their applications, and then they also contracted with us to write new applications for them. Many times, a company would have, let's say, an agent compensation system, and it had been around for a long time. If they wanted to modify it, they would hire us to modify it for them. They might then hire us to run that application for them on an ongoing basis because, many times, a lot of their own in-house people felt like maintenance of applications was something mundane and they didn't want to do it. We looked at it much differently. We looked at it as an opportunity for us to get in, maintain that application, and then upgrade that customer to new applications with new development. Their people, for whatever reason, didn't see it that way.

P: In other words, once you would get in and start working with them, you could offer all kinds of new programs and modifications.

- D: Absolutely. Quite frankly, we were more productive than their own people were, and it became obvious. So, when new development work came up, we would have an opportunity to do it.
- P: Who were you hiring to do these jobs?
- D: We hired systems analysts, application programmers, mainframe, and then we got into client servers in a big, big way in the mid to late 1990s.
- P: Were all these on site?
- D: In 1995, we built our first systems outsourcing center in Jacksonville, which enabled us to bring those applications in-house, and we ran them for the customers. From 1995 through the first part of 1999, we built additional data centers. We had two data centers in Jacksonville; we had one in Tallahassee; one in Atlanta; Greenville, South Carolina; Richmond, Virginia; Hartford, Connecticut; Nashville, Tennessee; Denver, Colorado; Chicago; Cleveland; Boston.
- P: Anything out of the United States?
- D: We did work [outside of the United States]. We had a company in Australia where we had done some work down there, but it became very difficult for us to do work down there because of the immigration laws.
- P: What about the cost of putting in these data centers?
- D: Well, our biggest data center was in Atlanta, and that one was about 50,000 square feet or so. We had a business model whereas we did not build new buildings. We only built one new building the whole time, and that was our second data center in Jacksonville. Actually, we collapsed an old building and then built on that foundation. Because we had plenty of cash from our public offering, we would buy an existing building, and we had a business model with a builder out of Jacksonville and an office furniture place and also our own technical people, network people and so on. We would go in, buy a building, and we would make a data center out of it, and it worked very well.
- P: How long would it take you to do that?
- D: From the start, about six months. We built nine data centers from mid 1995 until late 1998.
- P: In this context, you put them where your business was, obviously.

D: We put them where our business was and where we wanted to get business. For example, in Richmond, Virginia and in Nashville, Tennessee, we did not have a dime's worth of business before we built the data centers. We acquired a company in Charlotte and built our data center there.

P: What was that company?

D: The company we acquired up there? Gee, I don't remember the name of it, to be honest with you.

P: It was a data processing company?

D: Yes, he did mostly software services up there. We took that from about a twenty-five-man shop to about 200.

P: Talk a little about your vision of what, when you started this, where did you hope to be in fifteen years?

D: Like I said earlier, I didn't really have a strategic plan. My whole thing was to keep my kids in private school, be able to meet my tithing obligations in church and hopefully... When we moved to Jacksonville, I rented a condo. I was very fortunate. When I was at Uniroyal, I did very well financially, and for that period of time, I made a lot of money and I was able to save a lot of money so that we bought a lot in Jacksonville two years before moving there. I did that as an investment, not thinking I was going to move there. So [when] we moved, we actually had our lot paid for, and we were able to build our home, which is still the home that we live in today.

P: Did you anticipate that you would end up covering the country with your services? Did you have any idea that you were going to be that big?

D: I had no idea. I'm a working manager. I mean, until September of 1998 when I had a recurrence of my cancer, I actually ran some projects myself and also was the CEO of our corporation. I'm not a micro manager by any sense of the word, but I'm a very involved manager with our company. We had direct reporting responsibility so that I knew what was going on in our company all the time. But we did not have a vision for where we were going. Once we got going, we knew where we had to go. When you become a public company, growth and revenue and growth and earnings become your theme, to a degree.

P: When and why did you go public?

D: Back in 1988, we put in an employee stock ownership plan. We did it for two

purposes: one was it was a great tax vehicle to avoid corporate tax, if you will, and, number two, it would have given the primary shareholders a way of cashing out at some period of time by selling your stock to the [ESOP], which would have given us an exit plan at some point when we wanted to. As the company grew, I recognized that we were going to have a need for capital, and our company was debt free every Friday. At one time, we did not have any debt whatsoever in our company.

P: Although you were still expanding?

D: We were still expanding. We never had any debt because we did it with internally-generated funds, and our company never had any problems. I had cancer. I was diagnosed in July of 1990 with gastric lymphoma. At that point, our company had about a million dollars in cash in our company. I had surgery and chemotherapy, and the particular protocol I had back then was particularly devastating in terms of your energy and so on. I literally could not work, so my partner ran the company. Unfortunately, during that period, my partner and I have different skills, and he unfortunately allowed certain things to happen that drained the company of its cash resources, and we went into debt by about half a million dollars. The day I returned to work, I was informed by the bank that we didn't have any more money to cover payroll. It was a tough day in my life. I was trying to recover from cancer and make ends meet, and then the banker came to me and told me that I needed to personally guarantee the next payroll, which I did. So, I then changed banks and developed a relationship with SunTrust, which to this day, to the day I depart this Earth, I will do business with SunTrust because they were our partners in this whole thing.

P: How many employees would you have had at this time?

