Pete Correll: I was born and raised in Brunswick, Georgia. Born in 1941. I was an only child. My parents were quite old when they had me. My father was a JC Penny company manager and was manager of the store in Brunswick during the war. They built Liberty ships there. His job was classified critical so he didn't always stayed around the penny store for the which supplied all the people on the shipyard. Unfortunately, he became an alcoholic and a womanizer. About the serious alcohol problem, and when I was 11 years old, he had and a --- quit the penny company and started his own Men's store, Correll's Men's Shop in Brunswick, Georgia which he ran for about a year before he died. When he died it was mother and me in the Men's store which we didn't know at a time but when we went into the store after his death we concluded that we were bankrupt. Do you remember these old stores that used to have merchandise in the counter and then have boxes behind the counters that supposedly held the rest of the merchandise while all our boxes were empty alcohol bottles, empty vodka bottles. We were bankrupt but we were to dumb to know back in 1953 that there was such a thing called bankruptcy.

 We decided we'd run the store. I was 12 years old and mother never had done anything. We took over Correll's Men's Shop. I at a very young age learned how to alter Men's pants and do everything like that because we couldn't afford to hire an alteration lady. We ran that store until I went off to college.

 But that was early part of my business career. That's where I began to understand how business worked out of necessity because if we didn't have more cash at the cash store at the end of the day than we did at the beginning, we simply didn't eat much that day. My mother was a very, very determined woman. She never re-married. She dedicated her life to getting me so I could have an education I could go on.

 She joined the country club so I could hang around, have some exposure to men. On certain days a week I would go out and play golf. Learned how to play golf in my teens and became pretty good. Graduated from Glenn Academy, went to Georgia Tech on a golf scholarship and an academic scholarship. Went there studying Chemical Engineering, was there a year and just hated it. There were no girls. It was all study. It was all asphalt. You went to class by a factory whistle. I never had been exposed to any of that. I was a retail guy.

 I quit and went to New York. I went to work for Merrill-Lynch, on a New York Stock Exchange as a runner. That was back in the days where the owners would come in, you would run it over to the trader, he'd confirm it, you'd run the order back, you'd send it by TeleType to the people telling them we've bought their stocks. I did that for about a year, and I near starved to death, had a wonderful time but decided to go back to college and went to the University of Georgia. Got a scholarship there, an academic scholarship. Played golf but wasn't good enough to get a scholarship. Met Ada Lee while I was at Georgia. We got married right after we graduated. Graduated with a Degree in Business but had a year and a half of Chemical Engineering behind me and Went to work for the JC Penny Company in Brunswick, Georgia. Was made a Department Manager selling, running the Men's Department.

 Late one afternoon, Ada Lee picked me up one Saturday night about 6:30, the store closed at 5:30 back then. I had been waiting around for somebody to make a decision what 298 shirt they wanted to buy. I went out and got in the car with Ada Lee and I said, "Honey there has to be an easier way to make a living than this."

 We got to talking and my mother was from a small town called Covington, Virginia. She happened to be in the car when she said, "Well I always wanted you two to buy this house in Covington, Virginia." I said, "Well the only thing we could do in Covington, Virginia is go to work for West Virginia Pulp and Paper Company because that's that only thing there is. It's over in the Western part of the state, almost on the West Virginia line not far from [inaudible 00:05:02].

 That Monday I called West, they call up and sad, "You all have a job." I need a job. They said, "Well", asked me about my background and so I flew up there and they hired me. I never had been in an Industrial plant at all. Never had been in a factory of any type. Was hired as a business analyst but back then they put you to the technical department for 6 months so you could understand what was going on in the plant. I found my home and was made a Supervisor in the production area. But quickly realized that I didn't have the educational background [inaudible 00:05:48] job.

 I applied to graduate schools. Was accepted at Harvard and was accepted at the university of Maine in their Engineering program. They gave me a scholarship because we didn't have a dime. Ada Lee was teaching school, made $4,000 a year. I turned down Harvard and went to Maine. Ada Lee taught in Maine. We were up there 3 and 1/2 years. I got two graduate degrees, one in Pulp and Paper technology and one in Chemical Engineering. Worked during the summers for West Vaeco one summer. By then was developing a research background and had a number of clients and was able to support myself doing research and Ada Lee was teaching.

 I was going to get a PhD and been a college instructor because I really enjoyed the academic environment. Ada Lee got pregnant. She claims I had something to do with it. But in any event, she got pregnant and so I had to go to work because the main source of the income was going to be unemployed. I went to work for the Warehouser Company in Plymouth, North Carolina, which is that far-eastern part of North Carolina, out on the [inaudible 00:07:04]. The people in North Carolina don't want to admit it exists so it's part of North Carolina but it is 135 miles from Raleigh and 110 miles from Norfolk.

 Warehouser was starting up a new paper mill. That was right as the industry had learned how to make white paper out of solid fiber. Traditionally made in the Northeast and the West Coast. Suddenly the Southern Pine Tree was valuable. We'd learn how to make acceptable paper out of it. I went there as technical director. After, I think I'd been there exactly two months. The production manager dropped dead during start up and so they made me production manager. I was 26 years old.

