



HARRY & ROSELLEN PAPP

Honored as 2017 Historymakers
Philanthropists, Community Leaders



The following is an oral history interview with Harry (**HP**) and Rosellen Papp (**RP**) conducted by Norma Jean Coulter (**NJC**) for the Historical League, and video-graphed on October 14, 2016, at the Arizona Heritage Center in Tempe, Arizona.

Original tapes are in the collection of the Arizona Historical Society Museum Library at Papago Park, Tempe, Arizona.

NJC My name is Norma Jean Coulter. It is October 14, 2016, and I am interviewing Harry and Rose Papp who are being honored by the Historical League as Historymakers in 2017. We also are honoring Harry's mother, Marilyn, but unfortunately, she is deceased. But we will have some questions about her also.

NJC Harry, I know you were raised in the Chicago area. Were your parents raised in that same area?

HP No, my dad grew up in Trenton, New Jersey as a youngster. He attended college at Brown University and then grad school at the University of Pennsylvania, the Wharton School.

NJC Was he in the service?

HP He was. He was in the army for a short time towards the end of World War II and his timing was exquisite. He was gonna be a tail gunner. I think their life expectancy in combat was under a minute. His service was conveniently at the end of the war.

NJC I know his first professional position after school was at Stein Roe. Was he in the investment area?

HP He was. He started as an investment professional at Stein, Roe & Farnham in Chicago straight out of Wharton and rose to be on the investment policy committee. He enjoyed a successful

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practice at Stein Roe, which at the time, was one of the premier, sort of, boutique investment advisory firms.

NJC And about how long did he stay with Stein Roe?

HP I think he was there from 1955 until 1975, when he was appointed to the U.S.- Asia Development Bank in Manila.

NJC He was appointed by President Gerald Ford?

HP Correct. President Ford appointed him. My parents spent about two and a half years living in the Philippines. They lived in Manila and they were able to travel extensively throughout Southeast Asia. The Asian Development Bank was a financial mechanism in which the United States and Japan primarily, made funds available to development projects throughout the rest of Southeast Asia. American ambassadors at the Asian Development Bank were extremely popular when they went to visit.

NJC I imagine. Now, after he served his two and a half years as the ambassador, did they return to Chicago? Or did they come straight to Phoenix?

HP They literally came straight to Phoenix. My mom had severe rheumatoid arthritis and they did not want to go back to the ice and snow in Chicago. They were trying to decide whether to come to Phoenix or San Diego. They had never been to either city, but they selected Phoenix. And they literally flew here, landed at the airport, bought a condo a couple of days later, and started their life here in Phoenix.

NJC Did he have a job when he came here?

HP He did not. Fortunately, he did not really need to work. And after he was here maybe three or four months, he started managing some finances for a few old friends from Chicago. And he did this remotely from home.

NJC And that was the beginning of...

HP That was the start of his firm. Early on he was registered with the Securities and Exchange Commission as a registered investment advisor. It started with a handful of old friends. But gradually he had an opportunity to acquire some clients from another advisor who was leaving the business and that brought in enough clients. He called Rose and me and asked if we would like to come join him. So, fortunately we did that in August of 1981.

Harry and Rosellen Papp Historymakers Oral History Transcript

NJC But he started the firm...

HP I think in '78.

NJC Now, let's go back and talk about your mother and her early days. She was not from the Chicago area either, was she?

HP She grew up in Hartford, Wisconsin in a small town as an only child. Her father was an attorney and her mother a homemaker. Marilyn could not wait to get out of Hartford, Wisconsin. She wanted to go to the big city, so she enrolled in Radcliffe college. She really wanted to go back east, but her parents would not let her go. So, she ended up at Carlton College in Minnesota for a couple of years. She then transferred to the University of Wisconsin and met Roy in the summer. He was at University of Wisconsin in Madison for summer school. They fell in love and got married and then mom transferred to Douglas College which, at the time, was the women's college at Rutgers University in New Jersey.

NJC They were married before he started at Wharton?

HP Yes.

NJC And what were her interests?

HP She had always loved art. She was an art history major throughout college and also loved playing golf. And she was active outdoors. Golf and the arts and culture were the things in which she was most interested.

NJC Did she ever work after they got married?

HP She never formally worked in a professional career, but she did lots of volunteer work. She was extremely focused on Planned Parenthood in Chicago. She was also active with arts organizations. At the time, fortunately, Roy was a capable breadwinner and financially there was not a need for her to work professionally. So, he spent a lot of time volunteering and doing not for profit work.

NJC And she would go with your father to Manila?

HP Yes, they went together. They loved their time there.

From Harry and Rosellen Papp 2016 Video Interview

NJC Is their time in Manila where they began their interest in Asian art? Or had that already been one of her interests?

HP They both developed an interest in Asian art having been in the Philippines and having traveled extensively in Southeast Asia. I think that's where it developed. She had always loved art and they collected art. Not Chinese art necessarily, but they began collecting art in the late 50s and early 60s in Chicago.

NJC Outside of Manila, did they do a lot of traveling?

HP They did. They went all over Southeast Asia and it was a wonderful opportunity for them. They would go typically on official business to inspect some of the projects, or to learn about the projects that were being proposed for the Asian Development Bank.

NJC Now back to the beginnings of the Papp Investment Company. Before you and Rosellen joined, was it just Roy?

HP It was just Roy. He did not have an assistant or a secretary. He worked out of his home, so it was a really small business. But these were old, old friends he worked with, and Roy had great success in investing.