D: Let's see, in 1990 we would have had probably about 120 or something like that, roughly. In the next few months, I just honed in on cutting our expenses and getting things right, and we did, got our cash situation back up, paid our debt, bought our first building which became our corporate headquarters, and then we kept growing. We started expanding into different markets with different offices and so on. Then in early 1995, I recognized that we needed to have this concept of systems outsourcing centers so that we could, in essence, create a proprietary position for ourselves versus competition. Because we had run our business in such a prudent fashion, we had money, and most of our competitors didn't have the same level of cash. I also recognized that we were going to have to compete with the IBMs of the world [in] services and also with people like EDS [Electronic Data Systems Corps], which at that time Ross Perot was running. Not that we could be as large as they were, but I knew that we could compete with them if we built our business model.

P: Perot got a lot of government business. Did you ever push for that?

- D: No. There's one thing we did, and that was we did not accept any government business. We strategically decided not to do that. We felt like the commercial business was the best line of business for us. The only government business we did was we did work for Pratt & Whitney [aircraft engine designer/manufacturer], and Sikorsky [Aircraft Corporation], and some of those people like that who had government contracts, but we were not a government contractor. We never applied to be on the federal supply schedule or anything of that nature, and I'm proud of that. We like for people to pay their bills promptly and not go to the lowest bidder. We would not have wanted that business model.
- P: So, as you're starting to expand, you decide that it's the right time to go public?
- D: I decided it, and I had always had a relationship with Robinson-Humphrey in Atlanta. I went to Robinson-Humphrey, and they told me that I probably wasn't big enough to go public and that they didn't really realize why somebody would want to buy stock in our company. Well, about five months later we went public, and Robinson-Humphrey was one of the bankers that took us public. The banker who initially told me we weren't good enough to go public is no longer there and was fired.
- P: Basically, that's what they do, is help companies like you to go public.
- D: That's right. They basically are responsible for running the book, if you will, out selling shares. It was a good time for us. There was a company called Cambridge Technology Partners who had somewhat of a different business model than we did, but it was doing very well. It had a high PE [price to earnings] ratio, and people kept comparing us to them. It made us very easy to take public. As an example, we were oversold by 125 percent.
- P: When you went public, I recall that *Business Week* and maybe *Fortune*, a lot of magazines, were touting you as a hot-growth, very promising company.
- D: That's correct.
- P: What is the value of the stock today compared with when you first went public?
- D: Of course, Computer Associates bought us. We went public at \$14 a share, and if you adjust everything for splits, the shareholder who bought a share of stock at \$14 ended up getting \$62 for it.
- P: What was the main purpose of going public? Was it to use that money to open more of these data centers?
- D: That's correct. When we went public, we raised \$28 million dollars, and that gave

us plenty of capital to continue to add data centers without incurring any debt. One of the things that we were blessed with [was that] we had one of the highest operating margins in our industry, and that was basically because we did not have any debt and we were able to be very prudent with our labor content in every job that we did. We were understaffed, if you will, by comparative analysis, but because we were an ESOP [employee stock ownership plan] company, every person who was working on that project had a vested interest in that thing being successful.

P: Those kind of corporate incentives are the best way to run an efficient operation?

D: I think that model worked very well for us. As an example, when we sold the company, our ESOP was valued at \$45 million. We created thirty to forty millionaires in that company right away.

P: Plus, you're dealing with, if I may put it this way, high-level white-collar workers for the most part. I mean, most of your people would be highly educated and very skilled workers.

D: They all felt that way [laughing]. I personally think that a lot of those people were very overpaid for what they did, quite frankly. Of course, now the market has certainly borne that out. Somebody who was making \$70,000 and \$80,000 four years ago, they may be lucky to have a job today.

P: What do you think caused the fallout? We'll get to that a little bit later, but why was there such a tremendous drop in all these new IPOs [initial public offerings] and all these new corporations and the whole technology sector?

D: I think Microsoft probably had more to do with the financial growth of this country than anybody realizes. The fact that Microsoft really put desktops in everybody's office enabled them to be a part of the whole computer world, if you will. It had a tremendous impact. Being able to put a computer out on a user's desk and give that user the ability, from a PC standpoint, to link with that mainframe and not be tied to that mainframe, was an incredible, incredible fact. That enabled us to, rather than just do mainframe work, we could now take that mainframe work, download it to a client server and put that software right at that user's desk. I think one of the biggest travesties we've ever had in this country was the Clinton administration investigating Microsoft and doing to Microsoft what they did.

P: Trying to break them up?

D: Yes. Microsoft created more jobs in this country than I think are measurable. If it hadn't been for Microsoft, we never would have had the technical explosion that we had in the 1990s and, I think, to a degree this whole thing with the internet. I

had several analysts who followed our company who became critical of us for not investing in the Internet more heavily than we did. We simply could not understand from a business standpoint how somebody was going to be able to make money using this Internet business model.

I think it's reasonable to assume that a lot of applications are going to be out on the desktop where somebody can use the Internet, but to be able to make the money that justified what those stocks were selling for, we never could understand and we stayed away from that type of work. That is one of the reasons why our company was so good financially and so well-off financially because we just never got caught up in that. I remember saying to an analyst at a quarterly conference call, I said, why don't you show me the business model where these guys are going to make money, and we will be happy to get in. They were critical that we were not doing as much work in the Internet area as some other companies were, and I simply said as I looked at several of their receivables (they were all going up), I suspect it's with Internet customers.

