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An imperative to heal the world

'Mercurial' businessman's qualities prove successful in relief efforts

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For three days, David Perez cried in front of his television as he watched the human tragedies of Hurricane Katrina.

"Turn off the TV, you're killing yourself," his wife, Orly, told him. "The government is going to take care of this. Everything is under control."

The Carmel Valley entrepreneur could clearly see that it wasn't. So, on Sept. 1, he stopped watching and started making calls.

At first, Perez intended to just donate supplies. But within days, he had blasted through roadblocks of bureaucracy to fly 384 evacuees on chartered and corporate jets to California and several other states, including more than 125 of them to San Diego.

With help from friends, including billionaire computer-maker Michael Dell, Perez marshaled cargo planes, jets, tractor trailers and barges to ship 380 tons of donated medicine, food, water and supplies to shelters and rescue teams in Mississippi and Louisiana.

After 24 years as an entrepreneurial businessman, failure wasn't in his vocabulary. He had gone into savior mode.

Perez said he has spent more than \$250,000 of his own money, lending his American Express card number to people he had just met. His passion proved to be persuasive as he talked philanthropists, corporations and faith-based organizations into spending at least \$20 million on relief efforts.

Within a week, the 42-year-old Perez and his massive rescue effort were catapulted into the national spotlight.

Some past business associates don't deny Perez has done good deeds. But they question whether this mercurial man is motivated more by ego than altruism. It certainly is good publicity, they say, for his latest business endeavor, an oil and gas development company called Surge Global Energy Inc.

Perez, who can't talk about his motivations without wiping away tears, insists they stem from his belief in God and a car crash 18 years ago that changed his life. That night, he was racing his black Porsche on



JIM BAIRD / Union-Tribune

Carmel Valley businessman David Perez spent about \$250,000 to hire a Boeing 737 to fly 82 Hurricane Katrina evacuees from Baton Rouge, La., to San Diego on Sept. 4.

a New Jersey expressway when he swerved, rammed into a tree and fatally injured his 18-year-old date.

He spent nine months in jail, three months on work furlough and five years on probation without a driver license. He said he prays every morning for the young woman's family.

"Since 1987, I've been repenting for my sins," he said. ". . . I'm here for a purpose. God took one life, so he could (help me) save thousands."

He and his wife give generously to charity, he said. Citing the Jewish principle of *tikunolam* – an imperative to heal the world – he says he feels blessed by the people he and Orly have helped.

"Even when I don't have, I give."

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Born in Morocco, Perez, his parents and his three older sisters immigrated from Casablanca to Montreal and then to New Jersey. He spoke French and Hebrew before he learned English at age 6.

The Perezes lived with an aunt, with all the children sleeping in one room, until they could afford their own apartment. After Perez's father left, they had to go on food stamps.

Life improved significantly after Perez's mother met Irving Plaksen, a businessman who manufactured safes.

Perez said he learned his "wheeling-dealing and fast-talking" by managing an electronics store in Philadelphia when he was in high school.

After graduation, the 18-year-old took his earnings and \$4,000 from his bar mitzvah to start his first business, VCI Communications Inc., while attending Rutgers University in Camden, N.J.

VCI, which stood for video cable installation, was aimed at people who didn't know how to connect their VCRs to their televisions. "Don't get shook up, get hooked up, call VCI," was the sales pitch on his brochures.

By the time Perez was a sophomore at Rutgers, VCI had expanded to three states. He quit school to focus on his multimillion-dollar company, and by age 24, Perez had bought his Porsche.

"My passion was autos," he said. "I loved cars."

In the 18 months before the car crash, he was cited four times for speeding, according to the New Jersey Motor Vehicle Commission.

Thinking back, Perez said he had a premonition about the June 20, 1987, wreck. But as he was weaving in and out of traffic at 80 or 90 mph, and his date, Michelle Polaski, told him to slow down, he assured her he had never been in an accident.



David Perez and his wife, Orly, (left) cite the Jewish principle of *tikunolam* - an imperative to heal the world - as a way of explaining their charitable actions.

After hitting the tree, Perez woke up covered in gasoline and his own blood. His nose and sternum were broken, and Polaski was unconscious. He remembers putting his fist through the windshield and pulling her out. She died later of a head injury.

