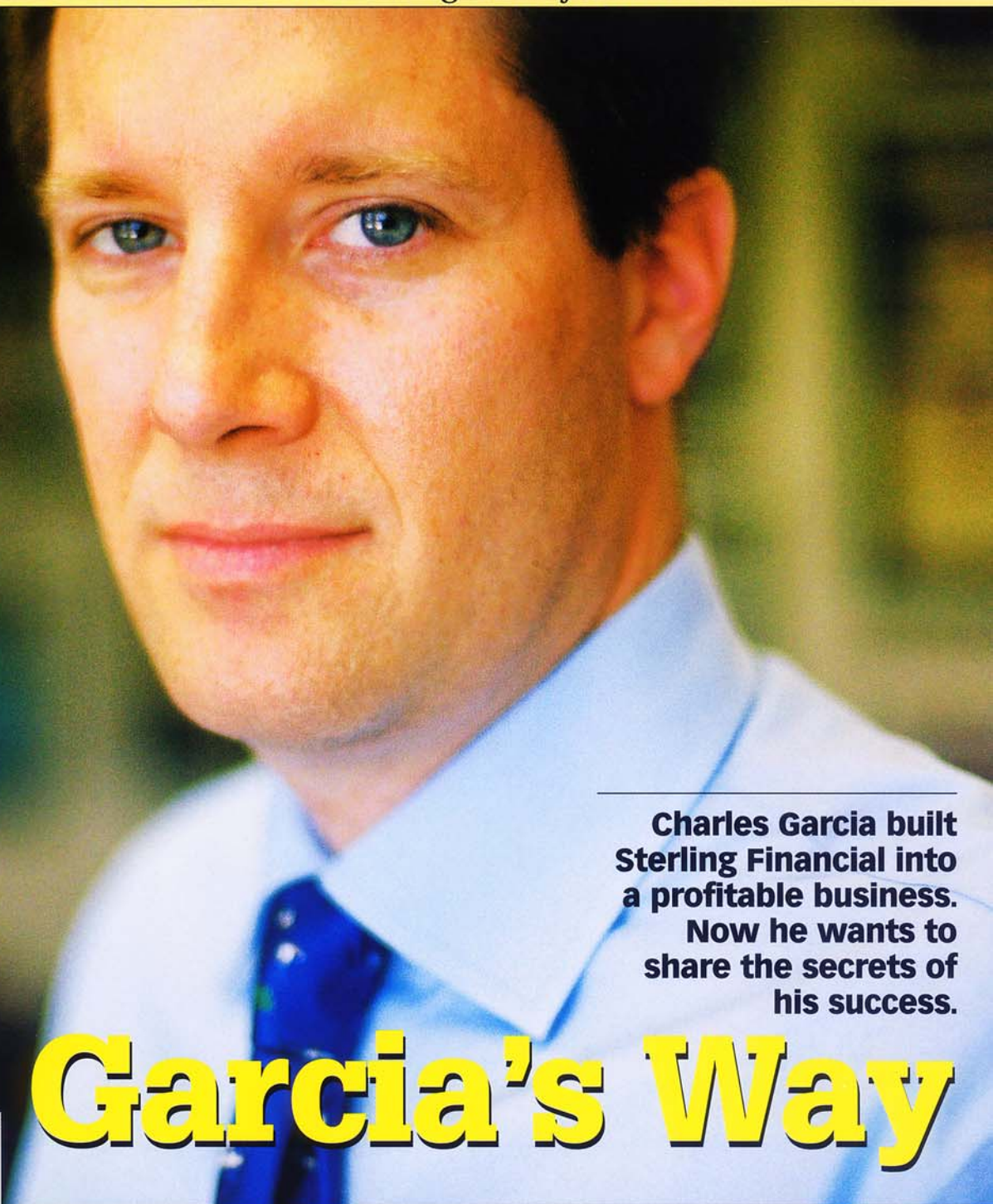


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Intelligence for the Business Elite

The Economist: *The sucking sound from the East*



Charles Garcia built Sterling Financial into a profitable business. Now he wants to share the secrets of his success.

Garcia's Way



FELDENKREIS: *The man behind Perry Ellis* | **BOOKS:** *Latinos love literature*




Like many other decisions in his life, becoming an entrepreneur and running a bank was not exactly part of Charlie Garcia's life plan. Right after graduation from Columbia Law School, Garcia was on his way – literally – to a clerkship for a federal judge in Florida. Sitting on the Florida-bound plane, it all of a sudden dawned on Garcia that he didn't want to practice law – he wanted to start his own business. There were a few small obstacles, however. At the time he

had little experience, he was \$70,000 in debt from law school loans, and he had a wife and a two-month-old baby to support.

