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Jessie Knight

Spotlight on Legacy

1. Tell us a little about yourself ... what makes you tick? What are you passionate about?
And, what are you excited about happening right now?
 - a. Tick – accomplishing things – making changes in the world. Likes to leave fingerprints on situations that may be bad or can be improved. Move the needle.
 - b. Passionate about everything
 - i. Politics
 - ii. Foreign affairs
 - iii. Improving the community
 - iv. The biz space he is in
 - v. Experiencing different things together with his wife
 - vi. Music
 - vii. Art
 - viii. Learning

2. What are the things that motivate you? What gets your “juices flowing”, and how do you *keep* them flowing?
 - a. No one thing ... energizer bunny
 - b. Doesn't take a lot to get motivated
 - c. Soon as he gets up in the morning – zillion things in his head to accomplish
 - d. Not a “chill out” kinda guy
 - e. Takes off 3 weeks at end of the year ... takes 1-2 weeks out in middle of the year to recharge the batteries
 - f. When he is gone – he never calls in ... does check blackberry every day to scan ... his world is a 24/7 biz like in a hospital or medicine. Esp. true in this industry – gotta be available.

3. How did you end up where you are today – how did you get here? What has been your path in the business world, and is it the path you had planned on?
 - a. Never the case from the time he started his career. Has reacted – catching the wave of experience and assessing where that wave is going and realizing opportunities. Being aggressive when he saw the opportunities. Running a \$5B utility.
 - b. Get that question a lot from young people. Wrong the question... so narrow. It ignores the plethora of skills that everyone has ... not to fall into trap into “one path to one destiny” ... keep a broad scope of vision for business and life. Not a prescriptive path. Been in many businesses. Successfully. Risen over time.

4. What have been some of the guiding principles that have helped you make critical decisions along the road, deciding which path to take? What role has your faith as a follower of Jesus played in your decision making?
 - a. Making decisions in biz are the same as in life. Humanistic and spiritual in how he looks at people and challenges. Be honest as much as is possible. Forthcoming. Transparent. All the same.

5. You are a voracious reader. What is (are) your favorite book(s)? Why?
 - a. Love reading. Don't get to read what he wants usually. Would take suitcase full of books to read. One of favorite is Thomas Wolff. He is a great observer of human condition and cultural issues of our country. Brilliant. Back to Blood. Culture of Miami. I am Charlotte Simons. Atlanta. Looked at hippy culture. Bonfire of the Vanities.
 - b. Newspaper fanatic. Read 4 every day. Devour biz magazines. Read WSJ cover to cover. Quickly. Is a news junkie. Rarely watch TV unless news.

6. Tell us about your early years being raised in Missouri.
 - a. Jessie's father was raised by a white family. Jessie came to know them as family. In Missouri – it was either racist or didn't matter. The hillbilly life was what he saw as a kid, and there was a great sense of community. Although Jessie's dad had only completed 3rd grade, education was very important to him. Jessie has 5 siblings, and they are all very well-educated.

7. Tell us about your educational experience post high school. You chose a very interesting place to attend for your undergrad – how did that come about?

- a. Did his undergrad at U of Madrid. Went back to Spain to start biz career. Wanted int'l experience. Did his own search.
- b. Got out of biz school. Went to U of Wisconsin for MBA. 1973. Graduated in 1975. Hot commodity back then. People were knocking down doors. The Biggest Fortune 500 Co's were recruiting. Interest at the time was to go to Spain. Interested in F 500 world if it allowed him opportunities internationally – and if the company was based in CA. Unfortunately, those companies weren't recruiting at U of Wisc.

8. What were your beginning years like in business?

- a. Looked at Gallo wines. B of A, McKesson. Found Castle & Cooke Foods – founded in 1851 - and there was a meeting of the minds. Started with them in their M & A group. Analyzed opportunities to acquire around the world. They owned Dole at the time. Big in RE and agri-business. Bananas. West Coast Fruit was owned by them at the time. Went to Honduras as a fin'l analyst. Great experience at young age. The company also owned a network of breweries in Honduras. Mktd beer and had a 50% market share with Coke franchisee there.
- b. Got married. Wife was medical student. At UCSF. Moved back to the States. Castle & Cooke found other work to do. Went into the pineapple end of Dole. They owned Bumblebee Seafood at the time. Jessie became Director of Marketing for the U. S. and Canada. Went through chairs for pineapple group at Dole. Product mgr. Group mgr. Corp manager. They got attacked by corporate raiders that were after Castle & Cooke. Dole owned most of the land. Recently sold LaNai to Larry Ellison.
- c. David Murdock was white knight and owns co to this day. 113 subsidiaries owned by Dole. Jessie thought he would be cut so he left food biz and went to work for Hearst biz in SFO in the newspaper biz. VP for Mktg & Planning. Newspapers were Real powerhouse at the time. Ran both papers in SFO. Jessie ran Mktg for both companies. 7 years. From there, he wanted to try something new. “Why not stay – everyone gets wealthy” but wanted life experience & learning. Never driven by money per se. From there, he needed to grow and do different things. Went to Chamber of Commerce. Was exciting even though only there 18 months ... Led investor group to buy the Giants. Persuaded group of investors in Silicon Valley to put money in to keep Giants in SFO. Worked on AT & T ballpark. Successful. Fun. Not a friendly town to biz.