 We started up that machine and then I became a startup specialist for the Warehouser company. I went all over the country building and starting up paper mills. Ada Lee and I moved 11 times in 13 years. A number of times she wouldn't move, I'd just go to the next job and commute. But we built and started up paper Mills for a living and I became one of those guys, there were about 10 of us. I was probably 20 years younger than any of the others who could, [inaudible 00:08:26] on the telephone in one night by just calling people that worked for me before. We're going to go do it again. This is a size machine. This is what we're going to make. Warehouser was growing very, very fast because they had all the money from all the trees granddaddy had bought on the West Coast. They were worth a fortune. They had a lot of money to spend.

 We did that and I ended up in Seattle, Washington at the corporate headquarters running all their brown paper mills. By that time we'd had another child so we had a son and a daughter. My next move was to be Vice President of Mississippi. They had regional Vice Presidents that ran everything in the state both building products, pulp and paper, timberland. But the only time in my career, I made a decision based on my children. I didn't want them educated in Mississippi school system. Ada Lee and I are public school nuts and I just didn't feel like they would have much. My son was in the 5th grade, my daughter in the 3rd. I got a call from the Mead Corporation in Dayton, Ohio and said, "Will you come and run all of our pulp and paper businesses?"

 We moved to Dayton. This was 1977. I graduated from Graduate School '67 so I'd worked for Warehouser for 10 years. I was 36 years old. We went to Dayton, Ohio and I took over all their paper businesses. It was at a very short period of time, was made Senior Vice President in charge of all their forest products businesses, which meant I had all their building products businesses also. They had a number of joint ventures in Canada and in France and Germany. I did a lot of travelling, had a lot of international exposure. Was with them for 10 years.

 In the meantime, they bought a small company in Dayton that did military mapping. Had some proprietary technology and out of that, built the Lexus legal system. They owned Lexus and Lexus wan unusual because West Law had the hard copies but they put it all up and lawyers were buying it because by then they would become a computer literate and it was growing.

 Then they started a company called Nexxus. They were putting out news also. They then made a decision that that was going to be the future of the company. I said, "Well guys, no hard feelings but I just don't agree with this." I don't know what this thing called the Internet is but I can't believe that NEWS is going to be proprietary. So I'm just uncomfortable and being a senior officer in a company, I was next in line to the President and I said, "You don't want a President that doesn't agree with the strategy so the right thing for me to do is just leave.

 I called Marshall Hahn down here in Atlanta who was running Georgia Pacific at the time. Marshall and I had worked together on the West Coast. Then one of these industry laborer bargaining forms where we were doing industry-wide bargaining on the West Coast. I said, "Marshall, I'm decided to quit Mead and I need a job." He said, "Well Pete I've got a job for you. I don't know what it is, I don't know what it pays." I said, "Sounds like exactly what I'm looking for. When can we start to work?" He said, "No I can't do that, you got to come down and interview." So I did. Ada Lee and I flew down and same thing, he had invented a job by then which was a fairly decent demotion. I would be running all their white paper businesses.

 But I said, "Fine, I didn't know it but they were looking for a successor for Marshall who by that time was in his mid-60s. I went to work for Georgia pacific in 1988, moved to Atlanta, Georgia. Best decision we ever made in our life. By then I was, son was already in Emery law school and my daughter was a freshman at Ohio State. That was the only tough part of that move because she want to stay in Ohio State and she did. Graduated but moved to Atlanta once she graduated.

 I came to Georgia Pacific and started running their white paper business. I was very fortunate when I was, I've been here a couple of months. For some strange reason they had an earnings contest every year between their pulp and paper business and their building products business. Building products was so much bigger and so much more profitable. The building products always won and the Pulp and paper organization treated the building products organization to some kind of getaway with your wives.

 This year, before I came, the Pulp and Paper business won for the first time. They had this big meeting in Florida with all the Pulp and paper people there, and all the corporate leadership. They had this program where each business leader gave a talk. They told me you got 45 minutes on the program. I decided, "Look the right thing for me to do is find out if I'm going to fit here as quickly as I can because if this is a mistake, then I'm still young enough and I have developed a [inaudible 00:14:28] reputation and said, "I can move on."

 I gave a 45-minute on what I believed. At the end of this speech, you could just hear a pin drop. Nobody said anything and I walk and I sat down. All of a sudden everybody exploded, jumped up, was cheering. I came to understand they were desperately searching for some guidance as to what the rules were because Marshall ran, he was as ex-University President, ex-President of VP at Virginia Tech. He ran a collegial-tight management team. All of decision making was by consensus. Suddenly somebody showed up and I gave a speech. [inaudible 00:15:20] around the seven things I believed, it became known as the 7 points of light. I would go to offices and it was, the points are on the wall. I'd go to mills, it was on the bulletin board outside. I didn't have any idea it would have that kind of impact.

 Within two weeks, Marshall said, "It's now obvious you're my successor." Everybody was just taken away back by what you had to say. I wanted a consensus decision maker because I had done most of the jobs in the company. I didn't need to ask opinions on a lot of things because I, people don't understand the most things that business, just over and over and over is not new things, it's just new people telling you about him.