P: In other words, they were selling stock on what was the perceived potential for these things.

D: Well, when things are selling for five times expected sales...

P: It's got to be too high.

D: In the year 2000, we're looking at a price to earning ratio of where we were, it just didn't make sense to me that it was going to happen.

P: [Although] some are still in business now like Amazon.com, some of these have never turned a profit in some cases. So, the failure of all those Internet companies sort of dragged down all the technology sector?

D: Well, the other thing that happened [was] you also had the year 2000 problem, the Y2K problem, and a lot of people spent a lot of money on Y2K. We were involved in probably fifteen or twenty Y2K projects, but we did not allow the Y2K thing to become more than 10 percent of our revenue in any one quarter because, you know, when you get that one fixed, then what are you going to do with those projects, and there is nothing else to sell after that. We really tried to stay focused on our application development and other areas other than Y2K so that we wouldn't have any problems following that.

P: Was it necessary? Was the fear about Y2K overblown?

D: I think it was. I mean, there were definite reasons for having to change systems and things of that nature, but what was going to happen was widely overblown.

P: Eventually, you're going to merge or be purchased by...

D: Computer Associates.

P: Yes, Computer Associates. I don't know, is it Global Professional Services? What does it become?

D: It just becomes part of Computer Associates.

P: Okay. Computer Associates International, is that right?

D: That's correct.

P: Explain to me why you did that. I guess they technically acquired your company?

D: That's right. They purchased the assets of the company. They basically purchased all of our stock for cash, and when they purchased the stock, they took all the assets with it.

P: What was your relationship to this new company?

D: I was on a retainer with them for two years, but in [the duration of those] two years they never called me. Of course, the company is all but gone. What was Computer Management Sciences has now disappeared.

P: Completely?

D: Completely. I think they've got one data center left in Jacksonville, and they're trying to close it down.

P: You mean all the data centers you built?

D: Everything is gone, everything.

P: Why?

D: It was just grossly mismanaged, for one thing. I mean, they just grossly mismanaged the place.

P: They took a successful company and ruined it?

D: They just ruined it. They started ruining it the day they closed the transaction.

P: Do you regret selling to them?

D: Oh, no. You've got to remember, I had a recurrence of gastric lymphoma in September of 1998, and at that point the company was doing very well. My partner had to run it because I had surgery and then chemotherapy and then radiation. I was really not a part of the negotiating. We were very attractive to CA because of all our data centers. Wall Street told Computer Associates that they needed to have a services part of their revenue stream because it was much more stable than simply software. So, they looked around the country and recognized Computer Management Sciences as a company that could compete with IBM, with EDS and these other guys if they had adequate capital to do so, and so on. That was probably their philosophy to do it. They contacted us in December of 1998, and at that point I had just finished chemotherapy and I was going to start radiation in January, down here in Gainesville. We had made my partner the interim CEO because I was just in no physical [shape]; I just could not have done it. When we got the offer from CA, I was in an apartment here in Gainesville. I was having two-a-day radiation treatments. I had just gotten back from my morning radiation treatment, and my wife was in Jacksonville. My wife and I are both devout Christians. I'm a deacon in my church, and my wife participates in several Bible studies. She was at a Bible study in Jacksonville that Wednesday morning. She does it every Wednesday morning and Thursday morning. She was going to come back that night here in Gainesville. I was able to drive myself over that particular week to get my treatments, because some days I was just too weak to do that.

Anyway, I got the call from my partner who said, this is the offer, and I've told him we won't accept this but we'll accept this, and he said, what do you think? I said, let me think about it. One of our outside board members who is a good friend of mine is a guy named Harry [C.] Stonecipher, and Harry had been the CEO of McDonnell Douglas [elected in 1994] and had joined with Boeing, and when they merged [in 1997], Harry became the president and chief operating officer of Boeing Aircraft. Harry called me at the apartment and said, I'll vote however you want me to, but you need to consider that this is a cash offer and that I think it's a very good offer, [and] we don't know what the future is going to be, but more than that, we don't know what your physical abilities are going to be. Harry said to me, I don't think you know everything that's going on with the company right now, and I think it's a good thing for us to sell.

P: He sort of anticipated what had happened the first time you were ill might happen again?

D: I think he felt like things were not being ran the way they had been. I have a lot of respect for Harry. He's a great manager; he's just a good business man, pure and simple. Anyway, I agreed to the deal, and that was in February of 1999. We closed it in March of 1999.

P: In retrospect, do you think you got a fair offer?

D: We got a great offer. Regardless of how we would have performed during this period...

P: It would have been down.

D: It would have been down. We got \$28 a share for the stock, and that was after two three-for-two splits. So, we did very well. We got a little over \$500 million for the company, all our shareholders did. From that, I was able to meet my commitment to the University of Florida College of Medicine, where my wife and I gave them \$5 million. It was a great deal for everybody involved.

P: Let me go back and talk about your career with this company. What makes a good CEO?

D: Several things. Number one, it takes a lot of integrity, which we don't see today.

P: I was going to say, if you look at Enron [global energy trading company under federal investigation for illegal accounting practices after the company filed for the largest ever U. S. bankruptcy] and Global Crossing [fiberoptic network company, also one of largest U. S. bankruptcies and under investigation for accounting malpractice] and all of this...

