

# CALIFORNIA REAL ESTATE JOURNAL

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## BEYOND THE BUSINESS CARD

GIVING YOU THE BACKSTORY BEFORE THE FACE-TO-FACE MEETING

Tenant-in-common pioneer Tony Thompson established the former Triple Net Properties LLC with four employees in 1998, and grew it into an organization big enough for its holding company, NNN Realty Advisors LLC, to buy Grubb & Ellis Co. in a reverse merger that was completed in December. Under his leadership, the companies raised nearly \$3 billion in equity for various investment programs.

Soon after the merger, he resigned as Grubb & Ellis' chairman to launch Thompson National Properties, an Irvine-based firm that provides value-added real estate investment opportunities to high-net-worth domestic, foreign and institutional investors. Thompson wasted no time in building his new company, adding a slew of senior executives and acquiring its first assets in May: two value-add office buildings in Dallas, Texas, which were purchased on behalf of the Bruin Fund, a \$250 million opportunity fund.

He recently caused a stir by requesting to be reappointed to Grubb & Ellis' board of directors, citing management turnover and a decline in the brokerage giant's stock price.

### What made you decide to leave Triple Net at that pinnacle point, right after acquiring Grubb & Ellis?

*We had a great run at Triple Net. We built a very strong organization that was leaving our investors in very good hands. I've accomplished what I set out to do 10 years ago, and we actually exceeded our goals. I like to build things, and it just seemed like the right time, with so much concern about the economy and the real estate industry, to get back in and take advantage of the chaos in this environment. We're starting from scratch, but with a lot of knowledge and experience. This is the third company I've started in the last 30 years. I started a company called TMP in 1978, started Triple Net in 1998 and we started TNP in 2008. Eights are always a good number for me.*

### What made you want to get into real estate?

*I believe it's a genetic flaw. The truth is when I was in the eighth grade in Cunningham, Kansas, I took an aptitude test and it came out that my number one aptitude was real estate salesman. How would you know at age 12 in a little town in the middle of Kansas, which is only known for raising wheat, what a real estate salesman is? I have to believe it was truly a genetic flaw.*

### What non-real estate experience is in your background that you draw upon in your real estate work?

*I started my career as a life insurance salesman in 1969, and I learned a lot about finances and taxes and retirement planning and things of that nature. I was in that career for about 10 years. Being a salesperson, you also meet a lot of people from a lot of different walks of life, and different professionals and businesses. That experience of meeting people and being involved in the sales process of life insurance, which is a very unselfish gift that people give their families, taught me a lot about human nature and how to deal with different types of people. It taught me negotiation skills and how to build long-term relationships. And I think that's an*

*important background in any entrepreneurial endeavor, whether it's real estate or software or any other business.*

### What is the most challenging aspect of your job?

*It always has been, always will be, and is today the judgment part of hiring your people [when you're] building a quality organization. At the heart of that are the people, and those people are the ones who have to execute your business plan and make your investors' dreams come true. So it's always challenging to find and interview them, and ultimately make the decision whether to hire, train and mentor them, and be their partner in good times and bad. You spend as much time with your co-workers as you do with your spouse. That's the most important part of running any business — finding the right people at the right time for the right positions.*

### If you could have one superpower, what would it be?

*The ability to pick the NCAA men's basketball champions. I always have UCLA winning it all. If I could have that one little superpower, it would save me a lot of time and expense going to all those basketball games.*

### What do you see as the biggest pitfall for your industry today?

*The influences [that] both politically and financially have a great deal of impact on every industry. We're in a classic situation today where debt on property is too hard to get. The real estate industry is suffering unfairly when it comes to the amount of debt projects we are now be able to obtain, whereas just a year ago debt was too easy to obtain. Mark Twain said history doesn't repeat itself, but it rhymes. We're*

*seeing a classic overreaction by the regulators. They sometimes are late in regulating, then they overregulate.*

### What is in the trunk of your car?

*I happen to know what's in the trunk of my car today, which is not always the case, because I just got back from a trip. I have two sets of very dirty, dusty golf clubs in there — underline dirty and dusty.*

### What is the one thing that most people don't know about you?

*Most people don't know that I have a lot of Cherokee Indian heritage, about one-sixteenth.*

### Was there ever a deal or project that you wish hadn't gotten away?

*Absolutely, there's been many of those. The toughest one I lost is right here in Orange County. About five years ago, we had a chance to buy the [former] Fluor headquarters. I just simply was a little bit slower and my broker was a little bit overconfident and got beat out by someone who ended up making \$50 [million] to \$75 million in a very short period.*

### What keeps you up at night?

*We have a very affectionate King Charles spaniel and he licks my feet a lot. You never know when he's going to strike.*

### What's your favorite leisure activity?

*Roulette.*

### If you weren't doing this, what would you be doing?

*I would be coaching basketball. Very poorly and with a losing record, but I would be enjoying the heck out of it.*

— Interview  
by  
Julie  
Nakashima