 Many times I knew exactly what the outcome was going to be. I've been there, seated three times. I had a different style than Georgia Pacific was used to. I talked about shareholders owning companies not managers, don't forget who you work for. I talked about, I didn't give a damn about an earnings statement, I only care about cash flow statements because I learned in Correll's Men's Shop, you can't buy anything if the grocery store wasn't earnings per share, people want cash and most of my managers couldn't read a cash flow statement. They were going to buy [inaudible 00:16:54] or they won't go ring around.

 I talked about the difference that people can make, that good people working together can accomplish superior results. I talked about the safety at Georgia Pacific's stock. We were going to be #1 if I was going to be around here. I talked about housekeeping and things like that. We talked a lot about quality but we had to remember our customers set the quality level, we didn't. I've talked about, nobody had an inherent right to grow, that you earn the right to grow based on the returns you were generating. It wasn't a contest to see who could grow faster. It was a contest to see who could generate the most shareholder value, then we'd grow those businesses.

 I talked a lot about the value of size and that being bigger gave you opportunities, that synergies were real. We were in a very fast growing industry back then. Because housing was taking off as was pulp and paper being made in the United States. We had a real opportunity as a company but only if we could capitalize on the advantage of size and not build a bureaucracy but build true senator g is coming, anyway.

 That really launched my career with Georgia Pacific. Very shortly thereafter I was made President and then in '93 I was made Chairman and CEO. Marshall retired. At the time I took over Georgia Pacific it was primarily a building products and a commodity forest products business. I became convinced that there weren't enough barriers to entry in that business because so much, even though we own 6 million acres of timberland which we were relatively large timber owner. I think the second largest in the United States. We only supplied 18% of the wood we consumed. The rest of them we bought from somebody else.

 I quickly concluded if you could 88% of the wood, you could buy 100% of the wood, or 82% by a 100%. Timberland was not a strategic advantage. I kept searching for what products can you make where you have a brand. Because I really believed and I still do, that brands are value-adders. Customers will pay more for a brand. We also became convinced that about this time, America was changing, or the American housewife because she is the one that does all the bind. Was changing her mind on where she was going to shop. She was deciding to shop big boxes. Back then Home Depot was just a little tiny thing in Atlanta, Georgia with two stores. People were starting to shop big boxes.

 I decided we would be a company that based its strategy on brands and big boxes around the world. We decided to grow our tissue business which at that time was just minuscule. We had two brands. Mr. Big and Soft in general, neither one of which anybody ever heard of, we used to say that people bought our product for one reason only, it was cheap.

 We had another one, a bath tissue we affectionately called Rambo because we said it's rough and tough, won't take any crap off anybody. We quickly realized we couldn't market that brand. We said, "we got to make top quality products out of Southern fiber and we've got to build mills that are bigger than anybody's ever seen in their lives to make tissue and we did. By the time I left we were the largest tissue company in the world. had tissue operations all over the, #1 tissue company in Europe. Big markets in Turkey and other developing countries and a massive market share here in the United States with quilted northern and angel south bend are big bath brands. Brawny and Sparkle being our towel brands. Dixie cup being our table top brands. Vanity Fair being our lead napkin brand.

 We built this company and we did I think, 27 major acquisitions during the time I was CEO. But way back then we were starting with nothing. I had to develop a real trust relationship with the board and we went through a lot of churning on getting directors who bought into what we were doing. Because, there were days it was pretty ugly. Particularly when we got hit with all this asbestos litigation. The stock went from $40 a share to $8 a share overnight. We ended up with a 100,000 lawsuits. Way back in the 50s Georgia-Pacific had bought a company called Best Wall Gypsum. They made gypsum board.

 Unfortunately, they also made some asbestos insulation products and had no idea that asbestos will cause any health problems. Once the plaintiff's attorneys got on it, in fact every company that was a major producer of gypsum went bankrupt with Georgia-Pacific. We decided we would develop a strategy where we would fight.

 We put a legal team on the ground. We hired David Bowie's before he became famous. We went out and litigated all over the United States, eventually, won and saved the company. But there were some dark, dark days during those times. I had a board with people like Don Fights of Caterpillar and Doug Ivester of Coke and Sir Richard Giordano, British Gayest, Dave Gould of Norfolk Southern and some CEOs who had been through the wars. They stuck with me. We built Georgia-Pacific into a great, great big company. But we built it around those simple premises that I’ve started with.

 I always used to tell the whole people there's a couple of rules you've got to always remember is, bad news does not get better with age. I can take anything other than you're not telling me the truth. Secondly is, the nice thing about telling the truth is you don't have to remember what the hell you're saying. I said, I talk so much, I don't have time to remember what I said so I will try my very best to always tell you the truth.

 I used that with our shareholders no matter how ugly it is, I’ll tell you the truth. It's at later turns out I was wrong, I was just wrong. I didn't have the facts. But let's just be a company that just simply tells the truth. That values our employees and is determined to give our shareholders superior return by providing our customers better goods than they can get at any price.

 It sounds simple but that's what we built the company. Now we had a lot of good things going for us. Georgia-Pacific had developed Southern Pine plywood way back when people did not know how to peel Southern Pine trees because as soon as you peel them, it just roll right back up. Whereas Douglas Fir tree on the West Coast would lay flat. They developed that technology and started making Southern Pine plywood built 90 plywood plants I believe throughout the Southeast. The government said, you're getting too big, filed a massive anti-trust suit, forced them to spin-off Louisiana Pacific. Louisiana-Pacific took everything west of the Rockies and Georgia-Pacific took everything east.

