



PROFILE:
Stewart Horejsi,
principal and investor,
Alaska Trust Co. 37

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Sticking to his strategy

Horejsi purchases Alaska Trust after investing in the firm for nine years

BY LYNN DUCEY | lducey@bizjournals.com

Stewart Horejsi is a businessman, entrepreneur and investor. The Paradise Valley resident started off running his family's welding supply firm in Salina, Kan., and used that business to propel him further into the world of finance and portfolio management.

Today, Horejsi (pronounced "horesh") is among the top individual shareholders in Berkshire Hathaway, along with the likes of Warren Buffett and Charlie Munger. After buying stock in the early 1980s, he and his family trusts have about \$600 million invested in the Omaha, Neb.-based firm, one of the country's largest diversified holding companies.

"We might be the 10th-largest (investor) or something like that," Horejsi says. "I bought my first stock for \$265. Today, it's worth a little bit more than that."

Berkshire Hathaway recently was trading at \$112,000 and has traded as high as \$151,000 on the New York Stock Exchange. Horejsi used profits from his firm's welding supply business to invest in Berkshire. He chose to do that instead of reinvesting in a business with disappearing margins.

"I kept running the business, but I just kept buying Berkshire. I can't really believe I put so much into one issue, though," he says.

Horejsi dealt in welding and industrial gases, such as hydrogen, argon and nitrogen, then used that money to fund other ventures, including property in Arizona.

"I used to buy past-due tax liens. It's too competitive these days, but at the time we managed to own tax liens on almost every hotel and motel in Tucson," he says.

Horejsi sold the family business in 1999 and started the Horejsi Charitable Foundation, which supports education and other causes. A University of Kansas alumnus, he remains a huge supporter of the school and its athletics program. He funded the multimillion-dollar construction of the Horejsi Family Athletics Center at the campus, and the foundation funds scholarships for college-bound students from Kansas.

While he could have rested on his laurels, Horejsi remains a businessman. As part of his management of family trusts and portfolios, he discovered the Alaska Trust Co., which manages funds for personal and estate trusts. He invested in that company for nine years before buying it in January.

While Horejsi controls the overall vision and goals for Alaska Trust, it is under the day-to-day leadership of President Doug Blattmacher. But sitting in his home office, Horejsi is very much the businessman, watching financials on several computer screens as his phone rings off the hook. He says the upheavals in the stock market and banking industries are fodder for history books, but nothing is changing his overall strategies.

"We are buy-and-hold investors," he says.

For a time, he leaves the ringing phone and, with an unassuming Midwestern approach, gives a tour of his family home. Tucked in one area is a three-dimensional model of his new house, which is being built on the site of a home once owned by late hotel magnate Leona Helmsley. Horejsi says the site had to be flattened, reworked and dug out to accommodate the new house.

"Some people will have a 'topping off' celebration, but we had a 'bottoming out' party," Horejsi says.

Michael Gallagher, a partner in the Phoenix law office of Gallagher and Kennedy PA, has known Horejsi for at least a decade. He and his family have visited Horejsi at his vacation home in Barbados.

"Stewart is friendly and outgoing, and he's just got that kind of personality where he fits in with a broad spectrum of people," Gallagher says. "He's got that small-town background. One would not know how successful he is."



After buying stock in Berkshire Hathaway in the early 1980s, Stewart Horejsi is now among the top individual shareholders, along with Warren Buffett and Charlie Munger.

PROFILE: STEWART HOREJSI

TITLE: Principal and investor
COMPANY: Alaska Trust Co.
E-MAIL: shorejsi@boulderfunds.net
AGE: 70
SPOUSE: Ellen
RESIDENCES: Paradise Valley; Barbados; Mt. Hood, Ore.
CHILDREN: Susan and John
EDUCATION: Bachelor of science degree, University of Kansas; master of arts degree, Indiana University
ASSOCIATIONS: Board member, Sun Angel Foundation

Q & A

WHAT YOU DO DURING YOUR LUNCH TIME:
"Read."

THE BEST GIFT YOU'VE EVER RECEIVED:
"My wife's love, my children and grandchildren."

YOUR FAVORITE WAY TO RELAX: "Taking a walk or doing a sudoku puzzle."

WHEN YOU WERE A TEEN, WHAT YOU THOUGHT YOU'D BE DOING WHEN YOU GREW UP: "Working in finance."

IF YOU COULD MEMORIZE ONE BOOK COVER TO COVER, IT WOULD BE: "Warren Buffett's letters to the Berkshire shareholders. It's full of business knowledge, fairness and integrity."

YOUR GREATEST EXTRAVAGANCE: "Flying by private jet, maintaining several homes."

YOUR DREAM VACATION: "I'm living it every day."

ANNUAL SPORTING EVENT THAT'S A MUST-SEE FOR YOU: "The NCAA basketball tournament. My favorite team, the University of Kansas, won the national championship this year."

YOUR PET PEEVE: "People saying, 'As far as I know.' I never know how far they know."

WHAT YOU KNOW ABOUT LIFE THAT YOU WISH YOU HAD KNOWN 10-20 YEARS AGO: "Life's an accumulation of learning that I speed up by reading about other people's mistakes. That way, I don't have to learn them all the hard way."

THE MOST IMPORTANT THINGS YOU LOOK FOR IN YOUR JOB: "Challenge and a feeling of accomplishment."

THE BEST CONVERSATION PIECE IN YOUR HOME: "We have a 300-year-old palm tree in our yard in Barbados. I find I often marvel about it when we have guests."

HOW YOU DEFINE YOUR SUCCESS: "If the people you want to love you, love you, then you are a success."



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Stewart Horejsi

A RARE OPPORTUNITY TO LEARN FROM THE EXPERTS



Jim Grogan

Please join Alaska Trust Company and the Phoenix Business Journal for an evening of cocktails, hors d'oeuvres, networking and an educational seminar featuring Stewart Horejsi, nationally recognized financial strategist and state investment regulations expert.

STEWART HOREJSI

- Began investing in Berkshire Hathaway in 1980 when it was trading at \$265 per share and has not stopped buying since — also a close friend of renowned American investor Warren Buffett.
- His publicly traded closed-end mutual funds have significantly outperformed the S&P 500 over the past 28 years.

ALSO FEATURED: JIM GROGAN

- President, ATC Marketing, LLC
- A public and private sector attorney with a long and successful track record of building wealth for his clients.

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