NJC Did he also invest in land? Or did he just simply do finance?

HP He just invested in marketable securities. That has always been his focus. That is what his training and education was at Wharton and that was his focus at Stein, Roe & Farnham. He invested his own funds while they were in Manila. He loved to say that he made more money in investments when he lived in Manila, even though he was never awake when the New York Stock Exchange was open. His focus and our focus has always been on long term investments with high quality companies. Being away from New York and other financial hubs, actually helps you focus on the long term, and the things that are enormously important in investments. And particularly for taxable investors, a long-term orientation tends to produce a much more stable and overall lower risk with total return over a long period of time. That was the hallmark of his investment approach. And we continue to use that today.

NJC So that kind of an investment is very safe from the recessions and things like that? It stays more stable?

HP It tends to be. For example, in a company like Johnson & Johnson their earnings do not necessarily go up each year, although it has for the last 55 in a row. When you think of people who buy cotton balls and baby oil and Tylenol, these are things that people are gonna buy in

good years and in bad years. We try to invest in companies that have consistent earnings and are not terribly sensitive to business cycles.

NJC Your father died in 2011?

HP He did. He was in the office on a Friday and he was not feeling particularly well. Rose and I took him to the hospital, and he died a week later. It was his goal never to retire and he was in the office up to a week before his passing.

NJC That is quite impressive. I know that his death left a big void in the Phoenix scene. Can you tell me some of the other organizations in which he was involved? For example, Del Webb?

HP He was on the board at Del Webb for many years. He had been on the board of a couple of other companies as well - one called Solair, and another one called Scott Forseman which used to be in the textbook publishing business. They are not Arizona based companies, but he enjoyed his board service there. He also was involved with the Phoenix Art Museum. He had been board president twice during a long tenure as a board member. And, not surprisingly, he was active in the financial development and overall administration at the art museum. He was there over a terrific period of growth at the art museum. They had a wonderful executive director at the time, Jim Ballinger, and he and Roy worked together establishing lots of programs and policies that were amazingly effective at helping the museum. For example, they started the Circles program. They had only a couple of members who paid \$1,000 a year and I will never forget Roy asked, "Well what's a basic membership?" And at the time I think it was \$20. And he said, "Well what's the profit margin on a basic member?" And they said, "Well, it costs about \$30 to service a member. So, if we take in \$20 and we spend \$30, I guess in a profit perspective, we'd have a \$10 loss." And Roy said, "Well on the thousand-dollar members, both of them, you take in \$1,000, and what does it cost to service that?" And they said, "About \$30." And he said, "So, you'd have a profit margin of about \$970." And he said, "Why don't you buy them all dinner? We can have a special dinner once a year." And they had said, "Oh no, we couldn't spend \$50 per dinner." And Roy said, "Well, back to that profit margin thing. If we took in \$1,000 and you spent \$30 servicing them and you spent another \$50 on a dinner, wouldn't you still have a profit of \$920 per \$1000 member?" And that was the origin of the Circles program. Now they have five or six hundred members. It is an important financial contributor to the museum. He also was an early advocate of planned giving as a natural outgrowth of his professional career in finance and investments, helping clients make charitable gifts and helping them with their estate plans. Once again, galas and special events are wonderful and they produce great visibility for organizations like the art museum, but they are very time consuming and very costly. Planned giving is where we try to advocate for people who have an interest and have the ability to leave something behind in their estate plans for the not-for-profits. Again, thinking back to the for-profit world, the profit margin on that kind of a gift is 98 or 99%. So, there have been lots of important bequests and other planned gifts that

have been instrumental in the growth of the Phoenix Art Museum.

NJC So basically, he applied his business plan of long-term stable financing to the art museum.

HP Yes. One of the things that we talk about in not-for-profit world these days is sustainability. That is a great buzzword for environmentalists but is also an important consideration for operating a not-for-profit. There is always pressure in a not-for-profit to spend the money today to produce better programs, services and better exhibitions; but a wise administration will balance today's needs with the future needs so that there are adequate resources for the entity to be sustainable for the long term. And Roy was really good at bringing those business practices to not-for-profits. And, it helped the art museum. He helped Planned Parenthood; and he and mom were heavily involved with Arizona Theater Company and the opera and other not-for-profits. He was fond of the Heard Museum, the Phoenix Zoo and the Desert Botanical Garden. He was able to apply some of these business approaches which really helped shore up the operations at all of these wonderful organizations.

NJC Which is great for the arts community, which often suffers.

HP Yes. The arts community is tough. We live in a town that is heavily sports oriented. People will spend anything for a sports team here, but they are reluctant to spend for arts and culture. He always thought that was a shame and advocated heavily for arts, culture, and education. He was also involved with the Thunderbird School and served on that board for a number of years. He also helped with investments at Northern Arizona University as well.

NJC So he did leave a great big void at his death.

HP He did.

NJC Let us talk about your mother a little bit more.

HP Sure.

NJC I know she also was involved with the art museum. In what other community organizations was she involved?

