

**About Don Peebles:**

He's the founder, chairman and CEO of the Peebles Corporation. He was named a business trailblazer by Black enterprises and titans of Black America. He's acknowledged as one of the 40 most powerful Black Americans in business. Forbes listed him as one of the top 10 wealthiest Black Americans. His net worth is hundreds of millions, probably over a billion. And he was named a trailblazer here by the Metropolitan Black Bar Association in 2016, and he's the author of numerous best-selling real estate books including *Peeble's Principles*. If you've never researched this man, if you don't know his story, you're about to hear it. It is the American dream. Literally made a decision to go a non-traditional route; made a decision to say "I'm going to take a risk; I'm going to go for the big score because the path that they want you to take, it's not going to get me to the destination that I need to go today."

**On the American Dream:**

"I definitely believe that the American Dream is accessible for all."

**On real estate:**

How much real estate you guys [Peebles Corporation] own?

"[I started the] People's Corporation in 1983 when I was 23 years old. At 26, we started our first building which was about \$10 million back then. Today, our company's pipeline is over \$4 billion dollars including our downtown Los Angeles project called *Angels Landing* (\$1.6 billion). **I think it's important to know I started that company with \$600. Black man, 600 bucks, [now] \$4 billion. That should crash all your limitations.** To finish up about the introduction, back in 2007, my net worth was 700 million. Hopefully, I made some progress since then. **What it shows is that anything is possible.**

**Cash flow vs. net worth:**

"What's more important, cash flow or net worth? I think both. I mean, if I were 26 years old again and pick one—cash flow. I got the benefit of being mentored by some top entrepreneurs and business people. I grew up in Washington DC and [at] 26 years old, I was playing poker with the chairperson of one of the largest banks in the city, the Mayor and several business people. And there was one in particular who was a lawyer but made most of his money and investing in real estate. **He gave me advice—two pieces of advice—that his father, who was a pullman on the Amtrak train for 40 some odd years, said: 'one, it's okay to be broke, and it's okay to be old, just don't**

**be both at the same time. But the second one and the most powerful one, your money can work harder than you can. It doesn't get sick, doesn't take vacations, doesn't get its heart broke. It just keeps on working. So while you're asleep, or you're on vacation, your money will work harder than you.'**  
And that's what Grant's talking about cash flow."

**An unlikely story of success:** "So first of all, I am an unlikely example of any kind of success, but I'm an American story. So my father grew up in the segregated south in Southern Virginia. And my grandfather, who he was named after, was a janitor in a public school system. [My] father and my aunt could not attend the school. My mother and my grandfather, who was a big inspiration to me—a hotel doorman for 40 years, both of them had a firm belief of the great opportunities in America. **So they instilled in the children, they instilled in me, a work ethic to work for what you want.**"

**An American Success Story:** "So my first job was working pumping gas at 13 years old at a gas station. My second job was a janitor in dental offices and orthodontists. All the wires...I had to pick up the wire every night, and so I learned the value of hard work. And then fortunately, by the time I was 16, my mother arranged for me to get a job on Capitol Hills as a page, which was a messenger on the House of Representatives floor. I got a six month term there...so went to high school on the top floor of the Library of Congress. The Congressional Reading Room was [my] library, and [I] ate in the dining room of the Library of Congress. I had lunch in the House of Representatives dining room, so really impressive stuff. And so as I was there, I realized I was only gonna be there for six months so I made relationships with several Congress members, who became lifelong friends. And I got jobs with them, and then ultimately later on in life, I helped raise money for them and their campaigns and so forth. But that was the beginning of one learning how to dress like this, because it was a blue suit and white shirt. That was a uniform for pages...short hair, clean shaven. That's how I learned to dress like that. **And then I learned that one important thing that is the most valuable, one of the most valuable commodities is our time, and the second most valuable commodity, the relationships we build and [that] we maintain.**"

**On developing relationships:** "It became the platform of my business ultimately. So I graduated high school. Graduation day...my grandfather, my mother, my grandfather, my parents, and a few close relatives, we went over to the Rose Garden of the White House, and there President Carter handed me a Certificate of Achievement for high school, while the Vice President Walter Mondale looked on. I have met with every president of the United States and most of them have been at our house. This is really not a big deal. The leader of the free world I've met, and helped most of them get their jobs."