 But we had a tremendous franchise, a cash cow, plywood was just drawing cash like crazy. We had a cash recede. I had always worked for companies that had more ideas than they had money. Suddenly I came to work for Georgia-Pacific and we had more money than we had ideas. There was a real opportunity to grow something big and it's unfortunate, had we not hit the asbestos blip, no telling what that company would have become.

 That became all absorbing for two or three years. I had always had a very simple premise in my life that I might not be smarter than anybody else but I can outwork anybody. I always said I can accomplish more in 12 hours than most people can in 8. If I just work all the time, I can outperform you.

 That worked for a long time, but then when the asbestos hit and I was working 20 hours a day, 7 days a week, I had a heart attack. That convinced me of a couple of things that while my wife had held our family together with my philosophy and raised a family while I was at work all the time, it wasn't going to work health wise.

 I had to modify my management style, become a little more inclusive, try to relax a little bit and do some things that I hadn't always allowed the time to do. That heart attack kind of stopped me. I was very fortunate. I woke up in the middle of the night realized something was going on. had Ada Lee take me to Emery and I had the heart attack in the emergency room in Emery and if you're going to have a heart attack, that's about the best place to possibly have one because they know what the hell they're doing.

 I had no permanent heart damage but that slowed me down. Made me think about things, that's when I became, had always been active in the community. But that's when I realized that I had been blessed. I had the opportunity to give back a lot more than I have been giving back. I chaired the chamber and did a bunch of things that I would have not normally taken time to do, gave some Georgia-Pacific some managers a chance to do things that they probably wouldn't have had the opportunity to do. Grew the company that way and then we decided our tissue business was really growing fast. We bought Fort James. It was the second largest tissue producer in the United States, integrated them into our culture and decided, we had to market pulp business. With two great big pulp bills, they made market pulp that you then sold to paper makers abound the world.

 In Brunswick, Georgia which was our biggest mill and at that time the biggest pulp mill in the world, we made primarily feminine hygiene and infant care products. Product, pulp diapers and feminine care products because the Southern Pine fiber is really better for soaking up liquids than it is for fine paper in writing on. We decided that really was the business that we weren't going to want to grow because we were building tissue machines not big pulp mills.

 We tried to sell our pulp business and it didn't sell. We kept it and ran it, then I was sitting at home one Sunday night and the phone rang. It was a banker from Citibank and said, "Pete, Coke would be interested in buying your pulp business." I said, "Give me a break. Coca-cola doesn't have a damn bit of interest in the pulp business. I got better things to talk about than this." They said, "No wrong Coke, K-O-C-H." And is said, "I've never heard of them." I said, "They got any money?" They said, "Yeah they're 2 of the Top 5 richest people in the United States. Two brothers and they got plenty of money." I said, "I still never heard of them but I'll meet with them if they want to come see me.

 Charles Koch flew in to Atlanta and we met and I still wasn't convinced that he was for real so I said, "Can I come to Wichita, Kansas." So I did and walked through their headquarters and talked to them and I said, "OK I believe you're real. I believe you got the money." We negotiated very quickly and the sold those two mills two them for cash in their private company of course.

 Fast forward about 10 years, the phone rings again and it's Charles Koch. I had maintained contact with him but not close and he said, "Pete can I come see you?" I said, "Sure Charles you're welcome to come see me." He said, "I'll be in Atlanta and can we have dinner." We did, he said, "I've got a very serious problem." I said, "What's that Charles?" He said, "I have $10 billion of cash on my balance sheet that I don't have any idea what to do with." I said, "Charles I have a feeling if we keep talking I'm going to solve your problem." He said, "I'd like to buy Georgia-Pacific." I said, "Charles, do you realize what you're talking about? I mean this is a big company. This would be a $20-$25 billion deal." I said, "I'm not negotiating but, did you just look at the debt and the equity value? It's going to be a pretty damn big deal. the biggest private deal anybody will ever done in the history of the United States." He said, "No. We talked about it, I'd like to think about it." I said, "Oh well, OK."

 I went to our board and they said, "Well this is a waste of our time." They said, "What price are you thinking about, Pete? I said, "Well I haven't even thought about it but enough of a premium that all of our shareholders were happy and that you are happy is what the answer is. I don't even know what he could do."

 Within a very short period of time they came forward with an offer of $48 a share which is about a 55% premium of where the stock was staying. It was all cash deal and I always had a philosophy in business that you can't say anything ugly about cash. If somebody is trying to give you your stock or something, you could debate whether their piece of paper is worth that." But I said, "They're paying you cash so, simply nothing you can say except that it's worth that much or it's not." We concluded that was a very fair offer, in fact I think he came at $45 and I told him they wouldn't take that but I would recommend $48 to the board. So he came in a $48. I recommended it, the board approved it, the shareholders approved it by 99.5% majority. Overnight I went from CEO of a Fortune 50, $30 billion corporation to unemployed.

 He asked me if I would stay on as Chairman and I said, "Yeah for a while just to help you but." I said, "I will be miserable and I'm going to make you miserable." I'm going to be miserable because I'm used to making the decisions and I will make you miserable because you'll ask my opinion and I'm going to tell you, it's not going to be what you wanted to hear and you're going to wrestle with." "Well I'm sorry I asked you now what the hell do I do?"