HP Well again, she was heavily involved with the docents' program at the art museum and was a master docent. She also was president of the docents. She and Roy started the Asian Arts Council at the Phoenix Art Museum and so she had spent a lot of time at the museum. They actually, the last 20 some years of their lives lived down at Crystal Point, which is on Osborn close to 7th Street. They specifically moved there because they spent a lot of time at the art

museum and that was a great love. But also, the Arizona Opera and Arizona Theater Company were close to them. She was involved with Planned Parenthood having been involved on the board in Chicago. She was concerned that things were not going particularly well. The board was filled with business folks. She kept trying to read the financial statements and said, "It seems to me like this is a problem." And they told her, "Oh no, everything will be fine." Well, unfortunately she was aware there had been a bankruptcy at Planned Parenthood back in Chicago. So, she became was actively involved throughout her time here with Planned Parenthood of Northern Arizona serving as board president. She was awarded the Peggy Goldwater Award as Volunteer of the Year. Additionally, she and Roy had helped fundraising for the first building that Planned Parenthood had at the time in Phoenix. It was not so easy to raise money for Planned Parenthood. At the art museum, there are three kinds of people: people that do give you money, people that might give you money, and people that are not going to give you money. At Planned Parenthood, you have all those three, but you have a fourth type of person that really wants you to go away. And they can be fairly hostile. Thus, it was not easy at the time for Planned Parenthood to rent a building because no landlord wanted to rent to a tenant like Planned Parenthood. It was extremely hard for them to get funding at a bank for a mortgage for a property. So, Roy and Marilyn headed up a fundraising program to raise the funds necessary to purchase the first building.

NJC I have to ask a question about an obituary of Marilyn I saw in which she is standing and petting a leopard.

HP It is a cheetah

NJC A cheetah?

HP ...and that was her favorite picture. Roy and Marilyn had always been fond of animals and particularly cats. That picture was taken when they were visiting Africa. They went to a game reserve where there were some captive cheetahs and a facility where they were able to go in and pet the cheetahs. That was a great love of theirs. Over the years, we would take mom and dad every Easter morning to the Phoenix Zoo. Driving them in a golf cart we would go see some of the animals behind the scenes. No trip was complete without a visit to see the cheetahs.

NJC That is a wonderful story and a wonderful tradition. Let us go back to the Asian art collection.

HP Yes.

NJC What was the genesis of this collection? The time in Manila?

HP That was the start of it. But when they came to Phoenix and the Phoenix Art Museum, the

museum actually had an expert, Dr. Claudia Brown; and ASU also had some experts in Chinese art and at the time, China was becoming much more open. At various art auctions a lot of this work was available. It also was a little less expensive than your typical Renoir or Monet. So, there was expertise here, and there was also great interest on the part of my parents. Financially they were able to access these works. Roy always had a feeling that economic growth in China would bring wealth to the country of China. And once that happened, there would be an interest in acquiring arts and culture from Chinese history. He also thought it would be a fine investment; and it turns out he was absolutely right.

NJC I read that the focus of the collection is on the Ming and the Ching Dynasty, and there is a large gap of time between those two. Why?

HP Well, the Ming Dynasty was the earlier dynasty. Around 1644 the Manchurians took over China and that was the advent of the Ching Dynasty. Scholarly works and traditional painting changed very significantly from the Ming Dynasty to the Ching Dynasty. They had collected works from about the last hundred years of the Ming Dynasty and also lots of works from the first hundred to a hundred and fifty years of the Ching Dynasty. Many of the works were related to works from earlier artists; but then new techniques emerged with the Ching Dynasty.

NJC I know the Ching Dynasty was, I believe, the last dynasty and did they collect after that? Anything after the Ching Dynasty? Or was their focus...

HP Mostly Ching, but a fair amount of Ming Dynasty as well – the end of the Ming Dynasty.

NC Did they spend a lot of time in China?

HP They did. They had numerous trips there. Everybody goes to China now and today it is fairly convenient and reasonably luxurious. It was not in the mid-70s and the early 80s. And they used to talk about beer and orange soda which were staples for any dinner in China.

NJC Was your mother interested in any other areas of Asian art? For example, furniture?

HP They had decorative items that they collected when they were in the Philippines. But it was mainly paintings. These are ink, and ink on silk; typical scrolls, fans, and things like that. But it was classical Chinese painting and calligraphy in which they had the greatest interest.

NJC I saw from my research that your parents authored a catalog of their collection? Or some writings about the collection?

HP They helped support the collection; and they contributed to four catalogs for shows that were

developed at the Phoenix Art Museum and traveled extensively around the world. The collection traveled to Harvard Museum, the Northwestern Museum, to Paris, Frankfurt, and to Hong Kong as well.

NJC And the writings went along with the collection?

HP When exhibition was organized, they produced, I think, four catalogs of all the paintings that were in the exhibition. There was scholarly research about the origins and the particular the artists prepared the works.

NJC I know that Sotheby's just had a large auction on some of the pieces. Are there still pieces left in this collection?

HP There are. For financial and tax reasons, we did need to conduct a sale of the bulk of the collection. But prior to their passing, they had gifted forty works from the collection to the Phoenix Art Museum. And Rose and I have arranged for fifteen works that did not go to Sotheby's. It is extremely complicated, but my hope is that those will find their way into a charitable foundation that Rose and I are creating. In addition, there were seven works that did not sell at the Sotheby's auction and we are hoping that those will fall into our charitable foundation as well. With some luck, the foundation might well be able to make those works available over time to the Phoenix Art Museum. In addition, Rose and I and our two daughters selected ten works that we are very fond of, and we intend to retain those works until our passing and our kids' passing. It is my hope that those might find their way to the Phoenix Art Museum as well.

