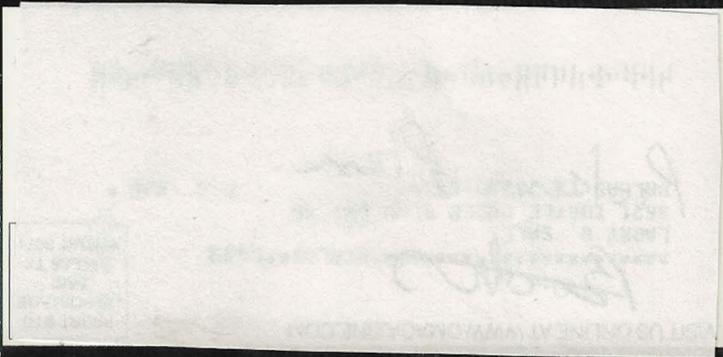


2013 CEO OF THE YEAR

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EMMITT SMITH
ENTERS THE
REAL ESTATE
SERVICES GAME

EVERYTHING OLD IS
NEW AGAIN AT HAGGAR
CLOTHING CO.



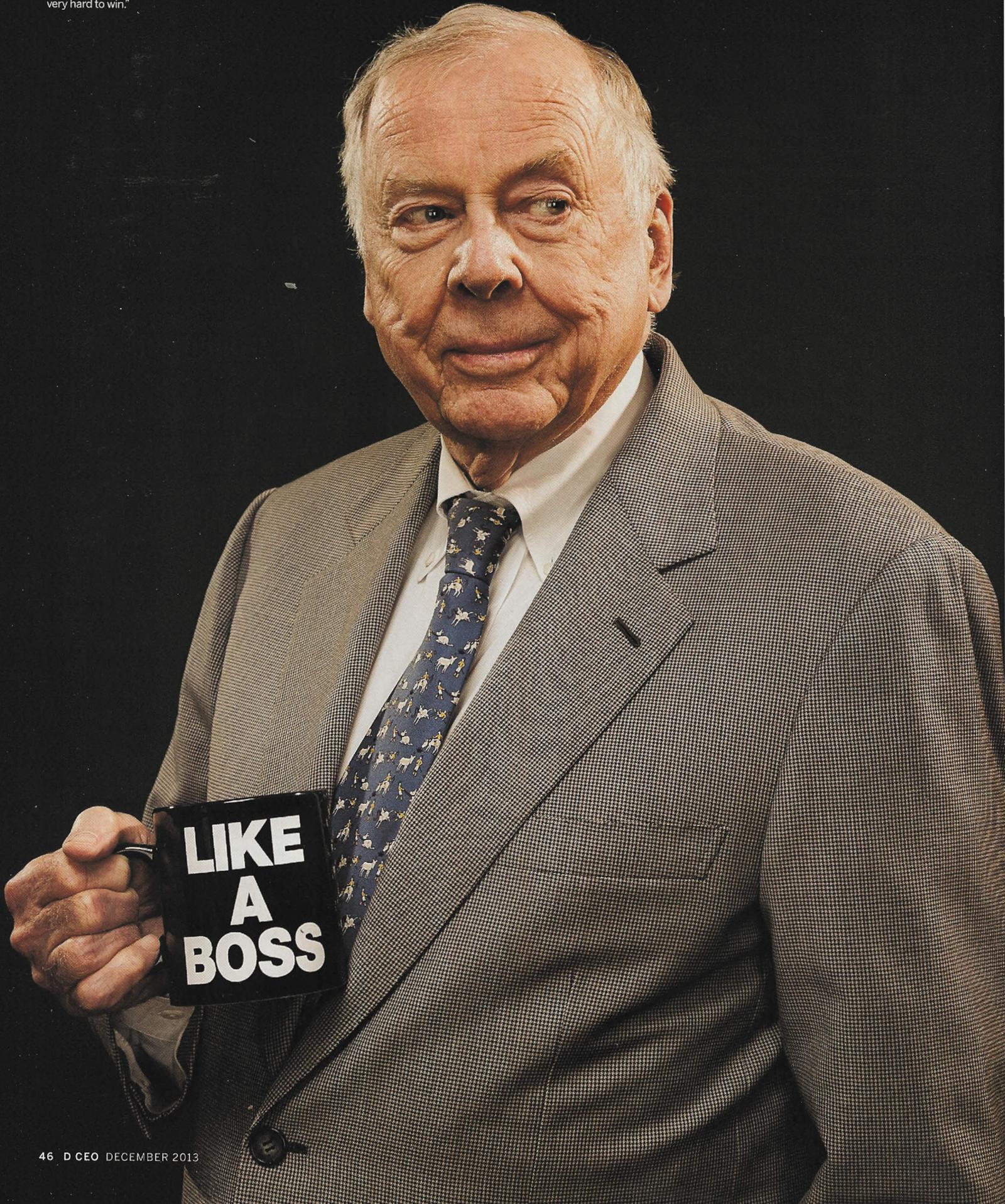
DFW BUSINESS LEADERS PICK

BOONE PICKENS

At 85, the energy mogul
is still going strong.

KILLER INSTINCT:

"I'm very competitive."
T. Boone Pickens says, "I
want to win. Like to win. Try
very hard to win."





SMU COX CEO SENTIMENT SURVEY 2013
CEO OF THE YEAR

the ageless
**BOONE
PICKENS**

The energy magnate's foresight, consistency, and competitive spirit make him 2013's CEO of the Year.

by **KERRY CURRY**
photography by **BEN GARRETT**

At 85, *T. Boone Pickens* isn't sitting around waiting for grass to grow under his feet. He's usually up at 6:30 a.m., working out with his personal trainer. His first meeting of the day at his Dallas-based hedge fund, BP Capital, begins before the commodities markets open at 8.

Plenty of people possess qualifications to be a decent CEO, the energetic Pickens believes. But the key to a good one, in his opinion, is keeping the agenda moving. "A good CEO has to be ready, willing, and able to make decisions," he says.

North Texas business leaders decided they like how Pickens has kept the agenda moving. They

named the energy titan Dallas-Fort Worth's 2013 CEO of the Year in the annual CEO Sentiment Survey conducted by Southern Methodist University's Cox School of Business. (In addition to Pickens, survey respondents named nine other CEOs as the region's tops for 2013; see their stories on pages 49, 53, and 55.)

Pickens is feeling optimistic about his more-than-60-year business career, a roller coaster of highs and lows that has him looking beyond recent setbacks to a future where there is surely more money to be made.

Pickens, who played high school basketball and

THE PITHY SIDE of BOONE PICKENS

T. Boone Pickens has come up with a plethora of easy-to-remember phrases about business and life. These pieces of advice and wisdom are referred to affectionately as "Boone-isms." Business Insider recently put a list of them on the Internet. It was so popular, says Pickens spokesman Jay Rosser, the list was translated into multiple languages and went viral. More Boone-isms can be found on Pickens' website, boonepickens.com. Here's a sampling of the businessman's best:

"If you are going to run with the big dogs, you have to get out from under the porch."

"Be willing to make decisions. That's the most important quality in a good leader. Don't fall victim to what I call the 'ready-aim-aim-aim' syndrome. You must be willing to fire."

"Leadership is the quality that transforms good intentions into positive action; it turns a group of individuals into a team."

"Keep things informal. Talking is a natural way to do business. Writing is great for keeping records and pinning down details, but talk generates ideas."

"When you are young, fitness is a sport. As you grow older, it's a necessity."

"A plan without action is not a plan. It's a speech."

"Chief executives who themselves own few shares of their companies have no more feeling for the shareholders than they do for baboons in Africa."

"In a deal between friends, there's no place for a wolverine."

"When you blow away the foam, you get down to the real stuff."

"If you're organized, you'll find time for everything. Take as big a bite of the apple as you want—that's what's great about America."

one season of college ball at Texas A&M before transferring to Oklahoma State University, likes to use a basketball analogy to explain his philosophy of leadership. "We've got a couple of seasoned players who are good, and we've got a couple of freshman that are going to be good," he says. The experienced players, coupled with the enthusiastic freshmen, translates into some spectacular plays—and sometimes spectacular mistakes. The key, he says, is to get everyone playing as a unit:

"We don't have to look at each other when we pass the ball. We know where everybody else is, so if I want to pass off, I can pass off without looking at the guy."

It's the same way in business, Pickens believes. "If you are not a finished team, then get yourself to where you are. You can stay alive, but when you really make money is when everyone is coming down the floor together," he says. "You know exactly what you want to do. We have come to that level here."

Decision-makers at BP Capital, which Pickens founded, generally have more than 10 years of experience, although there are a few freshmen on the team. "We all know each other very well," Pickens says. "We shouldn't make many mistakes, and we don't make many."