D: I don't see how somebody could have been the CEO of Enron and not known what was going on. This man was a Ph. D., so he was a very learned individual.

P: Theoretically.

D: Theoretically, that's correct. I haven't met many Ph. D.s who weren't intelligent enough to at least read a balance sheet and know what's going on. It's not brain surgery. It takes integrity, and it takes a level of commitment to understand who you are really serving. When you are a public company, you are serving your shareholders. In our case, our shareholders and our employees were one and the same, so it made it easy for me to know who we were serving. Also, it takes a discipline to make sure that your financial goals are met every quarter and that you don't deviate from those goals unless the market dictates that you do it. You stay focused on those goals. I'll tell you the other thing we did. My experience at DuPont and Uniroyal was that most corporations are based on averages; that is, you've got your A performers and your B performers and your C performers and D performers, and you probably got a few F's who probably never get weeded out. I did not tolerate that at CMSI. We had a lot of A's, we had a lot of B's, and we had a few C's, and most of those C's were on probation. If you were a C

performer in our company...

P: In terms of productivity, efficiency?

D: In terms of productivity, the quality of the work, everything that's associated with whatever job you were doing, you were evaluated on a six-month basis, and if you weren't doing your job the way we expected it to be done, you were put on probation, because the rewards were there. I used to tell people in our company, my dad taught me that you can't out-give the Lord, and I told our people that you can't out-give CMSI. We just kept that diligent attitude throughout running the company.

P: Part of it was, as you've already indicated, you were a hands-on manager, so you really kept up with what was going on all the time.

D: I got enough reports that I knew where every major project was, I knew every Monday morning where every employee of the company was assigned, and we had checks and balances on that, and I had a very strong chief financial officer and a very strong controller.

P: Absolutely essential, obviously.

D: Absolutely essential, and I understand finance very well, and we worked as hard to earn money for our shareholders as we did to do good work for our customers.

P: Who was your accounting firm?

D: Peat Marwick

P: And they did a good job?

D: Yes, they did. In fact, I had lunch several weeks ago with the guy who runs the Jacksonville office who was the lead partner on our account, and I told Larry during that meeting, Larry, I can tell you this, Enron and all these other guys didn't have Larry Thawly as their partner calling on them. I remember one time I loaned Dr. Jerry Falwell [American evangelist, founder of Moral Majority, fundamentalist Christian U. S. political action group] some money to buy a whole bunch of land up there to expand Liberty University, and it was a good thing for him and it was a good thing for our company in terms of our return on our capital because we had some excess capital. I remember Larry noted at every quarter in our footnotes that we had a loan to Jerry Falwell. I used to question if we had made a loan to Microsoft, would it still be footnoted, you know. Anyway, I was very proud of that.

P: During your sixteen years from 1983 to 1999, you almost always had a high PE

ratio, and except maybe for one year, you always turned a pretty considerable profit?

D: We always had a profit. Because we were an ESOP company, we had to have our company evaluated once a year to get a price for what we figured was a per share price, from a private evaluator, and they did that until we went public. In fact, when we went public, the underwriters wanted us to come out at \$12 a share. I sat in a limo with them the day before we were going to release, we were sitting in Boston, Massachusetts, and I said, we're not coming out at \$12; we're going to go at \$14. The underwriter looked at me and he said, I don't know if we can do that or not. I said, then we're not going. Anyway, we had so much interest in our stock that we went out with \$14 with no problem at all.

P: And it was, again, oversubscribed in a very short period of time.

D: Yes.

P: So, obviously Wall Street and the other pundits recognized that over this period of time you had been successful and made profits and met your goals.

D: Yes.

P: When you look back on your career at CMSI, what are you most proud of?

D: That's a good question. I'm really proud of most of the people we had. I'll tell you what I get most pleasure out of was the fact that we were able to create a lot of wealth for a lot of people who probably wouldn't have had that opportunity under any other given circumstances. I'm really proud of that. I'm proud I was able to come back to my hometown and basically add a lot of value to my hometown in terms of the people there, and I'm proud of the little bit of notoriety we got for being a Jacksonville company.

P: How many people were you employing when you sold the company?

D: We had somewhere between 1,000 and 1,100 [employees].

P: You increased ten times over what you started with. What was the overall impact in Jacksonville? I mean, you did have some customers there. How else would you have benefitted or impacted the city, and I'm here talking in terms of your giving and your commitment to a lot of public projects.

D: We had a pretty significant employee base in Jacksonville, and we had some people who would travel out of Jacksonville to other offices and other projects and so on so that Jacksonville was really the base of our operation. One of my

high school classmates and friend had been our mayor, and so we were able to help him. We were able to help our current mayor and serve him in various areas.

P: Who was the previous mayor?

D: Tommy Hazouri [1987-1991].

P: What do you think of the current mayor [John Delaney, 1995-present]?

D: I think he's done a very good job.

P: He was a former student of mine.

D: Is that right? John's a great guy.

P: I'm very impressed with what he's done.

D: John's only fault is he's an attorney, but other than that he's a great guy.

P: [Laughing.] What is the ultimate future of your business, not your company per se, but how do you see it in the next ten years?

D: Of the industry?

P: Yes.