NJC Excellent. I know that the Marilyn Papp Foundation your father began, I believe in honor of a wedding anniversary?

HP Yes, Roy had created a foundation 15 years before that, but Roy, as a 60th wedding anniversary present to my mother, arranged to repurpose that foundation so that it would provide scholarships to graduate students across the country studying Chinese arts and culture. That is an area which is exceedingly difficult for graduate students to get funding. It is an area in which grants of \$15,000 or \$20,000 even \$7,000 or \$8,000 go a long way in making it possible for scholars to come and study as graduate students, pursue their Ph.D.'s and do interesting work analyzing primarily arts, but also Chinese and Asian cultural things.

NJC And that foundation is ongoing?

HP It is ongoing, and Rose and I are the directors of it. At some point, our kids will become the directors of it. We have been distributing scholarships in the vicinity of \$50,000 or \$60,000 a

year ever since it was repurposed.

NJC For that foundation that was set up for her anniversary and for all the many other things, your family was awarded the Shelley Award, I believe, the one named for--

HP For Shelley Cohn. It was wonderful to be able to receive that award. Shelley is a dear friend and she has done so much good for the community. Mom was also on the Phoenix Arts Commission and got to know Shelley well through that venue, so she was especially thrilled to receive the award. We went along with her, but it was mainly Marilyn who received that award, since Roy had already passed away.

NJC That is genuinely nice. Is there anything any other significant areas in your parents' life that you think we have missed?

HP They played a lot of bridge and they went to the museum. They loved to travel. And they were great parents. They were wonderful role models for me and for Rose, for our kids and also for my sister and her husband. Tory and her husband Pat live outside of Seattle. Family was especially important. As a family we traveled extensively. When we were young, we always got to visit the zoo; so that has been a lifelong interest of mine. Zoos, museums, plays and symphony, cultural events really produced a wonderful warm and rich early life for my sister and for me.

NJC Did your parents know Robert Maytag?

HP They did not. He had died, I believe, in 1962, right as the zoo was opening and before my parents arrived. So, they did not know Bob, but he was a great visionary. I grew up in Chicago, so we visited Lincoln Park Zoo and Brookfield Zoo extensively. It was great fun to get up on a Saturday morning and go to the zoo.

NJC I believe Maytag was the founder of the zoo, because it was called the Maytag Zoo for a while wasn't it?

HP It was originally called the Maytag Zoo. Bob and his wife Nancy helped raise the funds to establish the zoo. Originally it was called the Maytag Zoo, but at his passing Nancy thought it was especially important that it be the Phoenix Zoo and not one man's zoo. So, they were instrumental in founding it and thank goodness they did. It became the Phoenix Zoo and it is doing great today.

NJC A wonderful addition to our community. Okay, let us go back and start with the two of you.

Harry and Rosellen Papp Historymakers Oral History Transcript

HP Okay.

NC And maybe we will start with Rose. Perhaps you could tell us about your early life? Where you grew up?

RP My father was a manufacturing executive on the east coast, so we moved a lot. He would get different jobs, so I was born in New Jersey, and then we went to New York and Pennsylvania and then back to New Jersey. I started college in Washington, D.C. and I ended up at Michigan and then grad school at Northwestern.

NJC Did you have any particular early interests as a child?

RP I volunteered. I was in a girls' group, and we would do community activities.

NJC Was there any particularly influential person in your early life?

RP My dad, really. I actually would go to work with him on Saturdays.

NJC And were there any other organizations in school or church in which you were involved?

RP I forget what the name of the girls group I was in. And I was a Brownie and a Girl Scout.

NJC Did you have any early jobs during school?

RP I was a mother's helper. My mother wanted to get me out of the house. But then I did work for my father a couple of summers. I worked on an assembly line making motorcycle alarms. It was a good job experience. He had taught me about life with manufacturing and I think it was enlightening. And then, during college, I was a bank teller which was also interesting. I did work several jobs.

NJC That enabled you to see other parts of society, I imagine.

RP Yes, it allowed me to narrow down my interest, so I decided to go into corporate finance when I was in Northwestern. I received my MBA majoring in finance and targeted my job search to more corporate rather than other areas.

NJC So you had an MBA? Any other honors or degrees besides that?

RP Harry and I are both chartered financial analysts.

From Harry and Rosellen Papp 2016 Video Interview

NJC Is that something that you must take a test for or study for?

RP Oh sure. But after Northwestern, Harry and I actually started to work the same day at G.D. Searle where we met. And people say, “Oh I can’t believe you work with your husband and father-in-law.” But we have always worked, and we actually enjoy it. We worked for G.D. Searle for three years and then we came down here. Roy strongly encouraged us to take the charter financial analyst three-year test and we fortunately both passed it straight through. We needed to mitigate that we were family and nepotism, but it has worked out.

NJC When you were at G.D. Searle, were you both in finance department?

RP Well we started work in the same department and Don Rumsfeld was chairman of the board at the time, so it was ...

HP Dynamic.

RP Yes. Good word. We were right out of grad school and we were being asked to do really serious projects. I was involved with some mergers, as were you. Quickly afterwards went to international treasury, so he was financing our Latin American operation in his 20s. In those days, Latin America had hyperinflation. It was quite difficult. I went on to strategic planning for pharmaceuticals which I loved. It really helped me because I was analyzing and valuing companies which is ultimately what I ended up doing with Roy.

NJC That is amazing that in that three- year period, you were given all that responsibility. During that three period, did you ever face any discrimination as a woman?