9. Where did you go next and why? You had a pretty good gig going at the chamber. Many would be content to continue the “ride” there – but not you ...
- a. Pete Wilson saw Jessie’s role and asked him to join his team when he became Governor. Served one term. Worked as a commissioner for 6 years, one full term. Constitutional officer. \$80B of oversight for telecomm, water, railroad, transportation. A LOT of good, bad and ugly. Wide swath of opportunities after that.
 - b. History says that most in regulatory world go to work in the industry that they were in charge of overseeing. Jessie didn’t want that. He made a point to break up the monopolies and had made a name for self in that belief. J was the biz guy. Was *Managing Commissioner* over telecomm industry. Like a Supreme Court judge. Just no black robes. Facts are argued before the commissioners. Things went well for the whole group. It was an evolution of tech and good gov’t oversight.
 - c. Electricity was not J’s area per se, but he still was expected to vote on the issues. While in accord with his 4 other colleagues on telecommunication de-regulation, he was at odds with three others on electricity de-regulation. He was joined with Joe Neeper, a fellow commissioner that he partnered with and befriended while at the commission. Joe recently passed away and is missed as a dear friend. Jessie wrote a 65 page paper against the deregulation. Opponents were creating a bogus argument. Two years later the energy crisis came at which point Jessie was then running Chamber of Commerce in SD. Billions of \$\$’s lost to CA and taxpayers.
 - d. Last place he thought he would go was energy biz. Took time to think about what he wanted to do for his next career after leaving the Chamber. In SD the Chamber was heading to bankruptcy. Asked him in SFO to come down and straighten out. The Chamber had over 2,800 business members representing almost 400,000 employees at the time.
 - e. Joye was at B of A – undergoing her own transformation. Met at Mark Hopkins. Had been divorced for several years by that time. She was going back and forth from Charlotte and West Coast – 3 yrs. Was running the worldwide communications. Bank was supportive as they wanted to move her into leadership. Started their foundation. Was in RE group. Was in private wealth management. Now with US Bank.
 - f. Started at Chamber. Lived in hotel for 6 months. Got to see that SD is beautiful after living here a year. Decided to stay. The Chamber job was exciting. Helped a

lot of biz. Was at Chamber for 7 years. In his 3rd year into his role at Chamber, the COO & CEO of Sempra, both came to Jessie and asked him to open int'l group in Mex. Turned them down. More work to do at Chamber. 3 ½ yrs. The COO moves up to CEO slot. Comes back to Jessie. Come as EVP at Sempra. Thought it was time to pass along the torch.

10. Over 3.4M served by SDG & E. Tell us about your path to where you are today as Chairman & CEO. They had to sell you on this job more than once before you came. How did you end up where you are now – and why? What was your original vision, and did it end up there, or morph along the way?

- a. 7 yrs. with Sempra. Been CEO of Sempra for 3 yrs. Started as VP of external affairs for Sempra the holding company. Five companies. One of them is Chairman & CEO of SDG & E.
- b. Sempra – the co was centralized. Big company without image in SH – with the communities it operated in – brought in to establish an identity for it. Over communications, mktg, PR, regulatory, int'l staff – primarily in Mexico & South Am. Three years later, the pendulum swing. Shrank the footprint and tried to derive SH value into biz units. Huge reorg. Sempra became decentralized. Each biz unit is separate entity. 3 yrs. ago. Stock was \$40. Today \$78/share.

11. As a leader responsible for financial success to others, how do you balance financial growth and people growth?

- a. For SDG&E - my biz unit - easy and exciting. The electric biz is the last monopoly. Much like the telecomm biz. Morphed into multibillion multiple industries. Same will come in the energy biz. Electricity biz. Massive changes undergoing. Driven by technology.
- b. Also reaction to gov't policy that wants friendlier environment. Lowering greenhouse gases. Part of the change. Makes for many opportunities for ee's – new opportunities – new projects.