D: I don't know because I've gotten as far away from software services I can get. People ask me now what I do and I say we are in the racing business and working to get a sponsor and I've also got a large farm over in Madison County. I've got a 2,000-acre farm over there, and I really say I'm a private investor now and a farmer. I have completely divested myself from the software services business, but I would suspect that the industry would come back at some point as corporate earnings improve. I would suspect there's a backlog of applications to be improved, new applications to be built, and so on. I would think that industry is going to come back. Will it come back to the go-go 1990s, if you will? I don't think so, and that's probably good because a lot of that stuff was built on inflated stock prices and inflated earnings. That didn't make a lot of sense, especially in the telecommunications industry. But I think the industry will come back as company earnings continue to improve.

P: Of course, people are now not putting much money and reinvesting in new technology with the economy like it is.

D: They don't have it.

P: Talk about your interest in and founding of Davis and Weight Motorsports. How did you happen to get into that?

D: My mother and dad liked the racing down in Daytona quite a bit. My dad liked it, I guess. He was a south Georgia redneck, so it kind of came hand in hand with him. I liked it from my high school days. I remember going to Daytona in 1959 when they opened the track with some of my high school friends. My business partner also liked racing very much. We were sitting down at Daytona one time when my brother-in-law was with us and a couple of other friends, and I told Tony, you know, if we ever have any money, let's get into this business, and he said okay. So, we sold the company in March, and we bought a Busch team the next month. It was a defunct Busch team headquartered in Fernandina.

P: This is NASCAR?

D: NASCAR's Busch circuit. We did that for a while, and about six months later we bought a defunct Winston Cup team in Concord, North Carolina, and we closed down the Fernandina facility and moved everything to Concord. We raced at Busch for two years, and then we stopped racing at the end of the Kentucky race in year 2001. Then we were preparing to go up to Winston Cup, and we've been preparing to do that ever since. We're not there yet, but we've built cars, we've built engines. We've got a 25,000-square-foot facility up in Concord, North Carolina. Right now, it's tough to sell sponsorship, and we're at a disadvantage because we're not an established Winston Cup team. So, we've just made the financial decision that we're not going to put anymore money at risk by running until we get sponsorship. If it happens this year, that's well and good; if it doesn't happen, the next year, that's fine. It's one of our business priorities. We've got the expenses cut way, way back right now. I consider this a building time right now in that business, and as soon as we get sponsorship and we're working on it everyday, we'll be back out there.

P: Have you got a driver?

D: We will have a driver. At this point, we don't have a driver because we don't have anything to sell him at this point. We want our sponsor to be involved in our decision as to who our driver is because it has a lot to do with how their marketing campaign is going to be designed. By the way, this is the first time I've ever had an opportunity to use my advertising degree. I wish I could go back through school at this point. I'd probably be a lot more effective in this business, you know.

P: Well, that's a lot of it. One of the things that probably surprises a lot of people is the incredible popularity of NASCAR. According to figures I've seen, more people

watch that sport in person than any other sport. Why has that taken off so much?

D: It's probably the fact that the number of tracks has gone up. I think the fact that the tracks have gone public, if you will, and the fact that [with] NASCAR, the demographics of this country have changed such that you've got more college-educated [people and] you've got more women, basically, looking at motor sports. The demographics has changed to the degree that it just makes it much more appealing to a wide range of people than, say, it was twenty years ago. This is not wrench turning sport anymore. This is a very complex, very computerized, very sophisticated sport. When we started racing, you know, you have to qualify, and we didn't have any owners points at the time. So, when we started, we had to qualify for every race. We missed a total of ten races by less than a second, cumulative total. That's how competitive this thing is. In less than a blink of an eye, we missed those races. It's a very competitive sport.

P: This is the Busch series that you've been running in.

D: We had been running in before going up to Winston Cup.

P: Right. So, did you ever have much success in that at all?

D: We've never ran a Winston Cup race yet. We've been preparing to do that.

P: How about the Busch series?

D: Oh, yes. We ran for almost two years the Busch.

P: Did you have much success?

D: Well, yes. Our highest finish was twelfth. We finished twelfth in Talladega, and we finished twelfth in Daytona.

P: That's pretty good.

D: Yes, in 2001, I guess it was, and we had Microsoft as our sponsor. We thought we were going to have Microsoft as our sponsor for the whole year, and they then had their budget cut the very next week, so that left us out there without a sponsor for the whole year.

P: From my understanding of NASCAR racing, it's a very tricky business. It takes a lot of skill not only to build a car that's both fast and reliable, but it takes a lot of skill in driving, and there's a lot of competition for this kind of money. How do you approach being successful at the Winston Cup races?

D: I don't know because we haven't been there yet. I've got a theory on it, but I don't

know if my theory will hold water or not. One of the things we've done in preparation for this is that we have built our own engine shops so that everything that we put on the track will be built by Davis and Weight Motorsports, with the exception of our chassis. We are going to buy chassis and then build our cars on top of those chassis.

P: What chassis do you use?

D: In the past, we've bought chassis from Roush, and we also bought one or two cars from Joe Gibbs.

P: Joe Gibbs, former Washington Redskins coach who is into Winston Cup racing?

D: Yes. In fact, his team won the championship last year. We bought a couple of Busch cars from him the last year we were there.

P: So, your job is to get where Joe Gibbs is?

D: Well, I look at this a little bit different in that to me this is entertainment. I'm not in the sport to make a lot of money. I'm in the thing because I enjoy it and I want to be entertained by it. At the same token, I don't want to spend my life's fortune, either.

P: You don't want to have too much fun.