RP No, not at all. When I was in grad school, I would say only 20% of the class were women. And I am happy to see today it is much greater than that. But really, I have been lucky. I was promoted several times in the short period of time that I was at Searle and I worked for women.

NJC Wonderful. Okay, let us shift to Harry and your background. I knew you grew up in Chicago. Why didn’t you go to Wharton as your father did? I would have thought he would have pointed you there.

HP Well, interesting. I went out east to Brown for undergraduate and I was a chemistry and economics major. I wasn’t really sure if I wanted to pursue business or science. So, I ended up going to the University of Chicago in a Ph.D. program in geochemistry. It was one of five or six premier schools for those subjects in the country. I was able to study with some world class scientists there. I enjoyed that, but after a couple of years, I decided that was not what I wanted

to spend the rest of my life doing. It is interesting work. We were working with meteorites and moon rocks and doing chemical analyses on these rocks so that we could learn more about the origins of the moon and meteorites and the solar system. It was fascinating work, but it wasn't what I wanted to do the rest of my life. I switched over from the geology department to the business school and that came very easily for me. I was able to start work part-time at G.D. Searle with Rose while I finished up my MBA.

NJC So you started working before you graduated?

HP I did. I started as a summer intern and I got to meet the love of my life who was a full-time regular MBA, but I still had another year to go.

NJC So your first professional work experience was at G. D Searle?

HP I had had summer jobs. I worked in a hospital as a phlebotomist and worked in the hospital lab doing some of the lab tests, but my first full time professional job was at Searle.

NJC And you married in Chicago?

HP We married actually in Canton, Ohio, which is where Rose's folks were living. We were living in Winnetka at the time and we flew to Canton, Ohio for our wedding. We came back to Chicago, dropped off the suitcases and picked up other suitcases to go to Hawaii on our honeymoon. That was some time ago, on May 18, 1980. Same day Mount St. Helens blew up, which for a geologist is terrific. It is a wonderful way to memorialize a wedding. Every year around May you will see something in the paper, such as "Do you remember when Mount St. Helens blew up?" And somehow, we remember exactly.

NJC A very impressive way for you to remember the date of Mount St. Helens.

HP Well, yes.

NJC So how long after you were married before you moved to Phoenix?

HP It was 1981 that we moved out here, so just about a year after we were married.

NJC Did you have any hesitations about coming out here to Phoenix?

HP We were excited to come to Phoenix. It is always risky to come to a small business and a family business. If there is anything harder than working for your father, it is probably working for your

father-in-law with your husband. We wanted to make sure it would work, but we also wanted to have an opportunity to move to an entrepreneurial business where we could have a direct impact on our careers. Corporate America is wonderful. It is a great place to learn, but it can be stifling; and we were both hard working and were eager to face challenges. We wanted to have an opportunity to try an entrepreneurial pursuit and 35 years later, it's worked out pretty well.

NJC I agree. Rose, if you came out soon after your wedding, you couldn't have known your father-in-law very well. You had no qualms about coming to Phoenix and jumping in?

RP Oh I was nervous, but you know, my dad actually was really excited about it because he thought there was great opportunity in working for yourselves. Harry's parents had visited us in Chicago. When we made the decision to come, we had weekly talks with Roy., He was sort of letting us know what his thoughts were about the business. I guess I was nervous and a little afraid of him at first 'cause he was such a smart guy. But, after I would say five years, I don't know if it took that long, we became best friends actually. We were buddies.

NJC That is wonderful. And you mentioned earlier about your children.

RP Yes.

NJC You have two daughters?

RP Yes. Harry and I do tend to bring work home and I remember we would sit around the dinner table and we'd talk about the market or a particular stock and one of the girls, Stephanie or Jennifer, would say, "Could we really start talking about us now?" So, I think the girls picked up some investment knowledge as well.

NJC You both joined the firm at the same time--and then your sister joined also?

HP She did. She joined seven or eight years later, and she went on and got her chartered financial analyst degree as well. She is still a partner of the firm. She works on several accounts and does some research for us remotely up in Port Townsend.

NJC She does not work in Port Townsend for another company?

HP No, no. She works as a partner of the firm. Her husband's retired but she works at the firm, but remotely.

NJC Your children, are they involved in finance?

- HP** They are not. Stephanie, our older daughter, is a scientist. She is finishing up her Ph.D. at Scripps in La Jolla in molecular biology and she is having great fun with that. She went to the University of San Diego. Our younger daughter, Jennifer, also went to the University of San Diego. She was a finance major and she is working as a business manager for a small engineering firm. It makes parts for Formula 1 cars and Le Mans cars, so she's had great fun going to Formula 1 races. She was Le Mans this June and just had a terrific time.
- NJC** Do you see her coming to Phoenix and joining your firm?
- HP** I am afraid both of them have spent too much time at the beach. And I am not optimistic that they're gonna return to Phoenix. But they come back and visit.
- NJC** Other than CFA, have you had other professional honors or training?
- HP** Just for me an MBA and a masters in geochemistry and the CFA.
- NJC** I think that probably is enough.
- HP** If I never take another test, that will be fine with me.
- NJC** Let us talk about some of the professional organizations that you belong to right now. Can you tell us about your work with the Arizona State University Foundation?
- HP** Sure. I have been on that board for 12 or 13 years. I chaired the investment committee for eight or nine years and I am still on that committee. I chair the audit committee now and I also chair the planned giving focus there. I am helping with philanthropy but also with administration, with audit, and with investment. I also serve on two boards of enterprises down at ASU. One is a group called the Institute of Human Origins. This is a group of scientists and paleoanthropologists. The most noteworthy of the group is Don Johanson who is the fellow that discovered the Lucy skeleton in Ethiopia, the 3.2-million-year-old hominid. But we have several other world class scientists that are associated with IHO (International Hydrographic Organization). I also serve on the board of digital antiquities, another ASU pursuit that is a digital repository for archeological data. It preserves and maintains that; makes it accessible. And not surprisingly, I work in finance there as well.
- NJC** And the Community Health Charities?
- HP** My mom had horrible rheumatoid arthritis. So, I spent 30 years on the board here locally and a