Perez said he felt a similar foreshadowing two months ago when a friend said he was going to the Gulf Coast for a vacation.

"I saw a hurricane and water over land, lots of water, tremendous amounts of water over land, and I saw devastation," Perez said.

He sold some investments to free up cash, he said, and bought a BlackBerry, a mobile e-mail device that was his primary source of communication amid power and phone outages in the storm zone after the hurricane.

"God has given me the ability to see certain events," he said.

"I'm surrounded by God. I'm a messenger."

Orly Perez, 34, his wife and soul mate, shares his feelings about *tikunolam*. While her husband was still in the Gulf Coast, Orly spent her days with evacuees.

She met Perez in Canada, where she moved with her family from Israel when she was 11.

The couple married in 1993. They dressed like a prince and princess for their *Henna*, a lavish traditional wedding ceremony practiced by Sephardic Jews. A week later, they had a modern ceremony in a Philadelphia temple.

The Perezes have two boys, whom they send to San Diego Jewish Academy in Carmel Valley. The family keeps a kosher house.

When Perez told his wife about the rescue effort he had in mind, she said she would support him "110 percent." She told herself, "Orly, put on your seat belt."

"I guess that's why I married him," she said. "All the action."



David Perez has been involved with six companies, including his first startup. Today, he is board chairman and chief operating officer of Surge Global Energy.

Headquartered in the Carmel Valley area of San Diego, with holdings in Canada, Argentina and Texas, Surge Global describes itself as an "emerging heavy oil and gas exploitation and development company."

Perez is also a partner in American International Alliance LLC, which owns La Jolla Lighting Co., La Jolla Design Group and La Jolla Theaters.

His previous business ventures include communications companies involving telephone systems, cellular phones and software integrating computer and phone systems. He also has been a development

consultant to venture capital groups and investment banks.

"David doesn't see obstacles, he sees possibilities," said Art Bushkin, a fellow entrepreneur who remained a friend and colleague even after he lost his investment in Com2001, one of Perez's defunct companies.

"Thousands and thousands of startups fail. . . . I was always impressed by his insight, his intellect, his energy."

Perez can hold simultaneous conversations on two cell phones, on e-mail and with the person next to him. He's also an idea machine.

Perez's admirers describe him as a visionary, a can-do guy, and in light of recent events, an effective philanthropist.

When David says, 'We need to do this,' there's no inkling it can't be done," said Michael Copley, who met Perez this year at a Leukemia & Lymphoma Society fundraiser.

Copley, whose late father owned the parent company that publishes *The San Diego Union-Tribune*, acted as a facilitator for Perez in his Katrina relief efforts. He introduced Perez to hotel owner Doug Manchester, who paid for three days of rooms and food for Perez's first 79 evacuees at the upscale Manchester Grand Hyatt in downtown San Diego.

Some people say they find Perez difficult to deal with. One minute he may be gentle and weeping with empathy, and the next he'll be angry at those who aren't doing enough to help his cause.

Ronne Froman, chief executive officer of the American Red Cross' San Diego chapter, said she and Perez got off to a rocky start at their first meeting, when he was upset over the agency's handling of the Katrina rescue effort.

They were both tired and frustrated, she said, but after talking it out, they hugged and blessed each other, and vowed to cooperate.

"I've got to take my hat off to him. He had a passion, he saw a need, and he wanted to do something and he did it," Froman said Sept. 9.

Five days later, however, Red Cross staff and Perez were at odds again.

Some of Perez's former business associates have been put off by him, and say he can be unfocused, rigid and controlling. Some also say he can lack judgment and the ability to follow through.

"He'd come into the office with an idea for a marketing strategy and then a week later come in and want a whole new direction," said Debbie Knecht, who was marketing director for Com2001.

Knecht said Perez's unwillingness to listen to his employees "stifled his company," and his bouts of ill temper drove some of them away.

Perez said he sometimes he loses his temper and raises his voice because he's a perfectionist. His wife said he's working on anger management.

Still, Perez feels that being calm and consistent "doesn't get results."

To make a startup company fly, he said, he does what he must to get his employees to work hard for him.

"You almost have to have people drink your Kool-Aid to motivate them," he said.

