
Wm. Polk Carey
1930-2012

Wm. Polk Carey was an entrepreneur, a pioneer in global corporate finance and a philanthropist for more than six decades. His career was defined by two core principles that he adopted more than 30 years ago: “Investing for the Long Run™” and “Doing Good While Doing Well.”

As the founder and Chairman of W. P. Carey & Co. LLC, Mr. Carey guided the development of the firm into the position of market leadership it has continuously held from its early years. A visionary, strategist, dealmaker and hard-driving entrepreneur, Mr. Carey was recognized for his ability to identify market opportunities, the tenacity to pursue them even in the face of substantial obstacles and the skill to realize them. His profound loyalty, generosity, sense of duty and optimism were the distinctive and driving forces of his career.

Mr. Carey started the company in 1973, primarily to structure single-asset private investments. W. P. Carey & Co. has historically focused its business in two areas: providing quality companies with capital to run their businesses and providing investors with high-quality income oriented products that had the potential to appreciate over the long run and through good times and bad. Mr. Carey was a pioneer in the development of sale-leaseback financing, and, under his 38-year stewardship, W. P. Carey & Co. has been a world leader in sale-leaseback transactions and build-to-suit financing. The company has holdings in North America, Europe and Asia that include nearly 1,000 commercial and industrial properties, totaling approximately 120 million square feet of real estate.

In 2009, the company made headlines when it bought 21 floors of the 52-story New York Times Building on Eighth Avenue in Manhattan for \$225 million under a sale-leaseback arrangement in which the newspaper's publisher agreed to lease space in

the building for up to 15 years. An early transaction that received a lot of notoriety was the sale-leaseback financing of Gibson Greeting Cards office and manufacturing facilities that largely financed the leveraged buyout of the company from RCA by former Secretary of the Treasury William Simon and his company Wesray in 1982. This was an early example of sale-leaseback financing for a below investment grade credit. Other landmark transactions of recent years include those with Google, U-Haul and JP Morgan Chase. The Company has also been very active in Europe in the last ten years completing over \$3.5 billion in investments there.

Today, W. P. Carey has nearly \$12 billion in assets under management. Its record of delivering growing income for investors, quarter after quarter, through all kinds of economic cycles has been consistent and exceptional. The company has increased its dividend every year since it went public in 1998 and for 43 consecutive quarters. Since the introduction of the first CPA® investment program in 1979, WPC and its affiliates have paid more than \$3.8 billion to investors over 840 consecutive quarterly cash distributions.

As a result of its conservative approach to risk management, W. P. Carey & Co. has weathered numerous financial cycles of recession and turmoil, and actually become stronger when many peer companies needed to retrench.

Mr. Carey was also the founder, funder and Chairman of the W. P. Carey Foundation, which was established in 1988. The Foundation's primary mission has been to support educational institutions, with the larger goal of improving America's competitiveness in the world. Its main focus is to support schools, universities, lecture series, chairs and other programs on the study of business, economics and law, as well as on admissions procedures and college and career guidance. The Foundation has provided thousands of young people with increased educational opportunities.

Mr. Carey came from a long family tradition of public service, focused primarily on education. The tradition goes back to General Leonidas Polk, who founded the University of the South; and continued with his grandmother, Anne Galbraith Carey, the founder of Gilman School, the first country day school, established in Baltimore in 1897; his cousin, Millicent McIntosh, president of Barnard College; and also includes United States President James K. Polk, who oversaw the opening of the Smithsonian Institution and supported the idea of education for all.

In February 2002, the W. P. Carey Foundation made a gift of \$50 million to Arizona State University's (ASU) School of Business. This gift was made on behalf of his grandfather, John Samuel Armstrong, who is credited with establishing the Arizona Normal School, the predecessor to ASU. ASU's W. P. Carey School of Business also offers an Executive MBA program in Shanghai that is one of the most highly prized business degrees in China.

In 2007, the Foundation donated \$50 million to Johns Hopkins University to launch the Carey Business School, creating new opportunities for students to receive a top-tier business school education. The school is named for his great-great-great-grandfather, James Carey of Loudon, who was a shipper in 18th- and 19th-century Baltimore and a relative of Johns Hopkins.

In April 2011, the W. P. Carey Foundation established a \$30 million endowment for the Francis King Carey School of Law at the University of Maryland, named for Mr. Carey's grandfather, an 1880 graduate of the school.

The Foundation has additionally provided financial support to many other colleges and universities, as well as elementary and secondary schools around the country.

As a child of the Depression, Mr. Carey's interest in business emerged early, when he sold ink he made in the basement of his family's Baltimore home. He often mixed his school activities with work, selling soda on the streets of Baltimore. Mr. Carey

pursued his college studies first at Princeton, where he had a thriving business selling secondhand refrigerators to his classmates, and then at the University of Pennsylvania's Wharton School of Finance and Commerce, from which he was graduated with a B.S. in economics in 1953. Following his graduation, he entered the U.S. Air Force for two years.