national board of the Arthritis Foundation. About almost 30 years ago, they asked me if I would serve on the board of something that used to be called Combined Health Appeal. Now it is called Community Health Charities. It is a workplace giving organization that encourages employers to allow employees to participate in workplace giving to support health agencies. There are 64 of the largest and best-known health organizations ranging from the largest, which is the American Cancer Society, or the American Heart Association down to the Reye's Syndrome Foundation, which, I think there is one staff member. But it is a great organization. It is changing a lot as technology and the digital age comes to the workplace. So, it has had its share of struggles. I served on the national board and served as co-chairman of the board for several years. I was involved starting the local affiliate here in Phoenix about 25 years ago. It has raised 15 or 20 million dollars over the years for health agencies here in Arizona.

NJC Rose, let us talk about some of your activities now. We know from talking with Harry that his father and mother were role models for him to be involved in community activities. Was your family involved in community activities?

RP Somewhat, but not as much. My mother was a great golfer. She tried to teach me, but unsuccessfully. But they did some things. My mother helped with the Brownie troop, for example. So, less than Roy and Marilyn. And Roy and Marilyn were role models for me when we arrived.

NJC I know that one of your involvements is with the Flinn Foundation.

RP Yes.

NJC Could you tell us about the Flinn Foundation and what you have done there?

RP Oh happily. I was asked to serve. Dr. Buffmeyer was our board chair and he asked Bob Swanson, "Do you know someone professionally in the investment world? And a woman would be a nice addition to the board." So, Bob Swanson was a friend of the family's, and he put my name forward and I was elected. From the very beginning I was on the investment committee, and ultimately I chaired the investment committee, and now I am treasurer. The Flinn Foundation does wonderful things. We are involved in the arts, education, bioscience, and community, with our community leadership program. It is targeted and it really makes a difference. You see it in the arts. Our current arts program is cultural and financial advancement and so we are trying to talk to cultural organizations about capitalization. In education, we have the Flinn Scholars. I am fortunate that periodically a board member serves on the scholars committee. These young people are so smart, so eager, so involved in the community, that it makes me just feel so hopeful for the world.

NJC It is very inspiring.

RP Oh, it is wonderful.

NJC And I know, of course, that you also are involved at the art museum.

RP Yes.

NJC Can you tell us about some of your involvement there?

RP I am on the board and mostly in financial matters. I do not know as much about art as I do about other things. But I love it and I have loved the Chinese art. I just want to do something for Marilyn. Marilyn and Roy started collecting LeRoy Neiman also, back in the 70s. Roy was proud of Marilyn. He would say that Marilyn's made more money on her LeRoy Neiman's than Roy has in stocks. I do not know if that is true, but she had a great eye. They had other art in addition to the Chinese. The art museum is wonderful, and it has become a big interest of mine.

NJC And I know also that you are involved with the Botanical Garden?

RP We are both gardeners. We love to garden. Roy was on the board of the Garden back when the garden was not generally regarded as one of the premier cultural institutions. Nancy Swanson was the board chair and she brought on some people that she felt would help the Garden. Roy served his term and the next board chair said to Roy, "Well, do you have anyone that you would recommend as you leave the board?" And Roy said, "Yes, Rose. She actually likes plants." Because Roy did not. I have been involved with the garden with for probably 25 years. And the Garden has transformed. We used to call ourselves a hidden gem, but we are not so hidden anymore. The garden has really become a premier institution in town.

NJC And a premier destination for the tourists who come here.

RP Yes, I agree.

NJC Now about the Arizona Women's Forum.

RP Yes. It is a group of women who get together from a broad array of fields. That is what makes it so interesting. I have served to help on the nominating this year. We really did look for diversity in fields and in geography to try and enrich each other, by bringing various experiences.

NJC So it is not a fundraising organization?

RP No.

NJC More of an educational type of an organization for professional women?

RP Yes, exactly.

NJC Tell us about the ASU Foundation, Women in Philanthropy?

RP It supports ASU and gives grants. The membership votes on what grants to give for different programs at the university.

NJC But the focus is for women?

RP Yes.

NJC For women's programs?

RP Yes. It is really trying to encourage women to become more philanthropic.

NJC So it sounds like the ASU Foundation is quite broad and has many activities attached to it?

HP Oh yes. We are really fortunate to have ASU in this community. As we are UofA and NAU. ASU has just grown dramatically, particularly under its last two leaders, Michael Crow who's there now and Lattie Coor who preceded him. Michael's favorite word is trajectory, and the trajectory of the largest university in the country is close to vertical. Things are going great there. We are really lucky to have this resource in the community.

NJC Now about some your public service organizations? Harry, you have been involved with Blue Cross/Blue Shield?