**On having a mentor:** "So how important like how important is that for a young kid? You know, my dad died when I was 10. So [had] I didn't have the mentors, I know it would have been different. I think that was why my mother wanted me to become a page. One, I had an interest in politics but she thought that was not the field that I should pursue, I should pursue creating wealth. And so she wanted me to see it up close, but also, as an African-American young boy growing up in the 1960s-70s, there were fewer role models, and my dad was not the role model she had in mind. And so my parents were divorced when I was five years old, so my mother was a breadwinner in our family. So being able to see powerful African-Americans like Charlie Rangel, John Conyers, Vernon Jordan, and so many others leading our nation...show me that there was no limit to what I could dream of and do. I stayed there all my last two years of high school. I had six months, but I got to stay there the whole time based on the relationships I formulated. And so the result of that, I got a chance to meet these people and see the President of the United States calling them for support and so in businesses, like the CEO of Ford Motor Company, or Chrysler, Lee Iacocca coming in to see John Conyers in his office in Washington, DC. **So I said, 'Okay, I may not have any money, but I'm going to have some relationships and those relationships are going to help me make money because access to power, access to those who are appropriating money, I can figure out how to make money from that.'**"

**On mainlining relationships:** “They told me to go to school, get a degree, get a job, and nobody said ‘hey, go borrow money to connect.’ **What I learned in politics was a way to build relationships, networking, being in the room like this where you’re going to find like-minded people like yourself. You’re going to get valuable information that is generally not accessible. You’re going to be around other successful hard driving people because you can never fly like an eagle hanging around with a turkey. So you got to be in the room with people who want to get there with you. I cannot overemphasize that. That is the most important element of my success, other than of course, the willingness to work hard, the willingness to be a student of my business.”**

**On being with like-minded people:** “When we all are younger, we all have big dreams, and what happens is society extinguishes those dreams and by the way, some well intended people—teachers, counselors, brands, and of course, parents, relatives—they all are trying to protect you in some degree. And of course, there are the haters who don’t want anybody to be successful. Right? But you’ve got to ignore them. Some you’ve got to be willing to think big. So when I was in high school my yearbook page said that I want to be a doctor, an orthopedic surgeon, and then to invest in real estate to become rich. My uncle was a doctor so I wanted to emulate him.

This is a capitalistic democracy. We’re not China. Right. And by the way, don’t think that there are not rich people in China, it’s just not accessible to everybody. But here, the pillars of this democracy is capitalism, so It’s okay to want to be rich. Now it doesn’t make you a better person than somebody who isn’t. But the beauty of this country is you can pursue your dreams, hard work, and good fortune are willing or able to take.

After that, I went to college in my first year, I went to Rutgers Newark because they had a six year medical program, and it was close to New York City. So I went to New York City. My mom said you should drive in New York City. I asked around where’s the hottest nightclub because, by that point, I was you know, in DC, going sneaking into nightclubs and I was six foot three so I could get into pretty much anywhere and I had this congressional ID card. They said staffing, and didn’t have a date

### **Visualizing success:**

of birth on it so I could get in. Everybody says Studio 54, that's the place to go. Okay I'm going there. I went in, had a blast. So all these celebrities...all these beautiful women. So I liked it and I started going there regularly before I graduated high school. I was getting my money that I was earning on Capitol Hill to head to New York. So I did that through my first year at Rutgers. I'm taking a political science class, and the professor is lecturing about how the laws passed. And so he opens it up for discussion and I started, "Well actually, you're a little wrong on this. Here's how it works in the real world. They're not sitting up there debating and so forth. The issue is decided before a debate takes place." He say, 'No way' etc. So after that, I left that class saying this guy doesn't know any better than that and he's teaching politics? I can't imagine anybody in business school teaching me that and I'm done with medicine because I need more money to live the lifestyle I saw in New York City. I'm gonna need a whole lot more money. So Studio 54 was good for something very good. I started having these bigger dreams. And then the girl I ended up dating was a New Yorker. I start thinking I want to have the red Ferrari when I'm in my 20s not in my 50s or 60s. I want to have a nice house. I want to have a cool apartment. All that before I get married. And so I said I'm going to be a millionaire before I'm 30. I'm going to have a million dollars for every year I'm alive by the time I'm 30. And at that point in time I had maybe a couple \$1,000 in the bank. You just start visualizing it. What does success look like? And so anyway, I quit college, went back to DC because I figured that's a safe place to start a business and I knew politics. So by 1983, at 23, I opened my own appraisal and consulting business with the federal government as my client, thanks to one of the Congress members. So I started my business and I was making several \$100,000 a year and so I realized that I could do that. So then I got the Mayor of the city to appoint me to chair the Property Tax Appeal Board which was a very powerful board that heard all the tax appeals for the major properties in D.C. And I'll never forget there was this one developer and his name was on almost all the buildings in downtown and the guy's name was Oliver T Carr. So by the time I was on the board I was conditioned to think of him as a god. I mean, no normal person could do all this and he showed up for an appeal. And I was so impressed, in terms of his persona, so I said he is a smart guy. And two years later, I was building my own, my first, building."

