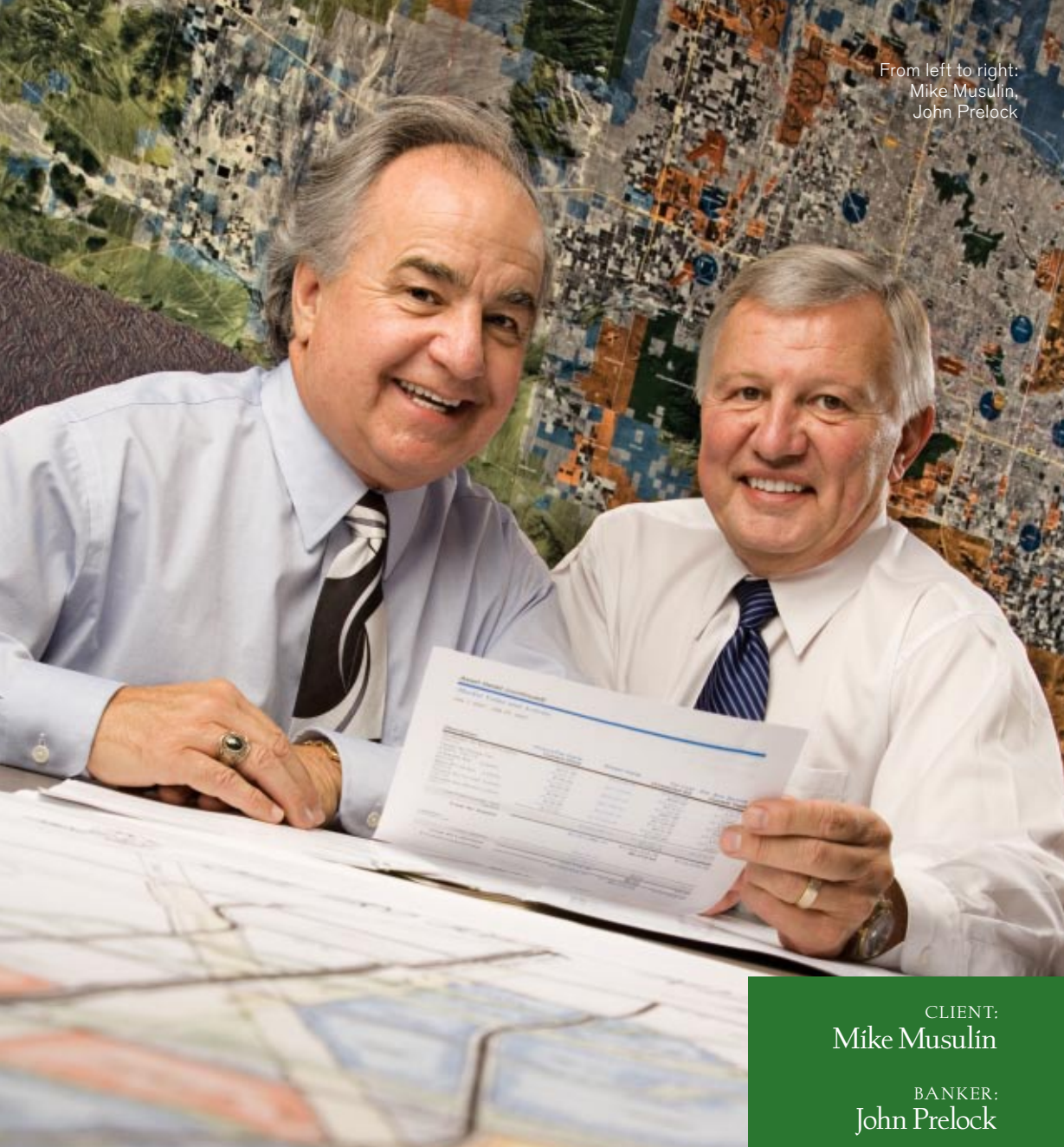


From left to right:
Mike Musulin,
John Prelock



CLIENT:
Mike Musulin

BANKER:
John Prelock

10 Minutes with Mike Musulin

This Phoenix real estate investor loves his
“3 million-person neighborhood”

Mike Musulin is well known and widely admired in the Phoenix business community. His real estate investment company, Muzz Investments LLC, specializes in buying raw land on the outskirts of growing cities and creating master plans for future development, most often residential in nature. He and his co-investors have applied this strategy to about 20,000 acres—primarily in Arizona, but also in Florida, Oklahoma, Oregon and Washington—over the past 30-plus years. As he puts it, “So far, we haven’t lost any money on it.”

Musulin is the kind of guy whose business relationships tend to morph into personal ones, notes John Prelock, senior vice president in Compass Bank’s Wealth Management Group. He’s been Musulin’s personal banker for a number of years.

“We’ve become good friends over that time,” he says. “Mike was at my wedding and our wives have become friendly. We see each other frequently on business, but we also socialize outside the office, especially at sporting events.”

Musulin spoke with Compass about his roots in business, his key challenges and how he deals with risks when investing.

Compass: What led you to a career as a real estate investor?

Mike Musulin: I started out working in sawmill manufacturing firms owned by my family and later held marketing and sales positions at several Fortune 500 companies. We had two major sawmills in eastern Oregon and I had some other investments as well. I decided to retire to Arizona at the age of 36. I’ve managed those investments,

added others, been fortunate enough to have good partners and have done quite well.

Compass: What keeps you going?

MM: I’m 65 now and I don’t plan to stop investing until they put me under. Phoenix is the smallest 3 million-person neighborhood you could possibly imagine. We still have a lot of unsold land out here, and I would like to see some of it transformed into beautiful developments where people can enjoy the wonderful quality of life we have here. Seeing that happen is the most rewarding aspect of what I do.

Compass: In your view, what’s been the key obstacle in making your business a success?

MM: The biggest challenge has been learning the importance of patience. Real estate is not a liquid investment like stocks or bonds. With real estate, you have to go through a long, involved process—land acquisition, planning, zoning and marketing. Sometimes it takes two years, sometimes it takes 20, so you have to be an inherently patient person or learn to assimilate that trait into your personality. Right now, we’re still holding some properties we bought in the mid-1980s; with others, we’ve been able to get in and out in four years and still do well. They used to say that the three rules of real estate success are “location, location, location.” Location is always important, but today I’d say the three new rules are “timing, timing, timing.”

Compass: What role has Compass Bank played in your continued success?

MM: My bankers understand me and they understand my business. I’ve met the president of Compass Bank and some members of the board of directors. One of them is a successful real estate investor, so I know he understands my business. I often need sizeable amounts of money in liquid holdings to acquire more real estate or pay engineering and other fees related to the development process. Senior vice president Dave Porter is my personal retail banking manager, for lack of a better term, at the branch right across the street. He’s in charge of all our deposits, CDs, money market accounts, etc. and has been involved in some of our borrowing activity through the local branch.

Compass: What is your relationship like with your Compass bankers?

MM: You have to have good bankers who are willing to work with you if you are going to survive in this business and Compass has been there for us in good times and bad. I’ve known Dave Porter since he was about 15 years old and here he ends up being my retail banker. I call John Prelock my ‘VIP investment guru.’ He manages all my investments through Compass Bank’s Wealth Management Group and he’s done a very good job investing my family’s money for us. We have different strategies for different accounts, ranging from aggressive to medium to low risk, depending on the investment objective. They have something to offer everyone, and they’re very good at explaining things to laymen like me. I’ve recommended Compass to many of my friends and business associates and all my children and their spouses bank there. There’s not much turnover at Compass Bank and everybody knows us. It’s nice to know your banker so well. ■