 But they brought in a CEO who is Charles' President and I stayed for 6 months. I went to him and I said, "I want to leave." He wanted me to stay longer and I said, "No I've done what I promised you I'd do. Introduced you all to top customers, introduced you to every employee, I've been to every place you wanted me to go. I'm in the way down, and I'm uncomfortable."

 I left Georgia-Pacific. I stayed in the building for another 6 months. Charles let me keep my office because I really didn't have any place to go. So then I decided I wasn't ready to retire because the first day after I left Georgia-Pacific, Ada Lee said, "You are going to work aren't you?" That one of those old things I married for life but not for lunch.

 I started looking around. Was going to try to buy a company, a small company here in the Southeast that I could run, not to leave to my grandchildren but just to have something to do. The more I did that, the more I became convinced I would drive one management team crazy that I was sued to dealing with complexity and lots of units that I really enjoy growing managers. One of the things I was proudest of and still am today is that 5 of the guys that worked for me at Georgia-Pacific are now CEOs of top Fortune 100 companies.

 We had a pretty good culture for developing leaders and developing managers. I went to private equity business. We formed a private equity company here in Atlanta called Atlanta Equity which we raised a little over $100 million. We bought 5 small companies are helping the management teams grow. I've had a good time doing it. It's different than running a big company. The thing when you retire as a CEO, people say you miss the power, you miss all that. That's not true, what you miss is the corporate jet. That was the greatest thing in the world. Board had a resolution that said, "I could not fly commercial for security reasons." For 16 years I have been on a commercial airplane. The first time I got on one my son and daughter are sending me e-mails that saying, "Dad they had you can't stand up and say I'm ready to go, let's get the hell out of here." You can't even say who are all these other people? What are they doing on my airplane." They were giving me all kind of instructions I have to admit they were right. Flying private on your own plane is a hell of a lot more fun.

 Anyway we started Atlanta Equity and it's been a good experience for me. The same values that I've built Georgia-Pacific on apply for little companies too. Business is really pretty simple. It has very few basics as long as you can get the technology right. The basics of how you treat people and how you run a business and how you treat a customer and what you seem employees matter to you and people really watch what you do. What you do speaks out loudly I can hear what you’re saying. The way you live your life really matters to employees. It matter and I've tried to instill it in people as I've gone on.

 Then one night, Tom Bell who had been a Director of mine at Georgia-Pacific and was running cousins and by then I had moved in the 191 Building. I went out for a drink and had that fateful drink when we decided we're going to save Grady Hospital. The next morning I called him up and said, "Tom do you remember what we said?" And he said, "Yeah unfortunately I do." I said, "How the hell were you going to do that? I'm unemployed and you're running a real estate company. Neither one of us had head any business organization. We have no resources at all. How the hell are we going to quote, 'Save Grady.'?"

 So we'd launched down that journey which I have to admit was one of the most intellectually and emotionally challenging things I had ever done in my business career, getting control of Grady Hospital convincing the public and the politicians that the governance model was badly broken and that the hospital could not be fixed without fixing the governance model. Getting a 501C3 in place and a 40-year lease was quite a challenge. I had forgotten I guess or almost convinced myself that racism was not a factor in the South anymore, that we had outgrown that. I came to realize that it's alive and well on both the black and white side. It's horribly ugly when you see it no matter what person you see it from.

 That was very stressful time in my life. Of course I had always had protection. For 16 years I had had body guards, corporate security people, so when I started getting death threats, my wife went ballistic because the one they called to say put two great big guys with great big guns over here warns us don't worry about it. It was a tough time but conversely it proved everything I believed because once we got hold fo the hospital and we brought in a professional management team and we let them do their job, the things started to heal at just an exponential rate. The amount of cost it's coming out of the system, the improvement in the quality of the product delivered etc. has just been astounding to me how fast it happened.

 We've been really blessed because I was convinced that we would find corruption. We didn't. We found incompetence, lots of it. My whole career I said, "I love to find incompetence because I could fix incompetence." If I find corruption, it's harder to fix. It's uglier to fix. It could be fixed but it's ugly. Incompetence is relatively easy to fix. We found just hundreds of well-meaning people working like heck who just didn’t know what the hell they were doing. As we replaced them and we've replaced a lot of them but we also educated them and sat them down and said, "Here's what you're trying to do. Here's the definition of success. Here's the way we're going to judge you." It's been gratifying. The number of people who have risen to the calls and have gone from poor performers to perfectly competent professionals.

 Grady has been a good experience for me. It's getting old. I'm ready to move on. But it has reinforced that the values system that I grew up with, the values system that I've taken along my whole career in the industrial for-profit segment would also work in the not for profit segment in the health care industry, which I knew absolutely nothing about. It's been a very gratifying experience and as reinforced a lot of what I believed and I've always said that most of my beliefs I'm convinced that most of my peers beliefs are formed very young in life.