12. What are you getting crushed by ... challenged by ... what are your “joy-robbers” right now?

- a. Not getting crushed by anything, but has challenges. The issue of San Onofre. Most people don't understand it. Huge issues looming for company and region. Think they have it bracketed if it goes badly. Could break their partner company,

Edison, however. Could be a showstopper for them. They are sitting with \$3B on their balance sheet not written off.

- b. Integration of renewables. So great to have solar. There are a lot of issues with it the way it is built now. When the sun goes down the power stops. Coming back on to the system costs money. Will be hard to let people go to solar and then back to electricity and then back to solar. All kinds of cross subsidies. It will happen. Trying to get to the pot of gold to store the power from solar. Very expensive now. Fuel cells. Batteries are all expensive. Social programs embedded into electrical bill. Putting solar on the neighbor raises my bill. BIG DEAL and will be messy journey.
- c. Very involved in politics by interest and avocation. Very concerned by path the country is on right now. Challenge locally by the leadership and the president and the world.
- d. Council on Foreign relations – involved there. As a world citizen.

13. There is a book, Turtle on a Fencepost. Did you have mentors along the way? If so, when – who – details?

- a. My #1 influencer has been dad. Uneducated man but one of the smartest guys he knows
- b. Ed at Dole. Head of Mktg group. Taught by actions ... how to maneuver in a big co. set a great example. St forward guy. Sometimes you will find that people have sharp elbows.
- c. In govt – Joe Neepor who wrote the dissent with J. Real stalwart in community. Got to know when under fire to develop deregulation policy. Like minded intellectually. Grew to respect one another personally and professionally. Led by example.

14. How about now? Who inspires you and why?

- a. Hard to find someone. Do not have one now. They tend to be older ... at least in life thus far.
- b. Who inspires you? No one comes to mind, but it could be the new pope.

15. Are there any unmet goals you have today? What is on your “bucket list” still?

- a. Been talking about it with Joye. Mandatory retirement at 65 at Sempra. She will be 55. He is 63. Have so many things involved in with the community. Never will be bored. So many causes. Love to travel. Talked about the possibility of leaving

CA. Move. Have deferred so much money will both get killed. Or have looked to Charlotte to live for 6 months + 1 day. Dad has big place in Missouri. Get a place in NYC. Or a place in Madrid. They have economic issues. Put roots down for a while in a different setting but using SD as home. The bucket list is being open to life rather than any one big thing. Their history shows that they are people to make things happen. Experience new cultures.

- b. Starting a personal family foundation. Have some capacity. Beginning a conversation about that. Lucky at Sempra - they treat their Execs very well. AYCO does a terrific job and forces you to deal with the issues.

16. What has been some of the best advice you have ever been given?

- a. There is nothing you cannot achieve if you want it badly enough ... if you want to go get it. His dad was a very deep guy. But how he lived his life was more important than what he said. He went only to the 3rd grade. 5 of the 6 became senior mgrs. of Fortune 500 co.'s. One sister who didn't go into biz, is at the USDA – runs their computer systems. Incredible story.

17. What would you like to be remembered for?

- a. For having made a difference ... in people's lives ... individually and collectively for the community. Positive impact.

18. What advice would you pass along to those closest to you? Why is that important?

- a. Goes back to dad's advice – you can do and be what you want to be. Everyone looks for the answer in front. They miss the long view. Throwing the long ball. That will often be more successful in life. Think big. Believe that anything is possible. 9 out of 10's it is going to happen. If you think small you will be small. If you think big you will be big. Don't just take baby steps – that can be limiting – entrepreneurs are thinking big – most are not. They don't have the spirit to take risks. They are afraid of risks. Most want certainty. Someone else to take care of them. Assault on independence we are seeing in the nation. Go try again. Nothing wrong with falling and slipping.
- b. Was on an airplane once. He was a young hot shot MBA at Dole. Thought he had the world by the tail. Sat next to a senior guy – impressive biz guy – sitting in first class. Asking J questions and Jessie was positioning himself in how successful he had been thus far. “You have done well in your life, young man, but I would never hire you.” “Why?” “Because you have never failed.” Have thought about it often.

Changed how he (J) looked at failure ... still took risks but began to look at setbacks as something to learn from.

19. What else should I ask you that I haven't asked already?