**On the advantage of thinking big:**

"And so what happens is you got to alter your dream, but the dreams and your goals have to be higher, they have to be realistically achievable. But you're going to need a lot of luck and good fortune to get there. I didn't, by the way, get to \$30 million. By the time I was 30, I got a third of the way there. But I [eventually] did get much more than a million a year. And I clearly got I got beyond the 10X at 60."

"[Interviewer] So you're saying you're saying even though you came up? You would have come up short had the thinking been smaller?"

"Absolutely. I would have come up much shorter. I would never ever, ever be on this stage talking to someone like you...as accomplished as you are, in an audience of such accomplished people, if it weren't for my ability to dream big and I credit that with my mother. I mean, my mother told me that there was no limitation to what I could do and I credited to my grandparents, my janitor grandfather and my doorman, grandfather. And my doorman grandfather gave me my first set of cufflinks, but both of them told me there was no limit to what I could accomplish. They were limited but I wasn't."

**"First rule of great success is if you are not where you want to be now and you want to change that, you have to change the way you think. Because thinking the same way and expecting to get somewhere different is not going to happen.** And they can be raw changes or they can be more specific changes. And I will never forget my mother who loved me to death and had great dreams for me. When I was 23 years old and Mayor of the City, who I had built a relationship with by hosting candidate forms and fundraisers for him, offered me a seat on the Property Tax Appeal Board. And my mother said, 'Don't do it because it's a hot seat and you're going to get screwed, and you shouldn't do it' and she spent an hour trying to talk me out of it. I ignored her advice that you know what? I love her. She's a person at that point in time [that] I loved more than anybody in the world. And she is not where I want to be. And she loved me. I can't listen to her anymore. And then the next year when there was an opportunity to become chairman and I navigated to do it. She said, 'Don't do it.' The best decision I've ever made. I love her. But you cannot listen to people, frankly,

naysayer[s] because they're generally afraid." She was being a mother. She wanted to protect me from failure or scrutiny. I'm a big boy. And look, I've been on the front. I mean, the one thing that she was afraid of happened to me when I did my first building. The press taking a shot at me. So I did my first deal at 26 years old to build a major building in the city of Washington D.C. and the Mayor, my benefactor, signed the lease of the government to lease my building, I didn't do anything illegal, nothing improper, and I kickstarted economic development and gave this city a good value. And so the hater went to the *Washington Post*. It is just a black guy, never built a building before, [and] he's going to build a big building and lease it to the city? And what he left out is that I was several hundreds of thousands dollars a year less than he was and I partnered with a developer as capable if not more capable in the network but I was on the front page of the *Washington Post* saying that the Mayor had done me a favor.

**On altering and reaching the dream:**

I went into this restaurant that I network at because I went to the right restaurants to network with power people. I tipped the maître d' so I got a power table and I became powerful by visibility. The most popular power lunch was a place called *Joe and Mo*. I made sure I met the owner, and made sure he gave me his card. I went back the next few days later, a few days after that, tipped the maître d' and I got the power seat in that restaurant. Every now and then when I had lunch with the Mayor, I'd bring them there or Congressmen, I'd bring them there. And D.C. was a very political place. And so that made me have access to people. So I met the president of the largest banks in the city, and that he and I became friends and he invited me to the poker game. And so and I'll never forget my first game. I lost \$10,000 which was a very meaningful amount to me. And that was in 1986, and he told me lessons aren't free. He said, 'How much did you make? How much are you gonna make out that deal?' I said, 'probably \$10 million.' And so he said, 'I bet you got a whole bunch of calls from your friends and people saying, hey, sorry about that article today, right?' And I said, 'Yeah.' He says, 'how many of them do you think would have taken that article to make \$10 million? You make \$10 million. This is a one day story. The people will get thrown in the trash. And people will move on to another issue, but you'll still have your \$10 million dollars. From that moment on I learned."