D: Which is what we did for two years. I mean, we've put a great deal of money into this business.

P: It's expensive, isn't it?

D: Yes, we've invested around \$7 million in the business. At this point, we've got a lot of assets, but by the same token though, every hour of labor you pay for is something you never regain. We've learned a lot. I'll say this, we were a little naive when we went into this thing. If we had ran this business like we ran CMSI, we'd probably be racing today. I guess as we've gotten somewhat more mature and we don't have the same drive that we had before, it has a new emphasis, if you will, versus the way we ran the company.

P: I would say probably one of the things that you might consider as having at least an explanation of the success of NASCAR would be Bill France [Jr., NASCAR president, 1972-2000] and his selling and building up of NASCAR. I can remember in North Carolina when Richard Petty [seven-time NASCAR champion] was racing on dirt tracks.

D: Absolutely. I used to tell my people in the company that they've got nine votes

and I've got ten votes, and it's not a democracy. NASCAR has been run much in the same way. I think that's good. They still run it that way. They let those people in the sport who should be in the sport, and they don't let those people in the sport who should not be in the sport and are not good for the sport.

P: They run a pretty tight ship.

D: Yes sir, they sure do.

P: Some people think he [Bill France] maybe has a little too much power and a little too much authority.

D: Jack Roush [NASCAR Winston Cup owner, head of Roush Enterprises] probably feels that way and some other people. But I tell you, you put all the assets and liabilities and you lay them out on a balance sheet some place and, boy, the assets far outweigh the liabilities.

P: How important is having a driver like Jeff Gordon [four-time Winston Cup champion]?

D: I think it's very important, but by the same token, you've got to have good equipment for him to drive, too. I mean, some people just have God-given gifts to be able to drive a race car, and he's one of those people.

P: What makes a good race car driver? Obviously reflexes, eyesight, concentration. What else?

D: I think he has to be a bit of a technician, too. I mean, he has to understand what's going on with that car so that he can relay it back to that crew chief. One of the problems we had early on was that we had an excellent driver but he was just not capable, technically, of telling that crew chief what was wrong with that car.

P: So, if you weren't turning enough RPMs or something, he could let him know?

D: Well, those are simple. Just saying that the thing is tight going into the turns, I mean, that's a pretty generic term and there are things you can do to that, but you need to be able to technically communicate to that crew chief why you think it's doing that. By the same token, that crew chief has to be capable of taking the information from that driver and applying it technically also.

P: When he comes in for a pit stop, fixing it. What's the biggest variable? Tires?

D: There are a lot of variables. Weather. I mean, there are so many variables. It's like running an airline. My wife asked me a year or so ago, how would you like to

run an airline? I said, you couldn't pay me enough money to run an airline. You're at the mercy of labor unions, you're at the mercy of the weather, you're at the mercy of the fuel suppliers, at the mercy of municipalities who own all the assets where you park your airplane, and you're also at the mercy of two manufacturers who manufacture airplanes. It's a business where you don't have a whole lot of control. The racing business is that way to a degree also because you're at the mercy of the weather and everything else and then the other people who are out on that track. I'll never forget as long as I live, we bought a brand new car for a race in Memphis two years ago, and on the eighteenth lap we totaled that car because a guy hit us in the rear and spun us out. It amounted to a \$75,000 day for us. We lost probably \$75,000 that day in assets only because we did nothing wrong but the guy behind us did.

P: That's what makes it such a difficult sport, because there are so many variables but you really can't control them.

D: That's exactly it. I'll tell you, in business you anticipate the peaks and valleys, and in racing, you can't anticipate them at all. I mean, you can be higher than a kite one minute and just lower than whale manure on the bottom of the sea the next minute.

P: Of course, that's what makes it exciting for the fans.

D: That's exactly right, but from an owner's perspective...

P: Not too good.

D: ...it makes it very difficult.

P: Is there some sense that NASCAR racing is as much of a social event as a sporting event and that there are people who go with the hope of seeing a spectacular crash? Do you think that's part of NASCAR, or at least the fans?

D: I think there are probably a percentage of fans who would probably like to see that type of action but probably deep down in their hearts certainly don't want anybody to get hurt. A fender-bender and a spin-out and all of that, hitting the wall, that's all part of the sport, and I think they expect that, especially on the restrictor plate races [the restrictor plate is a thin aluminum plate which limits the amount of air that can enter the engine, which results in slower races] where everybody is pretty much bunched up and then on the short tracks where everybody gets strung out. It makes r_____ racing very difficult.

P: When Dale Earnhardt [seven-time NASCAR Winston Cup champion, killed in car crash during 2001 Daytona 500] died, there was just an incredible outpouring of

support for him. I'm just wondering what your reaction was, and I don't know if they've ever clearly determined that the seatbelt might have been at fault. Obviously, one of your issues is safety. How do you deal with that problem with your drivers and your cars?

D: We were in the Busch race the day before, and we had already started wearing the head-restraint system, but that thing presents problems to the driver. If a driver is claustrophobic at all, that presents a real problem for him because there's no way he can get out of these cars now the way he used to. It takes a while to get out of there, but I think it's very necessary. In a sport like this where you're running at 200 miles an hour, bumper to bumper, you're never going to prevent accidents; it's just going to happen. When Adam Petty [19-year-old grandson of race car champion Richard Petty, killed in driving practice, New Hampshire International Speedway, July 2000] was killed up in New Hampshire, he was following our driver around the track. That was just one of those unfortunate accidents that happened. I don't think you're ever going to prevent those types of things from happening.