Now, nine years after his in-flight epiphany, Garcia's company, Sterling Financial Group of Companies, is a global financial player whose annual revenues have soared from \$106,000 in 1997 to \$24 million in 2003. University of Florida's Fischer School of Accounting ranks Sterling Financial for the second year in a row as the fastest

growing privately held company in Florida and Garcia's expansion plans are anything but modest. Next year, Garcia expects Sterling to make \$32 million in revenue. "Our goal is to be the largest Hispanic-American investment bank," he says.

Large, it already is. With more than sixty offices in seven countries, Sterling Financial provides proprietary research, asset management, risk management, investment banking and trade execution serving the



Who is Charles Patrick Garcia?

Charles Patrick Garcia serves on the Commission on Educational Excellence for Hispanic Americans, he heads one of the fastest growing Hispanic companies in the U.S. and he recently spent the weekend at the Bush's ranch house. Garcia is on his way to becoming one of the most influential Hispanic leaders in the country.

■ Charles Garcia started Sterling Financial Group of Companies in 1997.

■ By *Valeria Escobari, Miami*

US, Europe and Latin America and has overseas offices in London, Madrid, Athens, Panama City, Santiago, Bogotá, Cali, Quito, Guayaquil, San Paulo and San José.

The key to his success has been the application of an innovative strategy all around. Unlike traditional banks that set up franchises in Latin America, Sterling finds a partner who has been in the market for over 10 years, designs a strategy of products and services for the market and maintains the rela-

tionships the partner has developed over the years. In the United States, in their wealth management business—represents 40 percent of revenues—, Sterling recruits independent brokers and lures them in by offering a greater percentage in commissions, with the caveat that the broker or financial consultant pays for his own bills and sets up his own office. By doing this, Sterling minimizes its capital expenditures, and therefore its exposure, when the economy slows down.

Sterling's real business is institutional though. The company holds about 200 institutional accounts, with clients such as Citigroup, Goldman Sachs, and Bank of America and trades over \$60 billion per year in fixed income securities.

One of their strong points is their research in biotechnology and health-care. Not only because of the quality of the research, but because of their research strategy. It is unique in that they don't rank their recommenda-

tions as most banks do—"strong buy", "hold", "maintain"—; they will recommend only to buy or sell. They keep it simple, and the strategy seems to be paying off. Sterling made its name during the Imclone scandal because they were the only company who recommended to "sell" three months prior to the event.

The road from the clerkship to Sterling was not an easy one. Once he made up his mind to give up the law, Garcia got off the plane in Florida and right away went to work for his father-in-law, Seymour Holtzman. Holtzman was a self-made man who had built and operated a number of successful businesses, including several well-known public companies. This is where Garcia learned most of the tricks of the trade, and he attributes this turning point in his life as a defining one.

This was not the first time Garcia decided to follow his intuition and choose the "road less traveled." He had already deviated from the right path before, and it paid off, in spades.

When his father, Carlos Garcia, a Georgetown University trained heart surgeon, encouraged him to attend to an Ivy League school in the United States, young Garcia defied him and secretly applied to and was accepted at the U.S. Air Force Academy in Colorado Springs. "I was trying to rebel, he didn't want me to go," says Garcia.

And rebel he did. He became the fourth highest-ranking officer in the Academy, leading over 4,400 cadets. His peers elected him to serve as Chairman of the Cadet Honor Committee and he was awarded the class of 1983 Honor and Ethics Trophy, an honor bestowed on the graduating senior who most personifies the ideals of personal integrity.

Garcia graduated from the US Air Force Academy at 24 in 1983, and immediately began his Air Force career. He became special assistant to General John R. Galvin, who later was named Supreme Allied Commander of the North Atlantic Treaty Organization (NATO). Garcia worked for Galvin for several years while he was commander of the US Southern Command, while

SouthCom was still headquartered in Panama.

As part of his duties, Garcia prepared a detailed analysis of China's air defense capabilities and recommended countermeasures. He later conducted an analysis of the Third World debt crisis, and by 1985 he was analyzing guerilla warfare and insurgent movements in Latin America. For his work, Garcia was awarded the Defense Meritorious Service Medal, the



■ Garcia was a White House Fellow under Ronald Reagan. He worked at the State Department and with Drug Czar Bill Bennett.

highest peacetime award given to a member of the U.S. Armed Forces.

As an Air Force captain, he also worked as a White House Fellow at the Department of State for John Whitehead, then-Deputy Secretary of State. Whitehead, Garcia says, taught him to focus on the process of govern-

ment and to understand the inter-

relationships between Congress, the White House, the Courts, the press, the special interest groups and the think tanks. He spent part of his tour at the US State Department working in the Bureau of International Narcotics Matters, where he held a line job as the desk officer for Bolivia.

