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Gary H. Bedian

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Details on StarQuest
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Hidden Jewels



Dynamic, conservative, and analytical, international investment and acquisitions expert Gary Bedian eyes the Newly Independent States of the former Soviet Union (NIS) as good prospects for the hospitality industry.



Plain and simple, Gary Bedian is a modern day Indiana Jones. The difference being that while the movie character led searches for ancient antiquities, Bedian leads an unflinching pursuit of hidden jewels and treasures that takes him to all corners of the globe, endlessly tracking the right investment deals for his diverse clientele. It's a clientele that includes the rich and famous from the Middle East and the United States, and financial and real estate development giants The Prudential, Haseko, Paramount Group, Financial Capital, Maram Holdings, and Namco Capital among others.

"There are hidden treasures to be found all over the world," Bedian speculates. "The best bet may be here at home, considering how the low value of the dollar makes it attractive for outsiders from the Middle East, Asia and even Canada to invest in U.S. properties. The Canadian dollar has recently been stronger than the U.S. dollar, which surprised many investors. But the window is narrowing, and things will change rapidly after the election."

As guide and advisor, Bedian's job description also includes using his years of experience in international and domestic business to anticipate—even predict—changing situations and environments.

"I can't let anything slow me down," he says. Even a major development such as the collapse of travel and business tourism



► COMMUNITY SPOTLIGHT

development such as the collapse of travel and business tourism post-9/11, where he was heavily invested—served as only a giant speed bump in his path. “Everyone lost a great deal. No one had any idea how far down it would go or how badly the travel business would take a dive.”

Although the dive would take him near rock bottom with millions of dollars in losses, he has made good use of smart business principles and intellectual wealth since then. His experience includes leadership as executive vice-president in charge of capital property acquisitions and asset management for Integrated Resources, the nation’s largest real estate syndication company, during the late 80s and early 90s, and

public service as the former vice-minister of industry and commerce for the Republic of Armenia.

“My time in Armenia was extremely fulfilling, rewarding and humbling all at the same time,” says Bedian. “I first went there in 1989 on a humanitarian mission to help with the devastating earthquake that killed tens of thousands of people. During this mission, I was traveling back and forth, which eventually led to forming the first-ever chamber of commerce in the U.S. for a former Soviet Republic. It was an amazing time of revolution and renewal, with a new government, a new president, and a new hope for its people. It was a time of transition, and I got to know the prominent business leaders and government

officials. I was eventually asked to become a minister cultivating foreign investments. This was the Silicon Valley of the former Soviet Union so there were a lot of resources to bring to the rest of the world. Without a doubt this time was invaluable towards formulating investment strategies and my business diplomacy.”

So, when disaster struck Bedian’s personal finances, he was fueled by this remarkable background and was able to make a complete turnabout to restore his fortune and develop his role in hospitality and commercial real estate acquisitions.

“All I had left was a good reputation and a philosophy that when negotiating, either both sides win or both sides fail; there is never middle ground,” he explains. “This philosophy has served me well in good times and bad. I wasn’t looking for the quick score throughout my career. When the time came, important people knew that I could be trusted, and they allowed me to build back up even during a time of financial crisis, the repercussions of which the entire industry is still struggling with today.”

“Gary is a shrewd guy and very straightforward,” says real estate giant Fred Sands. “He does what he says, honest and trustworthy. These characteristics definitely make you want to work with him and build projects together.”

And build back he has. Bedian International, the global consulting real estate investment and asset management firm he heads, has deals and projects that involve more than \$1.2 billion in capitalization. How he does it and continues to do so is a product of business diplomacy – a skill that you have to see in action to appreciate.

“I also look for the better than average investment, meaning that I take on clients and investors who can capitalize properly once a viable property is located,” he says.

What does his work mean to the people he serves? Clients marvel at the properties he finds, but their jaws drop after he reveals the breakthrough vision

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of each acquisition. Look at the deals that Bedian puts in place, and you'll see a pattern, a unique ability to sift through the clutter and find the one "diamond in the rough" that promises real returns for his clients.

"When we look at a hotel, for example, we are not basing our decisions solely on typical investment analysis such as cap rates, internal rate of returns, cash on cash return, et cetera," he says. "We ask 'What makes it shine?' and 'Where is the hidden value?'"

Bedian offers as an example his role in Namco Capital's \$115 million acquisition of the Marriott Downtown Los Angeles. "There were other significant opportunities on the site aside from the caché, franchise and location. We weighed the amount of available land where we might add additional rooms and luxury condominiums, due to the ongoing and escalating development in the downtown area," he says. "Even the lobby and entry space, which is bigger than anything in its class, was examined for its value in terms of retail income potential and additional restaurant venues."

One of the tools that Bedian uses is the business concept of 'relative strength.' "This is where you weigh a property that may be stronger than its peers due to underutilization," he says. "Such a property may appreciate to a greater degree than one with better capitalization. We might also toss into the mix other factors like something as simple as changing the flag [brand name]. In every bear market, in every region, there is a select group of stronger-than-market properties that have the potential to emerge as a leader and outperform the averages by a wide margin."

Witnessing his deft international style of business diplomacy in action, you instantly see that his use of analytical tools is only part of the process that makes the Bedian style of business special. "Understanding how cultural differences affect the discussion is a vital component of business diplomacy," Bedian says. "It's an understatement to say that one must respect the cultural and social setting; this is something that I have woven throughout my life. The ability to speak in the other person's native language is the greatest respect you can pay to anyone."

Bedian admits that living in a multicultural setting since childhood has helped him.

Born in Aleppo, Syria, in 1960, he immigrated to the United States with his family at the age of 15. He is fluent in Arabic, Armenian, Turkish and English, and practices conversational skills in a handful of other languages.

While he still holds a keen interest

in Armenia—"It's still hot," he maintains—Bedian continues his global trek in search of the gems, plumbing for hidden opportunities and leading his clients to greater and greater treasure. ■

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You don't have to be a hero to feel invincible. That's why I drink milk. The protein helps build muscle and some studies suggest teens who choose it tend to be leaner. Cheers to that.

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