During interviews last week, Perez darted from one topic to another, as if he was trying to speak as fast as his mind was racing.

"I'm very focused when it comes to business. You think I could've pulled this off if I wasn't focused?" he said, referring to the Katrina effort.

Court records show Perez's first two businesses, VCI Communications Inc. and VCI Cellular Mobile Phone Corp., had a string of tax liens and more than a dozen judgments – one for \$940,000 – against them over the years. As far as he knows, he said, they've all been satisfied.

His 22-page personal credit report, which he released to the *Union-Tribune*, shows no outstanding liens, late payments or bankruptcies.

"I've always paid my bills and my commitments," he said.

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Bushkin and Dell, who also lost his investment in Com2001, were among the people Perez first contacted on the morning of Sept. 2, when he e-mailed a dozen of the richest and most connected people he knew to see if they had access to jets.

Bushkin, who runs the Stargazer Foundation in Virginia, was happy to help. He had no jets, but agreed to collect hurricane relief donations on his Web site.

Dell, the chairman of Dell Inc., put Perez in touch with federal emergency relief agencies as well as with Angel Flight, a private group of pilots that lends planes to disaster efforts.

Perez also called the United Jewish Federation's local chapter, to which he donates. Its officials hooked him up with chapter heads in Houston and New Orleans, who connected him with a sheriff, a congressman and two state senators from Louisiana.

Through the Louisiana Department of Social Services, he was able to link up with Christian pastors at shelters, who helped gather the evacuees who filled his jets.

Tara Hollier, president of Executive Jet Services in Carlsbad, was awakened at 6:50 a.m. Sept. 2 by a call from a man pleading for her help. She thought he was a flake.

But when Perez started crying, so did she. Hollier ended up donating a week of her time to arrange airlifts and handle other logistics for Perez's mission.

"He is one of the best leaders I've ever seen in my entire life," Hollier said. "It's just incredible to watch him work. . . . He's doing a really good thing and his intentions have always been right."

Contractor Norman Chatman, 47, was staying at a shelter in Baker, near Baton Rouge, La., with his wife and two children when he got tapped for one of Perez's flights to San Diego.

"He was beautiful," Chatman said. "We prayed together. He showed love to us. He fed us on the airplane and gave us each one hundred dollars."

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When Perez returned from the Gulf Coast, he was mobbed by media. His company e-mail box was filled with messages from around the globe, thanking him for his generosity. Some called him an angel. A production company asked to make a documentary film about his rescue mission.

At a party for his evacuees at Seau's Restaurant in San Diego's Mission Valley on Sept. 9, Perez announced he was handing over the logistical reins of his relief effort to Humanitarian International Services Group, which coordinates with private sector and faith-based organizations to help disaster victims. Perez said he needed to get back to his companies.

But he plans to let go gradually.

Perez is still trying to bring evacuees here by bus and train, and to reunite others with their families. He's gotten local towing companies to donate used cars to the evacuees.

He also has set up a nonprofit corporation called 2 Life 18 Foundation Inc. to help provide financial aid, housing and jobs to evacuees.

His goal is to raise \$1 billion. So far, he has collected about \$50,000 and has contributed \$170,000 of his own, he said. This is in addition to the \$250,000-plus he has already spent.

On Thursday, Jewish Family Services, acting on his behalf, delivered \$1,000 checks to 37 evacuee families.

As Perez did what he could in his rescue efforts last week, he felt the Red Cross wasn't doing enough.

"They're taking credit for everything I've done," he said Tuesday. ". . . I've written them off."

On Wednesday, Froman said she was saddened by Perez's complaints, because the agency had been "working 24 hours a day for the last 16 days in trying to meet the needs of our evacuees – all 1,100 of them."

Dealing with Perez's demands, she said, was taking time away from that important work. The Red Cross wasn't equipped to fulfill promises Perez had made to the evacuees, including offers for six months' free housing and help to get their kids in school, Froman said.

The exchange prompted a meeting Thursday with Perez and Red Cross officials. They all resolved to stop the mudslinging and try to work more cooperatively.

■ Staff writer Dave Hasemyer, staff librarian Erin Hobbs, business researcher Sandra Young, staff librarian Denise Davidson and staff writer Maureen Magee contributed to this report.

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