"I was as a minority and I was doing it young and I was political. I got coverage in the media every time and I used to run from it. I just started to embrace it because it was being used as a weapon against me. So I had to neutralize it. And I said, I make it an asset. So I was able to get access to good deals. That was what I worked on. Good deals. The challenge is if you are a woman then you're gonna have a much harder time raising capital. If you are a minority, you're going to have a much more difficult time raising capital. If you are not one of the people in that elite class, no matter what your race or gender is. If you're starting off and you don't have money, you're going to have a tough time raising it as well."

**Access to capital is the biggest challenge:**

"You know, Bob Hope said, banker is someone who wants to lend you money when you don't need it. And that is very true, by the way. So the biggest impediment for any of you that want to grow your business is access to capital. Biggest challenge even today. So the way real estate's finance is that you get debt financing from a senior bank and then you get equity, either raising from individual investors or more efficiently on large deals like you raise it from private equity. Wall Street firms and so forth have private equity funds. Those private equity funds focus is making private real estate investments and they raise money from institutional investors like public employee pension funds, union funds and wealthy individuals. Right now I have \$70 trillion of capital invested in venture capital and private equity. For now, Biden just signed legislation last week of \$1.9 trillion to save the country. So think about 70 trillion, of that 70 trillion. less than 1.3% of it is invested in firms run or owned by women or people of color. That is a very unfair system. And by the way, the white men who are invested in are the ones way up here. So if you are not way up here, that capital is not accessible to you. Well, that's wrong because the biggest single class of investors and private equity of public employee retirement pension systems and union pension systems who are working men and women who reflect the broad diversity of our country and yet none of us can get access to that money. Well I am working on changing that. And I need you all to help do it. This money which would fuel entrepreneurship and bring our country to another level by empowering small business owners, aspiring entrepreneurs and people who have part-time business if they have fair access to capital. The reason why the top 1/10 of 1% owns half the country



is a good 98.7% of all investment capital. They should own it all, frankly, given the disparity. But that is your money, it's your family's money, it's your parents money, it is your friends' money, because you're sending your money to retirement accounts, and not holding the custodians accountable. And by the way, most of the government employee funds are run by controllers and treasurer's who are elected to their office but not one of them ever talks about how they're going to deploy capital fairly and require these Wall Street firms [to do so]. The California public employees pension system just gave a company called Blackstone a \$1 billion investment to invest in European real estate, not invest here to rebuild this country but to take it to Europe and make money for them so that they can make another billion or two individually, and that has to stop."

**Fund for emerging  
developers and investors:**

"So I'm raising a fund for emerging developers and anyone interested in that can email [fund@peeblescorp.com](mailto:fund@peeblescorp.com) and we are raising our first fund to do business in seven cities in the US to invest in small and first time real estate investors and entrepreneurs early in their careers. And we're going to these pension plans and challenging them to do right by the rest of the people here. Because it is no secret to my success other than what we've talked about. Any of you all can be sitting up here with the right opportunity, the willingness to work hard, some good luck and fair access to capital. I know most of these people on Wall Street, many of them, many of them at the companies I've talked about, they're no smarter than you but they make hundreds of millions of dollars.

But they're doing something different, they got access. They got in the right rooms, they're playing the game. They're sitting at the right table, like you guys. You got to quit saving money with a bank that lends the money out and you have no control. You do have control over putting money in the bank. Where should people be putting money down? I know you love real estate. I mean real estate is a place right now and always is, it outpaces inflation. Buy your first property or invest in your first deal. Then multiply and invest in your second deal...always income producing properties. Always income producing property. Cash flow your money [so it] will work harder for you than you can. And two because this great concentration of wealth that I just discussed, they've rigged the tax system for us."