P: Let me move to another area, and we've talked a little bit about this. You and your wife gave \$5 million to the Cancer Center, which is primarily for cancer research and it includes the dental school and the whole medical complex. Is that correct?

D: The endowment provides sufficient funds to fund cancer research with the new director of the cancer center who was brought in from MD Anderson, Galveston. It provides ongoing funds for that development.

P: Which was matched by the state, right? \$5 million?

D: Which was matched by the state, so there is \$10 million in the endowment.

P: I notice you've also given money to MD Anderson, which from my perspective is usually thought of as being the best cancer institute in America.

D: My wife was diagnosed with breast cancer in 1988, and I called MD Anderson to get a second opinion because we knew nothing about cancer, quite frankly. They were very cordial to us, very helpful, and we have given them money every year [since then]. Then when I was diagnosed in 1990, they also were able to help us there. We have gone out on two different occasions and visited their facility out there, and I think very highly of them. By the way, the university did not approach us; we approached the university with this gift. I just felt like for such a wonderful institution as this, we needed to have an NIH [National Institute of Health]-designated comprehensive cancer center here. This gift will hopefully help us get there. We're not there yet, but hopefully over the next three to four years we'll get

there. I think it's going to take a concerted effort by a lot of people to make that happen, but this university needs to have that designation because it belongs here.

P: This is, technically, the premier university and medical center in Florida. I notice in South Florida, the Moffitt Center [H. Lee Moffitt Cancer Center and Research Institute, Tampa, Florida] is quite good and has that designation.

D: Yes, they do. Cancer is such an insidious disease. I dare say, if you lined up 100 people, most of those 100 people would know somebody who has either survived the disease or they've lost somebody in their family or a close friend from the disease. We've been dealing with cancer now in my family, this is our fifteenth year. I've had gastric lymphoma twice, and then last September I had prostate cancer. So, we've been dealing with cancer in my family since 1988. We have a real close-up of the disease and so on. Hopefully, our gift will influence others to give. I've really been pushing the foundation to really put together a comprehensive program to raise money for the cancer center because it's going to take us \$75 to \$100 million over the next four or five years to really put this thing at a top level where it should be. Moffitt is set up somewhat differently, as a separate entity if you will, so that it gives them some flexibility that we don't have here because we're still part of the state, but that's no excuse for us not getting our designation and not coming across. I think right now we've got a wonderful CEO at Shands, Tim Goldfarb [2001-present] and then Craig Tisher, the dean of the medical school [2002-present], and Doug Barrett who is now the vice-president of all health sciences [UF Vice President for Health Affairs, 2002-present]. All those guys are working so well together, and they're all on the same page now so that I think we can see this thing come to fruition at some point.

P: The emphasis will be on detection and prevention?

D: Detection, prevention, and also cure.

P: Treatment, yes.

D: They have now been able to get quite a few grants that enable us to participate in a lot of clinical trials and things of that nature. We've got some real expertise over there in some areas of cancer that is second to none.

P: You mentioned earlier the man from MD Anderson who is now the head of what is called the Davis Cancer Center.

D: Yes. He is the director of the cancer center. His name is Stratford May. He's an M. D. and a Ph. D., and he's got a national reputation in this area in terms of research. His expertise is really in leukemia, lymphomas, and myelomas. He

really brings a wealth of expertise, and he's the type of the guy who can go out and get grants for us, and that's what he's been doing.

P: That is critical, isn't it.

D: Absolutely.

P: You were also on the finance committee of the Florida Foundation. What has your work been with the Foundation outside of your work with the medical school?

D: I am the chairman of the finance committee for the University of Florida Foundation. Our job is basically to be oversight in terms of the financial aspects of the Foundation, you know, how they are spending money and how their future spending is going to be. So, we're really oversight for that part of the Foundation.

P: What do you think about this new concept that the next fund raising campaign will aim for a billion dollars.

D: I think it's wonderful. I think it's going to be needed. Now is a tough time to be the president of a university when you look at what budgets are doing everywhere in this country. I mean, whether we admit it or not, we're really not a public institution anymore; we're going to be a private institution so that private fund raising is going to become paramount to whether you're successful or not as a university.

P: We really need to compete with some of the private universities that raise three or four times what we raise. Florida has increased the giving and has moved up in the ranks, as I understand, in terms of giving.

D: Yes, we have.

P: Let me talk about something that is not nearly as significant as what we have been talking about, but I notice you're a Bull Gator [top level Gator football fan, ranked by gift giving, receives in return special accommodations for games] and I just wondered how you look back on Steve Spurrier's [UF head football coach, 1990-2002] career at Florida.

D: I think Coach Spurrier did a wonderful job here. I hated to see him go when he left. I guess I'm one of the good old boys who thinks if you wear the Florida ring

then you ought to be here. I think it would be nice, quite frankly, if our next [university] president were also a graduate of the University of Florida. I probably differ from a lot of the academia in that sense. But, you know, every product has a life cycle, and probably Coach Spurrier's life cycle at the university was... And he probably got a little tired of recruiting and things of that nature. When I was running our company, I told my wife one night, I said, I'm getting so tired of having to kiss up to these programmers to get them to come to work for us. I said, I'm really getting tired of it. I can understand where Coach Spurrier was coming from, when you're having to deal with these young men to try to persuade them to come play football here. It was probably good for him and probably good for the school at the time. [He was] a wonderful coach, did a lot for us, probably established a record here and a little legacy that's going to be tough to improve upon. But, you know, everything has got its life cycle, and it was probably time for him to go on and make more money. There are three things that he likes, as I heard Dr. [John] Lombardi [UF President, 1990-1999] say several times, and they are golf, money, and football.