His fieldwork in Bolivia came in handy when he was selected to work with former Secretary of Education William J. Bennett, who had just been appointed by President George H.W. Bush to be the country's first Director of National Drug Control Policy, or "Drug Czar". It was 1989, and Garcia worked with Bennett and his staff to draft the nation's first National Drug Control Policy, which would become the blueprint for fighting the war against drugs in the United States.

After leaving the Air Force, Garcia entered Columbia Law School, but it was really his experience in the military, and the relationships he developed there that would later open doors for him.

In April 2001, Florida Governor Jeb Bush appointed Garcia to the Federal Judicial Nominating Commission, which screens candidates for federal judgeships and for the position of U.S. Attorney for the Southern District of Florida. In February 2002, President George W. Bush appointed him to the Commission on Educational Excellence for Hispanic Americans. In January 2003, the Governor also appointed Garcia 2003, to a, the only Hispanic, to four-year term on Florida's State Board of Education, a new constitutionally mandated state body responsible for all K-12 education in Florida, with an annual budget of \$15 billion.

In spite of his success, or perhaps precisely because of it, Garcia is a firm believer in giving back to the community. He is especially passionate about

GARCIA HAS MADE EDUCATION FOR HISPANICS HIS PRIORITY. HE SAYS THAT OPPORTUNITY CHANGES EVERYTHING.

education and has made education for Hispanics his major goal. "Opportunity changes everything," he says. "30 percent of Hispanics don't graduate from high school and from those that do, only 50 percent go to college, and 90 percent of those go to community college."

Those who have worked with Garcia on educational issues, praise his commitment and leadership. "I have only known Charlie for a bit over two years, and I have been around and have dealt with national Hispanic leaders throughout my career; I have not found someone as genuine a leader as Charlie is. He walks the talk," says Eduardo Padrón, President of Miami Dade College, the largest public college in the country. Padrón used to serve as a member of the Commission on Educational Excellence for Hispanic Americans. "He spends so much time working for others. If it were not for Charlie, we would be in 10 times worse shape than we are today."

At the federal level, as Commissioner, Garcia analyzes for the President the policies necessary to bring about equality for Hispanics in the educational arena. He recommends

programs, and policies so Hispanics can progress with the rest of the nation. The Florida Board of Education, though a relatively new institution,

ALTHOUGH HE IS INVOLVED IN POLITICS, HE DENIES HE HAS ANY POLITICAL ASPIRATIONS.

holds incredible power by making recommendations to the legislature.

His role on the Florida Board of Education and the President's Commission has been refreshing because he is not afraid to say what he thinks,

even if sometimes that doesn't work in his favor, says Padrón. "Charlie has quickly become a national figure and he is becoming a major leader of future generations. We are going to hear more and more about him."

Garcia also serves as chairman of the fundraising committee for the Florida Hispanic Chamber of Commerce; he is a member of the Center for Entrepreneurship and Innovation; member of Leadership Florida, of The Executive Committee (TEC), and of the Young President's Organization.

Though Garcia appears to be positioning himself politically, and many would see him as a formidable candidate, he resists the idea. "My father taught me that history has proven that its better to be the person who whispers into the King's ear, and gets important things done for the community, than being the King." ♦

A Message From Garcia

Charles Garcia's book *A Message from Garcia* chronicles his career, from establishing his first office in a small room of another firm, to its rise as one of the fastest growing Hispanic companies in the United States. But that's only part of the experience. Garcia interweaves lessons he learned about success by apprenticing with prominent leaders in business and government, from his personal life experiences and

from current and historical anecdotes to build his case: Yes, you can succeed.

He formulates a strategy and provides helpful tools for anyone looking for success and happiness in their lives. He begins by offering two web-based tests that help readers discover their strengths and find their life's true calling. One of them is the most widely utilized personality preference instrument in the world, and the other shows

a person's five innate strengths and provides a tool for the reader to tap into his true potential. Garcia created his own website and provides readers a free web based software program that will engage readers into a process of writing down their life's dreams, tracking them, and creating an action plan to achieve them.

Garcia believes that in order to achieve

success you must find your calling in life and pursue it regardless of financial gain.

Success does not equate to how much money you have in the bank. After taking the personality tests he suggests, he also proposes a set of "success beliefs", powerful "mental magnets" that attract success. And since people are not born with a road map showing us the path to success, Garcia suggests a set of success strategies to get to the goals you set for yourself.

Garcia did not want to write a book designed to make people feel good about themselves or a get-rich-quick-overnight book. He wanted to write a book that would provide lessons to help those who applied them succeed at whatever they choose to do. "I have learned that education is power and can change lives. Just as education can change a child's life, the information and knowledge that can be learned by reading this book can also be life altering," says Jaime Escalante, famed educator, about Garcia's book.

