Congratulations graduates. You have achieved a significant accomplishment.

You may be wondering if it was all worth it. I assure you that it is. The investment in your education is probably the best investment you will ever make. From an economic standpoint, your degree historically will earn you about double that of your friends that did not go on to earn a degree. A recent study indicates that a SJSU graduate will earn in one year more than 20 times the annual tuition paid to SJSU.

It was 52 years ago that I sat where you sit today. I was the first in my family to graduate from college. When I graduated from San Jose State, I left this distinguished institution to move on to the business world and apply the great education I received here. What I learned here became the building blocks to my career.

Recently I was at a Wells Fargo Bank meeting, and the head of the Private Banking Wealth Management Group told me that when he was here with me at a business function, he was so impressed with the school and the students that he hired an intern and later told me that the intern is hard working, dependable, and doing a better job than interns from other schools in the area.

When I retired from the practice of public accounting in 1983 I went on to develop and build multi-family apartments, a SJS graduate that I hired took over my CPA practice. He still reviews my tax returns and those of our family. We get together weekly.

I learned a great deal in business and I am going to share with you what I personally consider six great truths I have learned during my business career.

(My first great truth) # 1 Education is a lifelong endeavor. It provides us with the ability to not only succeed in our chosen careers but it opens many doors and enables us to enjoy life to its fullest.

My studies at SJS included business, accounting and real estate which turned out to be my life’s work and for which I am very thankful. I will be forever grateful to
my professors at San Jose State and especially the then Dean of the Business School, Jack Holland.

After I graduated, I took every accounting and tax class offered at The University of California, Berkeley Campus and Golden Gate University in San Francisco. After passing the Certified Public Accounting exams and serving my two year internship, I received my Certified Public Accounting certificate which enabled me to become an entrepreneur. As I prepared the tax returns of successful clients, I could see how they made money and I was able to learn from them. A wise man learns from his mistakes but a wiser man learns from other’s mistakes. I encourage you to learn from others.

SJS provided you and me with the skills of accountability, integrity, hard work and thirst for knowledge that were essential to the success of my career and you have the same opportunities. You too can experience the same success as those of us that have gone on before you. My success in business started with my business education here at SJS and continues to this day. My thirst for knowledge has not ceased, it is as great today as it was 52 years ago.

(My second great truth) #2 Specialize. Specialization is necessary in an ever more complicated world. I quickly learned that by specializing in providing quality accounting and tax services to high income individuals, primarily physicians, professional athletes, and real estate developers, I became more productive and an expert in my field. When you do the same things over and over again, you become good at it. My specialty is understanding the tax laws.

(My third great truth) #3 Manage all forms of risk. Risk management is the identification, assessment, and prioritization of risk. Risk can come from many different sources. Risk can come from markets beyond our control. It can come from just plain mistakes and not paying attention.

Before you invest in something, prepare a projection of the potential income and anticipated expenses. We call this a proforma. Many businesses fail because they do not prepare a proforma and properly assess the risk. I had the opportunity to review the business plans of the entrepreneurship program here at SJSU and I am very impressed.

I invested in real estate which is a risk. The risk I took was prudent risk. I saw what other successful entrepreneurs were doing and I followed their success. The skills I acquired as a CPA enabled me to analyze the investments and determined
the risk and the reward. I learned that if something looks too good to be true, it almost always is too good to be true.

(My fourth great truth)#4 Network. Learn from others such as mentors, your successful clients, bankers, and peers. I spent time with my clients and got to know them well. I invested with selected clients and they provided much of the funds necessary to invest in real estate. Together, we acquired multi-family apartments which provided us with a tax sheltered cash flow and a good upside upon sale. I continue to talk to my clients, investment partners, bankers, and peers as often as I can.

(My fifth great truth) # 5 Delegate: Delegate; then verify. I hired many people to work with me in my career. As a CPA, I learned to always review work product before it is released.

When I was developing and building multi-family apartments, I learned that I had to verify that the subcontractors were doing what I paid them to do. I saw many examples of cutting corners to save time and money; doing so can prove costly.

As to the management of my investment properties, I require my executives to inspect the properties and the vacant apartment units to be sure they are market ready. We cannot rent apartments unless they are market ready.

(The sixth great truth) #6 Integrity: Be honest and do the right thing. Do what you say you will do so that others know your word is reliable. Ethics and your reputation are paramount to your success. People know they can rely upon what I say. I can break a legal contract but I cannot break my word. My word or handshake is better than a legal contract.

Now you may be wondering what you will expect in the real world. You will learn that life is competitive. As you move up the ladder in your field, you will find that the competition is intense.

My advice to you is to work hard; be honest in what you do. Be dependable. If you make a mistake, accept responsibility for your action. You will be pleasantly surprised how people will respect you when you give credit to others and take responsibility when things go wrong. I learned to praise in public and correct in private.
Hard work and accountability are essential. I have worked harder than I ever thought possible and I have achieved more than I thought possible. Work ethic is more important than being the smartest in the class.

I would like to summarize and leave you with my 6 great truths I learned.

# 1 Education: Continue your education your entire life. Learn from others.

#2 Specialize in what you do. Learn all you can about your specialty.

#3 Manage Risk. If it seems too good to be true it probably is too good to be true.

#4 Network with your peers, bankers, mentors, clients and others.

#5 Delegate but verify. I learned that I do not get what I expect but what I inspect.

#6 Integrity: Be honest. I do what I say I will do and others can rely upon my word.

As you leave here today with educational skills far greater than I had when I graduated, recognize you have great potential. You have the opportunity to become what you want to become but only if you set your goals and focus on what you want to achieve.

I again congratulate you for your accomplishment by graduating from San Jose State University and thank you for the opportunity to address this distinguished graduating class and share with you my business journey since I left here 52 years ago.

Thank you and God Bless