 I think most of the things that, my grandfather used to always, "Son, protect your name. It's the only thing you've got when you come into this world and it's the only thing you'll have when you leave. Be very careful with your name. What people think of you, what people say about you, when they walk by your tombstone that's all they're going to remember." Simple things like I've stressed already, always tell the truth. It's just simpler. I've lied a lot in my life. I'm not proud of it. But every time I've had I have or I have stretched the truth or I've not told the total truth, it's come back to hurt me. That cash is really all it matters. People at Grady had lost track of cash. They were so absorbed with how much money is the county is going to give us and what could we do and all that, they forgot to look at every business over there and every segment. See how much money goes in and how much money comes out. Where's the cash? Forgot the simple rules of risk which is, don't take a big risk for a very little return and never risk more than you can afford to lose.

 All those things that are so basic to big business they had lost. I, of course was CEO during the era when I became CEO in '93 the people in the United states still believe that CEOs may do dumb things and that they are paid too much. But we in this country believe that they're basically honest people trying to do the right thing. With the Enron and other scandals, the Hell South and all the other, I went to a period which I'm afraid to still existed in this country, where people believe CEOs are basically dishonest. The basic belief is that they're not honorable people and you have to watch them. Because if you don't watch them they'll do something really bad.

 That's unfortunate. When I graduated from high school or before I graduated, the Secretary of State for the United States said, "What's good for General Motors is good for the country." Nobody thought that was stupid. Nobody said that's about the dumbest thing I ever heard of. Because we realized we were a capitalistic society that the success of free enterprise in the business was directly tied to the success of the country and if you didn't trust your business leaders you are in deep doggy poo.

 We don't trust the business leaders in this country right now. I think that's the most disturbing thing that's happened during my career. I was blessed I got out before it really got ugly. There's no justification for how much CEOs make. But there's no justification for how much short stop and centers for basketball teams make either. The issue is not the compensation which is irritating to people. I think that most people who accumulate more wealth than they have any right to end up giving it back. I don't know that that's a bad idea. It's just an unusual transfer system to get it there. But the distrust is extremely disturbing to me. I worry desperately about how can we possibly succeed in the country if we don't trust our business leaders? I worry that we demonize big business. Big business is neither good nor bad. It's people. It's individuals. It has no objective other than try to earn a return for its shareholders. That's the reason it exists.

 I've been blessed and damned both. I've seen the best of times because growing up in the 50s and 60s, I saw this country at its finest. Then I've seen the wheels come off here recently and I've seen, I went to Vietnam and saw that and saw the lack of trust. Then I went through Enron which really was probably the worst thing.

 There's one story that I told our board a lot. They say Pulp mills, I got a call from Ken Lay who is running Enron. He said, "Pete we'd like to buy your Pulp business." I said, "Well, Ken that's very interesting but you don't a damn thing about the Pulp business. No offense, you're an intelligent man." He said, "Oh no but we understand commodities and trading and leverage and all this other. We think Pulp and paper is the next place for us to go from electricity." We negotiated a price that I thought was fair and I had this horrible habit of reading purchase agreements. Most CEOs don't do that but I did. Before we did any big deal I just take a Saturday or a Sunday, go to office, shut the door and read the damn agreement. No matter how thick it was, I read it. I read this thing and it said that Enron had the right to assign their interest in this venture to a partnership that would be run by Enron employee but not guaranteed by the partnership. I read that about 3-4 times and I called Ken up at home. I said, "Ken what do those words mean?" He said, "Well Pete that is proprietary financial technology." I was quiet for about 3 minutes and I said, "Ken I don't even know what proprietary financial technology is." I said, "I'm 55 years old. I've run a big company my whole life. What in hell is proprietary financial technology?" He told me, "I can't tell you." I said, "Well then I'm not going to do this deal." As it turned out, we were about to be one of those [inaudible 00:47:50] partnerships that people went to jail over.

 I told that a lot to employees in our company, which is, "If you don't feel good about a transaction and you don't feel good about the people that you're doing it with, just don't do it." The worst that can happen is you don't earn some money would've earned. The best that can happen is you'll be right and you'll save your reputation. That was a real learning experience, for me it became a learning for Georgia-Pacific employees. Some of our board members had me go give that speech to their companies to just say, "If you don't understand something, just don't do it. Because chances are if you don't understand it is not real." The old story, "If it sounds too good to be true, most of the time it is."

 That's Pete Correll's life. Simple, South Georgia boy, happened to be blessed with a mother that, beat values his whole life. Went off to conquer the world and was given unGodly opportunities probably because I developed mentors along my career. People who had no reason to take an interest in me at that stage of my career did and pulled me up to the organization at faster rate than I had a right to go in early part of my career.

 In the latter part of my career, I always tried my best to return that favor. People sued to always tell me, "We want to do a leadership development program." I would always say, "I don't know what those words mean." I could teach anybody to manage. I could do a management development program. I can't teach people to lead. Because people follow leaders because leaders have principles and things people stand for. People don't follow leaders because "they know how to lead". They follow leaders because they stand for something that the people are going to buy into." I said, "If you want to find the leaders in Georgia-Pacific, go find the followers and walk to the front of the line and the persons at the front of the line, that's the leader." Then let's teach him to manage or her to manage. Because they've already figured out how to lead. You will find them at the softball league or at the Boy Scouts. You won't find them at work because we don't let the non-manager leader to lead outside of work. But you'll find the leaders and then let's teach them to manage because that's a hell of a lot easier than try and teach a manager to lead because the manager simply knows all the skills and all the tools and they're important. But they're very teachable. But values aren't teachable and principles aren't teachable. They're part of who you are as a person. I've built a career on that and it worked.