A group of BP executives usually sits around the conference room table to discuss strategy several times a day. It's this type of day-to-day communication that Pickens believes is vital to the fund's success. This year, the group has plenty to talk about.

LAUNCHING NEW FUNDS

David Meaney, portfolio manager, BP Capital Energy Fund, says BP Capital is in the comment period with the Securities and Exchange Commission for two 40 Act hedge-fund-style mutual funds that it expects to launch by year-end: the BP Capital American Energy Fund, and the BP Capital Energy Infrastructure MLP Fund.

The American Energy Fund will invest in the entire energy value chain as well as in industry sectors heavily reliant on energy, such as the airline, chemical, and manufacturing industries. "It's an attempt to capture the theme that we are quickly becoming much more self-reliant from an energy standpoint and that has multiple, beneficial effects throughout the economy," Meaney says.

The BP Capital Energy Infrastructure MLP

Fund will invest in master limited partnerships, an area of the market that is building out capacity to move the nation's energy to places it needs to be. Think pipelines. BP Capital also is raising \$500 million for a private equity fund that is expected to have a first closing by year-end. The company declined to provide additional details due to SEC regulations.

"You can see we've got plenty going on," Pickens says. "We're probably as busy as we've ever been. The guys here are pretty energetic. At my age, you aren't going to wait around 10 years before you start something. You get it started now, and take advantage."

Besides the new funds, Pickens' BP Operating Co. held interests in 20 oil and gas wells on Pickens' Mesa Vista Ranch in West Texas at the

"At my age, you aren't going to wait around 10 years before you start something," Pickens says. "You get it started now, and take advantage."

beginning of 2013, but since has sold all but four.

Energy has always been Pickens' bailiwick. After graduating from Oklahoma State with a geology degree he went to work for Phillips Petroleum, but soon realized he wasn't cut out to be a geologist.

After three years at Phillips, he called it quits. Pickens spent 40 years building Mesa Petroleum into one of the nation's largest independent energy companies. But his long reign ended when he was essentially forced out in 1996 as natural gas prices plummeted and the company was saddled with debt. Texas financier Richard Rainwater swooped in to save the company (renamed Pioneer Natural Resources) and recapitalized it with \$300 million.

At the time, *Fortune* magazine writer Joseph Nocera speculated whether the Mesa ouster spelled the end of Pickens' long and storied business career. He was 68 at the time. We know now it was just a dip in the road. Pickens started BP Capital the following year. Although the hedge fund lost a ton of money in 1998, the losses were far eclipsed by the money it made. It currently has about \$1 billion under management.

In 2008, Pickens took to the national limelight to promote the Pickens Plan, his blueprint for re-

ducing America's dependency on OPEC oil. His plan focuses on harnessing domestic sources of energy: natural gas, wind, and solar power.

Although President Barack Obama has expressed support for transitioning to clean energy sources, there's been little movement toward energy independence in gridlocked Washington. Pickens refuses to see Washington's focus on hot-button issues as a setback, but some annoyance shows through. "I get frustrated and say I'm not going to do it anymore, but then I see a prospect to movement for an energy plan, so I'm back up in Washington working on it again," he says, referring to a recent trip to the nation's capital.

The industry, he points out, is moving toward U.S. energy independence on its own, without the blessing of Congress, with technologies such as fracking to remove oil and natural gas from shale rock. "It's incredible what the industry has been able to accomplish—it is happening," he says. "What I would like is for Washington to understand industry. They don't understand it because it is not something that is right in front of them all the time."

Jay Rosser, Pickens' long-time spokesman, says Pickens has found he's been more effective at the state level, where he's worked to change arcane laws and eliminate barriers to using natural gas. The goal is to put natural gas on an equal footing with imported diesel. To date, Pickens has had success with changes to fuel excise taxes, incentives, and weight exemption issues in 10 states, Rosser says.

REMEMBERING THE PAST

Although he's known for his laser focus on energy, the Texas businessman will also forever be remembered as someone who changed the world with his corporate takeover efforts. In the 1980s, Pickens was vilified as a corporate raider—a term he despises to this day. Looking back, Pickens says, his raiding days were good for corporate America. It put pressure on managements that were lethargic and arrogant, he says.