Upon completion of his military service, Mr. Carey joined his stepfather's car dealership in New Jersey to repay a loan for his college education. During this time, he learned about lease financing in the automobile industry. After paying off his debt to his stepfather, Mr. Carey took what he had learned and started his own business. At age 28 he became the owner of International Leasing Corporation, in Plainfield, New Jersey. The company specialized in foreign cars, and in two years, International Leasing became the second largest dealer of Peugeots in the nation.

Mr. Carey saw no bounds when it came to lease financing, and soon his firm was also arranging private placements of corporate debt and leased vehicle fleets, aircraft and entire factories.

A globalist from the start, Mr. Carey completed his first international transaction in 1960 during a trip to Australia where he met with L.J. Hooker. At the time, the Australian government had regulations against foreign direct investment; Mr. Carey and Mr. Hooker worked together to persuade the regulators to change the rules and permit the deal. Hooker's corporate debt that Mr. Carey placed privately with his clients in the U.S. became the first foreign direct investment in Australia. The transaction was instrumental in the growth of Hooker's business, and the experience stimulated Mr. Carey's passion for pursuing deals that others said couldn't be done.

In 1964, International Leasing was merged into Hubbard, Westerfelt & Mottelay (later Merrill Lynch Hubbard), and Mr. Carey served as Chairman of the Executive Committee, focusing on the net leasing of corporate real estate. He later served as

Head of Real Estate and Equipment Financing at Loeb, Rhodes & Co. (later part of Lehman Brothers); and became Vice Chairman of the Investment Banking Board and Director of Corporate Finance at DuPont Glore Forgan Inc.

After nearly a decade of working for other firms, Mr. Carey decided the time was right to again become his own boss, so, in 1973 he formed W. P. Carey & Co. The firm's first Board of Directors was limited to three members – himself, his brother Francis J. Carey, a successful Philadelphia lawyer, and his brother-in-law Raymond S. Clark, President and CEO of the Canton Co. of Baltimore. The company started out with a single acquisitions officer, who called on each of the Fortune 1000 companies one-by-one. W. P. Carey won business from three of them, resulting in the start up's first revenues.

In 1979, W. P. Carey created its first investment program – named Corporate Property Associates or CPA® – which raised \$20 million from individual investors. Subsequent programs were formed and today the firm is sponsoring its 16th CPA® program, called CPA®:17 – Global. This successful series of investments has raised in excess of \$5.7 billion in equity and has performed for its investors in all economic cycles. Mr. Carey largely attributed the success of these programs to an Independent Investment Committee of highly respected leaders in business and finance. This Committee is at the core of the firm's risk management process and continues today to review transactions brought forth by the firm's acquisitions team, a practice that ensures independence and is rare, if not unique, in the industry.

Remarkable generosity has been a constant in Mr. Carey's career, as an event in 1986 typifies. For more than 20 years a sense of obligation to a group of 80 farmers in Colorado and Kansas had been nagging at him. The Colorado-based National Sugar Manufacturing Company, which his family had owned, had been liquidated in 1963. As is common in bankruptcies, most of the commercial creditors had been paid, but the local beet farmers who supplied National Sugar and the company's

workers never received the payments and wages due to them. When he found himself with the means, Mr. Carey enlisted the help of his staff accountant and wrote personal checks for the full amount of each outstanding debt owed. Needless to say, the recipients were delighted and shocked that Mr. Carey, without any legal obligation, paid these outstanding debts.

Following his experience with the sugar farmers, he persuaded his brother Frank in 1987 to run his company for one year so that he could take a sabbatical. He traveled to many countries, visited friends and gained insights into the growing role the U.S. could play in the global economy. Upon his return in 1988, Mr. Carey established the W. P. Carey Foundation, inspired by what he had seen in his travels and by the Carey family's legacy of educational leadership.

While Mr. Carey passed on responsibility for the firm's day-to-day operations years ago, he remained a dedicated and energetic Chairman of the Board. As a boss, he was both devoted and exacting and demanded the highest quality work product. He also took keen interest in his employees' career development – often knowing their educational training, background and personal interests as well. The firm has been known for its close-knit, supportive culture, long past the days when many companies surrendered to a less trusting employer-employee dynamic.

Mr. Carey held honorary doctorates from Arizona State University (Doctor of Science), from the City University of New York (Doctor of Commercial Science) and from the University of the South (Doctor of Civil Law).

Additionally in 1999, Mr. Carey served as the Executive in Residence at the Harvard Business School. Mr. Carey also was a Trustee of Johns Hopkins University and The Rensselaerville Institute. He served for many years on the Visiting Committee to the Economics Department of the University of Pennsylvania, and along with Nobel Laureate Lawrence R. Klein, helped establish the University's Institute for Economic

Research (PIER). He was also a former Governor of the National Association of Real Estate Investment Trusts (NAREIT).

Born in Baltimore, Mr. Carey lived in New York City for six decades. He also maintained a weekend residence in Rensselaerville, New York, a charming and historic village southwest of Albany.

He is survived by his brother Francis J. Carey of Ambler, Pennsylvania and was a devoted uncle to his numerous nieces and nephews.

A public memorial service is being planned and will take place within the next few weeks in New York City. Details will be announced at a later date. In lieu of flowers, donations can be made to the W. P. Carey Foundation, 50 Rockefeller Plaza, New York, New York, 10020, to the attention of Juliana Harris, Executive Director.