 First of all, I had a pretty serious heart attack and I've just a funny story. I had this heart attack on Sunday night in about mid-day Monday I woke up in intensive care. I had this [inaudible 00:51:15] piped down my throat and I'm there with all this stuff and I couldn't talk. There was a piece of paper and there was a nurse there and I wrote, "I'm not dead." She said, "How do you know?" I wrote, "No TVs in heaven." She said, "How do you know you're not in hell?" I started laughing and I [inaudible 00:51:37] choke to death with this tube down my throat, had to bring the nurses in [inaudible 00:51:42].

 You let me know how you're doing every two weeks. I gave him the ball but I watched him. I watched him by reading reports at night or I was a big advocate of the Jack Welsh management by walking around. I walked the building in the mills and talked to people. I maintained a almost unhealthy knowledge of what was going on in Georgia-Pacific. After the heart attack, I became convinced that that was probably value-adding because quite frankly I still had this ego that said, "I can probably do your job better than you can do it. If I give it to you, I probably could do it better if I did it myself but I just don't have time." It probably was disproportionate in that it was destroyed the development potential of people. They would come to report to me and I already knew what they were going to tell me because I already knew what was going on. There weren't growing like they could. I had a heart attack about 7 or 8 years before I retired. I have to say, if you look at where the managers went, Lee Thomas to run [inaudible 00:53:34], John Lundgren to run Stanley 2, etc., Dave Patterson to run [inaudible 00:53:41] boatwater, Steve Clingin to run Stone and Bill Shultz to run First Coke India and then Coke Philippines. They grew a lot once I backed off a little bit.

 I began to enjoy watching them grow and making fun of them when they made a mistake. I've always had a crazy sense of humor. I love to laugh. I love it when people laugh at me and I love to laugh at people because I think humor just diffuse the situations. Many times in my life I've said things so dumb and the trouble of my job was, anytime I said something dumb it ended up in writing either in the newspaper or some place. There just sometimes nothing you can do other than just laugh at it. That was certainly a dumb thing to do or say and I'm sorry and let's move on. I was probably too controlled, well I was too controlled.

 In fairness to me, I started at the very damn bottom. I think guys like me who start at the very damn bottom and have worked the way up, really develop a sense of "it's very hard to let go, it's very hard".

 The funniest happened to me that changed my career, probably forever, I told you I had gone to Plymouth, North Carolina. Was starting at the Production Manager drops dead, I take over, we're still on the start-up mode. During that era, when you're in the start-up mode, I would work 20 hours a day sleep on the floor of my office and go home every 5 or 6 days. It's a Sunday night and I'm starting to, in the middle. I walked down to the backend of the paper mill. We're out in the booney, so we have a landing strip at the mill and where the corporate planes are coming. Back then they were King Airs. These two guys walk in. They're walking in the backdoor. I said, "Excuse me, you can't come in this mill." Man said, "Well I'm Harry Morgan." I said, "Well I don't give a damn who the hell you are." He said, "No I'm the Senior Vice President of the company." I said, "Well I don't care if you're Jesus Christ, you can't come in this mill, in the backdoor without going-" he said, "Well do you know who this man with me is?" I said, "No, he looks familiar. I've been with the company like 2 months." He said, "Well he's Georgia Warehouser". I said, "Well once again, I'm honored that you'd come. I'm not used to people wandering in on Sunday night. If you want to come in, let's go to the guard shack, I'll take you there, you'll get a pass, you'll get a hard hat, you'll get an orientation and then I'll just wait here and be happy to tour you."

 I went home that night, the next morning, I told Ada Lee I said, "You know, I may not be here, because this may not have been the brightest thing to do but I was already committed at that point, well it changed my career. From that moment on, they pull me place to placed, drugged me up the corporate ladder, everything based on a simple premise that here's a guy who’s not going to let you violate a rule, I don't care who you are. That's how I ended up being the mill manager at 30 years old. The mill has a thousand employees. All these thing is because some people at the top said, "This guy may not be at all bright but he's pretty sincere and he seems awfully determined."

Speaker 2: [inaudible 00:57:41] your grandfather.

Pete Correll: Yeah. I was 11 coming to Virginia. Didn't have an education, random that's falls in life insurance company, was raised over office in that part of Virginia. Raised in the {inaudible 00:57:57] valley. True [inaudible 00:58:02]. Didn't speak to my father for years because he was in West Virginia and they were on the wrong side of the war. He's the one that always hammered home to me. The old southern tradition, a man's word is his bond. If you say something, nobody needs to write it down. It needs to be a contract. Your word is a contract. Any contract worth having is a handshake. All those values that when I tell them to my grandchildren they sound corny. But they weren't to me.

 They were, my father was dead, he was the man in my life. Although he live 600 miles away, he was just a crusty old guy who had a unique sense of values and what they meant in life. My mother beat those into me. She was clearly the dominant figure in my life. I've been very blessed in my life. I've had two dominant women, my mother and my wife. Been married to Ada Lee for 46 years. The two of them have influenced my life. My mother for the first 25 years, and my wife for the next 45 years.