HP Been on the Blue Cross board for the last 12 years. I am past board chairman. I have been heavily involved with finance and audit and, again, administration. It has become an exceedingly difficult business with the Affordable Care Act. The great joy of that business is we are not shareholder owned, we are not publicly traded, so we are a community resource. And our policy, from the CEO to my friend Juan at the front desk, is we do the right thing, no offense to some of our competitors. People would be happier if we charged a little less and doctors would be happier if we paid a little more; but they know that Blue Cross is a quality company

and they will do the right thing every time. And it is a joy to be involved with that.

NJC And what are you doing currently with the Phoenix Zoo?

HP Well, I've been on that board for 33 years. I was off for one year due to board rotation, but they looked around and they thought I would make a good board chairman. I have served in that capacity previously, but I am currently board chair at the Phoenix Zoo. It's a great passion for me. I haven't been to the Zoo since last weekend, but I am going to give a tour tomorrow night at 8. I try to get out there once or twice a week because I love it.

NJC And do you have an involvement currently with the art museum?

HP The art museum actually has an endowment and there is a separate foundation that holds and manages the endowment. I chair the art museum endowment fund. Rose serves with me on that board.

RP And we are co-chairing planned giving, remember.

HP That's right.

NJC Co-chairing planned giving. Endowment is a critical thing for any of the arts institutions to keep any kind of stability.

HP It is. In this community, endowment is so critically important because we are a young community, a new community. And we like to tell people that 300 years ago, New York was a new community. But when we look at the institutions in New York or in Cleveland or in Philadelphia or in Boston, they have deep and broad foundations and endowments. We do not have those. And 50 years from now, 100 years from now, our institutions better have those. It is the work that philanthropists will be doing today, and primarily legacies and bequests that people will be leaving that will build these endowments, so that 50 or 100 years from now when Phoenix is not such a new, not such a small community, our institutions will have these endowments. The art museum has about 24 million dollars and it's carefully invested. It provides important support annually to the museum and it is critical that we maintain that. But it is not enough. We need a much larger endowment to be able to support the museum. People do not think about it, but business cycles impact not-for-profits as well. And it is very difficult for not-for-profits to adjust to a recession, particularly a severe recession like we had in 2008 and 2009. I think we can all think of organizations, charitable organizations that were around in 2008 and are now gone, or they have had to cut back dramatically. So, it is critically important that we have these endowments that will help our institutions make it through the inevitable business cycles that we are going to experience in the future. We try to advocate for people,

particularly people that have moved here recently. We see so many folks that have come to make Phoenix their home, but when they die, they leave a legacy back in Boston or in Philadelphia or in New York. Not to take anything away from the Art Institute in Chicago, but if somebody left a five or ten-million-dollar bequest to the Art Institute I am sure they'd love to have it, but it's inconsequential. If somebody left a five or ten-million-dollar bequest to the Phoenix Art Museum, it would be the largest gift in the history of the institution. And it would be transformative. So, we spend a lot of time advocating for people to make charitable gifts, particularly bequests here in Phoenix, where their gift can have the impact that their gift can have many times what the impact would be in Minneapolis or Chicago or Detroit.

NJC I can imagine. And I know that is really critical. You spend a lot of time at the Botanical Garden also, do you not?

HP I do. I am on the planned giving committee at the Botanical Garden and Rose and I are on the capital campaign committee as well. So, we spend a lot of time out at the Botanical Garden. I enjoy working with Rose on that. So, we work together on zoo things and Botanical Garden and art museum and ASU. It is a lot of fun to work with her.

NJC Sounds like a wonderful partnership.

RP How about Five Arts?

HP Oh, and Five Arts.

NJC That was just the next thing on my list.

HP Okay. Five Arts is a wonderful group created by a great philanthropist, Howard Hirsch. He created this seventeen years ago. He and three friends were out playing golf. They were all transplants, Howard from Chicago, and they discussed how it was a shame there was not an easy way to support arts and culture in Phoenix. So, they got together, and they arranged for a group to each give \$6,000 a year. And for that \$6,000, you become a \$1,000 member at the Phoenix Art Museum, at the ballet, at the opera, at the symphony and the Scottsdale Center for the Arts. Kind of one check does it all. For one check, you can become a member of these five premier arts organizations. We have more than 50 families, about a hundred members at this point and several years ago I became the treasurer. I got involved maybe ten years ago, and as luck would have it, I was the treasurer. Then five or six years ago, I think I became board president. And I got in a little trouble with Rose. One day I said, "Let's go, we've gotta be there at six o'clock." And she said, "Well, we don't have to be there right at six o'clock when it starts." And I said, "No, we have to be there at six o'clock. I'm speaking." And she said, "Well, it's not like you're president or anything." And I said, "Well, actually I am president."

RP Usually he asks before he accepts, though you didn't that time, honey.

HP Right. Anyway, we enjoy that as well and we have made great friends there. It is wonderful to be able to support not only the art museum, but the symphony and the ballet and the opera and the Scottsdale Center. And these are treasures for the community.

NJC Do the two of you still sponsor an arthritis day for children at the zoo?

HP The answer is no. We did that for many years. When people think of folks with arthritis, they think of older people like my mom. But unfortunately, children get arthritis too, and that can be devastating. We did that for about 15 years taking the kids out to the zoo. It really helped them to be able to help understand their disease and be with other kids that had arthritis. You can imagine. Fortunately, it does not happen very frequently, but it is devastating when it happens. And being around other kids in a fun social setting was a big help.