P: Probably in that order. [laughing]

D: Probably. I've had an opportunity to spend a little bit of time with him on some of the trips and so on, and he's a great guy and so is his whole family, and he has to make his own personal decisions, too.

P: What was your reaction to the fact that as a university football coach, he was paid \$2 million a year?

D: I'll tell you how I look at that. I would have loved to have paid him \$4 million a year or \$5 million a year. There are a lot of intangibles that are hard to measure when you have a successful athletic program. There are people who come out of the woodwork when you've won a national championship, and they want to be a part of this thing and give money to the Cancer Center or whatever it is. There are a lot of intangibles there, and if he had been worth \$5 million, then we should have paid.

P: Certainly, he earned much more than what he was paid from the university. I mean, if you are just doing it on cost-plus basis, paying him \$2 million, what he brought in from television revenue alone, having a successful team would have paid for the salary. Although you understand there are some academics who would say he was a little overpaid.

D: Well listen, I would say this, if the academics want to bring in that kind of revenue, then we'd be willing to pay them also.

P: Actually, some of us can bring in – not me – that revenue, but it doesn't change

our salaries too much. What is your sense of the future of the University of Florida? Obviously at this point in time, our strategic plan is not going to be implemented because we're not going to have the funds to do it, but the goal has always been to bring this university into the top ten in the country. Do you see that as a possibility, and how do we go about doing that?

D: We're certainly a great research university, obviously. I think for us to continue to do that it's going to need leadership. I think that's the whole key to this university. I happen to have been a real staunch supporter of John Lombardi and all that John was able to do here. There's a search committee underway right now to get a new president, and I think certainly [Charles E.] Chuck Young [UF President, 1999-present] has done a good job while he's been here. He came with a great record from UCLA [University of California, Los Angeles], and he's done a great job, but we're going to have to have a president who is going to be here for a while, with a lot of longevity. Chuck has had some personal tragedies in his life that has made his job very difficult since he's been here. And now [with] the budget situation, it can't be a fun job to do. We need somebody who is going to have a vision for the next ten or fifteen years to continue to make this a great research university. They need to understand medicine, they need to understand the significance of what medicine does to this university and the important role that it's going to play in the future. Medicine, Engineering, and all these other [colleges], you know, not that the College of [Liberal] Arts and Sciences and every other college is not important here, but we really need to have a sound understanding of how important the College of Medicine is and its importance in this state.

P: Is there anything that we haven't talked about that you would like to talk about?

D: One of the things I want to say, one of my successes has been that I married a wonderful girl. She's been the reason for my success from the beginning. People ask me what one of my biggest assets is, and I'll tell them, it's not the money, it's not this, it's the girl I married. She has certainly been an outstanding asset to me through my whole business and personal career.

P: And this is your wife, Judy [Judith].

D: Yes.

P: The only other thing I might bring up is that I understand your son Jay [Jerry W. Davis, Jr.] graduated from that other university [Florida State University], is that right?

D: And his wife did, that's correct. Now, let me tell you how that happened. I called down here in 1992 or 1993 when he was getting ready to come, and they told me

that he was not eligible to be admitted here. So, he went to Florida State and has done quite well, and, unfortunately, he's now donating money to Florida State University. Hopefully, my youngest son will be coming here in June. He's graduating from the community college in Jacksonville [Florida Community College].

P: This is Troy?

D: This is Troy, yes.

P: And he has been working with you in the motor sports business?

D: Yes, he has. Troy is now twenty-eight, and he's now mature enough to handle some other things. He's gone back to school, and he's graduating from community college this time, and he hopes to be entering here in June.

P: That's good. Then if he graduates, then he'll be able to make contributions to UF, right?

D: That's correct.

P: Which will balance out your other son.

D: That's correct. I think where you go to school, you know, people have to make their own decisions about that. I love the University of Florida, and it's been a great thing for me.

P: Anything else that you would like to talk about?

D: No, I appreciate your time. I did a little background in the last week or so on this thing. You guys have got a great program here. I didn't realize it was as extensive as it really is.

P: It is, yes.

D: But it's really good, and hopefully, maybe, my grandchildren will read about this interview in twenty or thirty years.

P: One of the things that I always find that's great about this is this is something that you probably might not do on your own. We did, for example, [UF Football] Coach [Ray] Graves [1960-1969], and he wanted copies for all his daughters and his grandkids. It's a nice thing for them to have, to talk about your career and what you did, because sometimes kids don't ask those questions and they never find it out.

D: Well, my kids have never thought to ask me about my military days and all those kinds of things. Other than my few little write-ups in sports in high and so on, they won't get involved in that kind of stuff because it's not really important to them at that point.

P: But it will be.

D: But it will be, that's exactly right.

P: Well, I want to close on that, and I want to thank you very much for your time.

D: Well, thank you. I appreciate your time. It was very nice visiting with you.