 I promised the Woodruff foundation I would stay on until we spend all their money. I've got another year and a half. I'm not ready to hang it up. Whether we decided to form a bigger private equity fund and go some more or whether there's something in the not for profit world that is more intriguing, I've been very blessed in that I made more money that I had any right to expect to make. Money is not a factor in my life. That's very liberating. I've been working with Hank Polson. Hank, I was Vice Chairman of the Nature [inaudible 01:00:07] when Hank was Chairman. We became good friends. He's got some conservation ideas down in the South part of Georgia where I'm from. Bought a little St. Simon's Island. We're trying to do some things together in conservation down there. There might be something there that I could get engaged with.

 I don't know. I really don't. If I'm lucky enough to keep my health, you know I went through a cancer scare. The trouble with cancer is the cure damn near kills you. But it's curable. I don't have cancer now but I've got to finish getting my strength back. I'm not ready to retire. I' scared of retiring. I'm scared, really scared that my mind will age. I'm having too much fun.

 First of all they're very hard jobs. Being the CEO of a public company is a very hard job because it's an all-encompassing job. With [inaudible 01:01:09] and all these other, the whole system is built around a mistrust of you. The whole system is geared to try to keep you from doing something wrong. Which is really not a gratifying system to work in and boards have been changed because of that environment. From your colleagues and friends that are trying to help you, to a group of paid representatives and the shareholders who are trying to watch you and be sure you don't do anything that is value-destructive, which by definition, if you do anything, you're going to do something this value-destructive, the whole name of the game is just do more good things than you do bad. But it is the trust factor that is broken down. I think the other thing that's broken down is this whole explosion of the service industry. More people work in service than work in manufacturing.

 In fact, fewer people work in manufacturing in the United States than it did at the outbreak of World War Ii. We become a society where my mother used to say, we make a living doing each other's laundry. I'm not too sure that there's much value created there. I think we've got to by definition re-cultivate some value creators. Swapping money is not value-creating. It may be wealth creating but it’s not through learning curve value-creating. The fact that we've lost confidence in the leaders, I don't know how we restore it. It's take generations to prove, prove in the negative. If you want to prove I'm not a crook, the only way you could do it is watch me for a number of years and then when I retire you will say, "well he really wasn't a crook."

 I don't know that our country could wait that long. I have to admit that some of the things, big business does troubles me. The amount of money they're pouring into the election cycle now. While I understand the frustrations of being on the other side of packs that were relative land regulated, I think in some respects maybe the big business and the wealthy have gotten little carried away here and forgotten that there needs to be a balance that the public can understand. We all make so much money. The public can understand that. I sued to talk to the employees at Georgia-Pacific who would be making $15 an hour. I say there's no way I can explain to your satisfaction why I make as much money as I do. Except to say other people who do what I do make the same amount I do and I'm better at it than they are.

 People who do what you do for a living make what you make. But that still doesn’t justify, I would make a hundred or two hundred times what they make. That, I think it starts with compensation but I think it's uncorrectable. Because, if you say I'm going to go out on the Southern board, you suddenly say we're going to pay our CEO 25% of what we pay him, well he just won't go to see us ex and we're not going to be able to hire somebody who could do his job.

 It's a terrible situation that quite frankly our current president has made worse. I thought it was as bad as he could get. His demonization of business is not helpful either. Because the public wants to believe that you're a bad person. Just like it wants to believe that a ball player who does things they can't do, is on steroids. It's a tough situation, it really is. But I had this strong basic belief that our country was built on entrepreneurs, willingness to take risk, people that would see things other people couldn't, didn't see and do things other people couldn't do and be willing to risk failure and to the extent we start to stifle that, that's a bad thing. Berny Marcus makes that speech all the time, I couldn't re-create home depot today. I couldn't' be too small, young Jewish guys with two stores ended up building an enterprise like we built with the risk we took and we couldn't do it today. That's frightening.

 I still talk about my mother. I get emotional I'm sorry. She is the most exceptional individual I've ever known. You think about, this is a woman who was totally dedicated to two things, her husband and her son. She was a school teacher but she hadn't taught school for 40 years. She wasn't a business woman. Her husband becomes an alcoholic and a womanizer. She puts up with that. Then he dies, and she finds out she's bankrupt. She would knit a crochet, I guess you called it, sweaters at night for women and sell them, work at the Men's store all day, develop horrible rheumatoid arthritis, just horrible. The kind where your fingers go the wrong direction etc, which is ultimately what killed her. The arthritis went to her heart muscle and she died.

 But she had a pillow which I still have that said simply, never, never, never give up. She wouldn’t give up. She taught me never give up. No matter how bad it is, just keep going and you could dig your way out of anything. She taught me the value of hard work, the value of love, a whole bunch of things that guided my through my life. Not many people are blessed like I was. I hung the moon and put the little stars around, she was concerned. Having that kind of support in your life no matter how bleak things were, no one, my mother loves me. She believes I can do this and if I don’t it she’s still going to stand behind me. Really was something that I was really blessed to grow up with. Friends of mine here in Atlanta, because I’m blessed, I’m back in Atlanta and my college roommates and high school friends are here now, because when I graduated high school in the 60s, you couldn’t get a job any place except in Atlanta. A lot of them are still here, they still talk about my mother. She was a hell of a force.