And I enjoyed leading the tour because I would take them out. At the time, we had a giraffe named Winston. So, we would tell the kids that giraffe has a disease called arthritis and did they know where his arthritis is? And they would answer that it was in his neck 'cause he's got lots of neck. And we would agree it is in his neck and the kids would wonder what you do for him? And we would answer that we give him a medication called Motrin. Some of you may have that as well. They would ask how we would give it to Winston. We would call him over say, "Winston, you're a giraffe and you have a disease called arthritis and that's why your neck hurts. And if you take this medication, you are gonna feel better." The kids would say, "Then does he take it?" And we said, "No, the vet has to shoot him with a dart gun and give him an injection, but fortunately that helps." We would take the kids out and show them some of the animals and it was great fun. The Arthritis Foundation has had many changes over the years. And they have less ability at this point to focus on service to individuals with the disease. So, we are sort of sad about that.

NJC You mentioned earlier that you and Rose were going to set up a foundation? Is it to be separate of the Marilyn Papp Foundation?

HP Yes, we are the trustees of mom's foundation. Through the office we also work on a number of other foundations, charitable foundations, where we do the investments and help with the administration. We do lots of that work and it is really meaningful and enjoyable. We have some old former clients of Roy's from back in Chicago where they funded scholarships at Brandeis, University of Chicago, Roosevelt University in Chicago, St. Luke's Presbyterian Medical, and Rush Presbyterian Medical School in Chicago. But as part of my parents' legacy, it is extremely complicated from a tax standpoint. One of the things that Roy and Marilyn

wanted to make available was some funds to a charitable foundation. So, as part of our inheritance, Rose and I are in the process of making some transfers into a new Papp Family Foundation that we have established.

NJC And your focus for your foundation?

HP Well, it is gonna be the things that we love. I am not actually going to be on the board; Rose, Stephanie, and Jenny will be doing that. But I anticipate that the first gifts they will be making are to the Phoenix Art Museum in honor of my parents and the Chinese painting collection. And I'm hopeful that some of those paintings will make their way through that foundation to the museum but it is going to take several years for those transfers to be completed because of tax and legal issues.

NJC Always the taxes.

HP Always the taxes. But, down the road we are expecting that foundation to support the Botanical Garden and the zoo and ASU and the Girl Scouts and the Heard Museum.

NJC So in other words, it would be a grant organization similar to the Flinn and the Piper Foundations.

HP Exactly and...

RP On a smaller scale.

HP A little smaller scale unfortunately. But then, at our passing, our daughters will be able to continue on and they will be able to make charitable gifts as well. So, it is kind of an endowment that they can operate.

NJC That keeps on giving.

HP And we cannot think of a better legacy to give our kids.

NJC I think that is a wonderful legacy. Since you have been in Arizona for a while, tell me something you think is special about Arizona.

HP Well, I think the environment is wonderful. It is outdoors, it is clean, and it is wholesome. There's great opportunity here. From a business setting or from a professional setting, it is a place where it does not matter where you went to school. It does not matter what your pedigree

is. It matters what you can do. We like to think of it as a fresh canvas where people can have an opportunity to really do anything they want if they are willing to work hard and be ambitious. There are great opportunities here. So, that is how we think of it.

NC So Rose, since you mentioned that you didn't find any discrimination at G.D. Searle, or here, do you feel that there is a "good old boy network" here as in the east coast?

RP Really no. I do not. Our new director at the art museum is a woman, Amada Cruz. She is doing a great job carrying on the important work of the museum. And look at some of the foundations in town which have lots of women involved. So, no.

NJC Could you tell us, perhaps as you mentioned before, about working here being different from having your organization on the east coast. Areas where the earth seems to revolve around New York City.

HP So again, our investment approach that Roy established and that I learned all those years ago at Wharton, is long term and fundamental in nature. So much of what goes on in New York on Wall Street with Goldman-Sachs and the banks that have gotten in such trouble, revolves around short term opportunistic trading mechanisms, hedge funds, and private equity with very high fees, very high leverage, very high risk. And that is not what we believe in. We don't believe that serves our clients very well. Our clients are looking for a reasonable return, but better stability and less risk. And, being away from the sort of center of the universe where there is all this group think we think is refreshing. It gives us a better opportunity to take a longer-term fundamental view of the investments that we are making. And we have found great success with that and we are incredibly pleased with that. It serves our clients' needs very well.

NJC So it is actually a strength, being in Arizona. Are there other areas in Arizona that you think could use some improvement?

HP Oh, schools are just a tremendous challenge here. And the nature of our population is such that there are a lot of underserved people who talk about discrimination. Women have made a lot of progress. But I am sure there is much discrimination in our community. Many young kids do not have the opportunities, primarily educational that they should have. And that is an area of great challenge. People way smarter than we are, are gonna have to figure that out, and we better get to that because times a wastin.'

NJC Do you have any words for a younger generation coming up?

HP Well, we talked about that in the car on the way down. We love the natural world. We love flora and fauna. We think Arizona is a really special environment. It is a very fragile

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environment so I guess our idea would be to take care of this place. It is special.

NJC Anything from you, Rose?

RP No, that is it.

NJC Well thank you very much for time.

RP Thank you.

HP Yep.

NJC It was a pleasure talking with you.

RP It was our pleasure.

HP Thank you.

End of Interview

/gmc