"I think a lot of managers didn't like me to say, 'You are nothing more than an employee. You don't own the company; you just act like you do,'" he says. "Today, I think the press better understands a large activist shareholder who sees the stock never move, never move, never move, and he knows the underlying assets are much greater than the price of the stock," Pickens says. "So the guy takes a big position and says, 'Hey, let me see what I can do. You guys haven't been able to do

anything.' Well, that is what I tried to do in the 1980s, and they just said, 'Oh my God, he's a corporate raider.' Now, when Carl Icahn or somebody comes in, everyone says, 'Woo, something is getting ready to happen. He's going to make the stock move.'"

HASN'T ALL BEEN EASY

The polarizing Pickens of the 1980s is softer and gentler now, although, if asked, he doesn't believe he has changed. It's not uncommon for him to ask reporters if their impression of him from what they've read and heard matches their impression after meeting him. He smiles during interviews. Even chuckles. He's relaxed, gently squeezing a tennis-sized exercise ball. But he also remembers every detail of past fights—and not necessarily the way others do.

"I think I've always been firm but fair," he says, moments after recounting his epic battle with the *Amarillo Globe-News*, in which he succeeded in getting the newspaper's general manager, Jerry Huff, reassigned to another paper. Then he tells a story that indicates age hasn't softened his killer instinct. In this story, he beats his former security guard, described as a very physically fit man, in every single racquetball match he ever played with the guy. Rosser, sitting across the table, attests to the security guard's agility. "I'm very competitive," Pickens says at the end of the tale. "I want to win. Like to win. Try very hard to win."

Pickens' fortunes have waned recently. Last year he lost his shirt on wind-farm investments (he described it in more earthy terms on MS-NBC's *Morning Joe* program) and is no longer pursuing wind investments. And, two years ago, he sold his interests in his West Texas water investments after his controversial plan of piping water from the Ogallala Aquifer to water-thirsty cities like Dallas never panned out.

More recently, in September, he dropped off the 2013 *Forbes* 400 list of the nation's richest people, even though 41 other Texans managed to make the cut. His estimated worth of \$950 million, still an impressive figure, just wasn't enough, although Pickens notes he's given away more than that in charitable donations. His net worth is under the \$1 billion mark for the first time since 2005, according to *Forbes*.

It's evident that dropping off the list was disappointing, but Pickens isn't folding his cards just yet. Even at 85, he still expects to win. "I'll come back," he says of the *Forbes* list. "Just watch. I'll be back. I've got a lot of things going." **D**

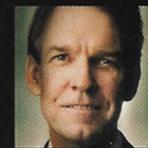
CEO OF THE YEAR 2013 FINALISTS

BY HILARY LAU



**JOEL ALLISON,
BAYLOR SCOTT
& WHITE HEALTH**

After completing a September merger with Scott & White Healthcare to form the largest not-for-profit health system in Texas, CEO Joel Allison is turning his attention to "a new era of health reform." By being proactive, he says, "we are taking our future in our own hands and creating a new transformational health system together." In 2014, Baylor Scott & White will integrate the two hospital systems to create what it hopes will become a national model for healthcare delivery. "Much of the groundwork has been accomplished over the past 10 months, but we know there is much work ahead as we merge and continue to learn from each other," Allison says.



**NORM BAGWELL,
BANK OF TEXAS**

Since taking the helm of Bank of Texas in 2008, Norm Bagwell has helped the bank become an involved part of the North Texas community and a strong competitor in a crowded market. Part of BOK Financial, the bank is looking at expanding into Austin, San Antonio, Houston, and other Texas markets in 2014. "Several specialty businesses, such as equipment finance, healthcare, and energy present significant upside," Bagwell says. "Our people will have the opportunity to influence and support franchise efforts across our eight-state footprint. Many of the ideas, tools, and tactics we have deployed in Texas may serve as catalysts to improve outcomes across BOK Financial."



**MIKE BERRY,
HILLWOOD
PROPERTIES**

Mike Berry, president of Hillwood Properties and head of development for AllianceTexas, the company's 18,000-acre masterplanned project in north Fort Worth, says 2013 will go down as one of the best in the company's history. That's because Hillwood kicked off development in four asset classes—office, industrial, retail, and multifamily. In 2014, the company's 25th anniversary, Berry expects to see continued strong growth. "I'm hopeful that we'll launch one or two large industrial build-to-suits and start construction on a new multifamily project," he says. "It's also quite possible that we will look to partner on bringing a new hotel."