**Your 10 year real estate plan:** “So in real estate, you get all kinds of tax protections: when you sell you pay a much lower tax rate than an ordinary income generating asset, you also get depreciation and other benefits. But you invest in real estate and then at a certain point, some people will want to go into development. And by the way, the nice thing about investing in real estate and income producing properties is that you can continue to do other things to make money and make real estate a part of your portfolio and you can build wealth through real estate while you’re working on someplace else to produce cash. And you build that up. But you got to be disciplined. Keep investing and those of you all who want to go into development, work on a house first. Sell that and then work on a small multi-family. Get a bigger one, then a bigger one, then a bigger one and then stop selling stuff...that keeps cash flow. And if you get yourself on a 10 year plan, by the time you go on 10 years, you should own at least 10 buildings. They should all be producing income and you will make far more money than anything else. Magic Johnson told me once he made much more money invested in a real estate fund in five years than he made in totality playing in the NBA.”

**Where are the real estate opportunities?**

“I’m an opportunistic player. That’s what development is... meaning trying to create value. So I like apartment buildings and because they are cash flow and first of all, I think you got to look at real estate as a supply, a simple business supply and demand. So you want to provide, and by the way, if supply outpaces demand prices go down. If demand outpaces supply prices go up, simple as that. You want to sell when fewer people are selling and buy when fewer people are buying. Now you can’t be active in the business by saying I’m going to apply that rule to one city. They gotta invest on a national platform and pursue opportunity. So what do people need the most? What do we know that technology will not take away in our lifetime? Housing and home. We got to rest our heads somewhere. And also frankly, the last I checked, we cannot take a virtual vacation to the Bahamas. We actually got to go there to get a sun tan and we got to go there to swim in the ocean. So we need a place to put our head down. Hotels. I like our hotels. I think office buildings present a tremendous opportunity because no one knows where they’re going now, because that business was getting disrupted before COVID. But COVID gave the world a crash course on virtual work and remote working. So offices

are not going to be consumed the way they have been in the past. [There] is going to be a declining demand for office space. So that means it's great opportunity, buy office buildings. And also development is shut down right now in most places by land. You want to be opportunistic, but protect yourself for cash flow producing long term demand assets that will never ever go out of favor. If you run an apartment building, you'll never ever be out of business and that building is always a demand. Even with COVID, we had we had 98% collections despite what they present."

**On changing the system:**

"So I think, first of all, we are in a meritocracy. I believe everybody deserves a fair chance and everybody gets to where they're going to get to in this day and age based on their abilities and their hard work. And some of us, though, will have a harder time. I mean, I think it's pretty straightforward that we can all agree that women have a much harder time than my gender to go out and compete in the world say that I operate in because if it weren't the case, it would be more than 1% of the top executives in the commercial real estate industry being female. So when you think about African-Americans, I think it's important to understand our country's history. African-Americans did not come here willing, they were kidnapped. And my ancestors were kidnapped and brought to this country and provided free labor under horrific conditions for 249 years. So this country, the foundation of this democracy was built based upon free labor, and then another 150 years of absurd discrimination and oppression. And then we went into this next phase of trying to right a wrong that took place for over 400 years, which is impossible to do, by the way. And so we have this challenge where obviously people are very frustrated because of the lack of opportunity. But think about the very foundation that we get from our ancestors, values I got from my grandparents.

So to say today that we're all equal is disingenuous, because it's like saying we're going to run the Indianapolis 500 and there are three sets of drivers: there's white men (driver A), there are women (driver B), and there are African-Americans (driver C), to all them Ferraris they all have equal credentials. However, driver A starts off on lap 450, driver B starts off on lap 200, and driver C African American start off on lap 1 and then to say okay, may the best driver win. Now, the only way that driver C wins

is if driver A and driver B crash and burn. It's mathematically impossible. So, therefore, we have to say how do we adjust this without diminishing driver A's skillset and opportunity when driver A works just as hard as drivers B and C to get educated and skilled and so forth. Right everybody? So how do we level the playing field? One of the ways that I know is to say, because also the challenge now is a driver A is also now a disadvantage, because of a concentration of wealth. **Wealth concentration has produced to severe disadvantages for all Americans. So how do we change that? One way I know is to change access to capital and access to opportunity. So we all have to look at people the same and judge them based on qualifications.** It does no one a service to say I'm going to hire Don Peebles because he's black instead of hiring Grant. But at the same hand, we got to level the playing field so we both have equal access to capital and equal access to opportunity and when the bank's evaluate us to make loans to us, they evaluate us the same. So that can be done through a business but mainly a political process. Because as rich as Jeff Bezos is, he's got one vote. So we all are equal there. **So there's power in our numbers. And if we want to level this playing field and be united on leveling the playing field for all of us then we can see things change and that's really what we have to do, be fair and equitable."**