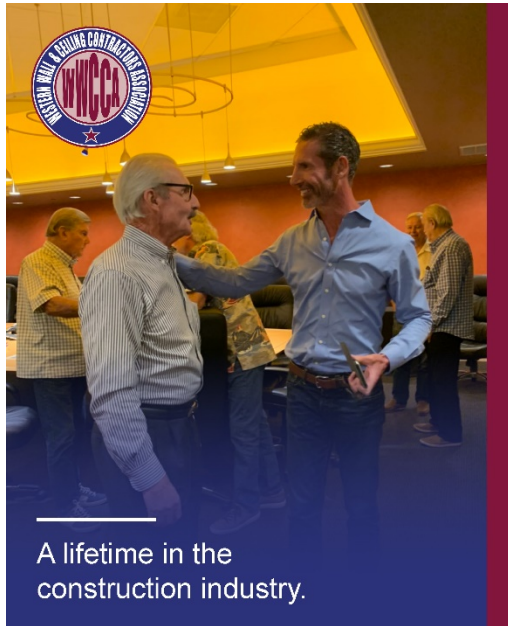


# Jim Rutherford

## Founder of Rutherford Co., Inc. since 1969



A lifetime in the construction industry.

# LEGENDS

I immigrated from Canada, retired, and living in Maui now playing a lot of golf and tennis.

I started in Winnipeg Manitoba, Canada with Uncle Pete with Pool Construction now PCL, which is all over the U.S. now. Uncle Pete was a general superintendent, and they were looking for lathers. I went into the apprenticeship and became a journeyman. It was the same 4-year training they offer today. I did tie on metal lath; he was a very tough boss, but great.

My brother Bud and I were very close and worked in the same industry. He was my first employee when I started the business. I was

doing some takeoff work and he asked me to come out to help him in the field. I hit my thumb and he said, "You better get back into the office." That was my last day in the field.

Back in Canada we did a lot of lath and insulation work at the Winnipeg airport. It was a very interesting job, learned different things about the trade but it was seasonal construction. In the winter we would do some drywall, I remember my brother did a house for 1 penny a square foot in 25 below zero weather. We were doing button board jobs and it was so cold you would drive to work without the heater on so you can get your body climatized to the weather. When we got to the job, we would pack button board up to the 2nd floor until our bodies warmed up and that's how we worked all day. Would have a quick sandwich at lunch and keep working otherwise our bodies would seize up. They were tough times, but we were young we could handle it. It did not seem to be a big deal; we were working and happy about it.

Winnipeg is cold in the winter, so Bud moved to Calgary for a while. When I found out it is 80 degrees in California at Christmas time I decided to go on a trip. The cold is great when you are a kid, you have so much fun in the snow, but when it comes to making a living, it is tough.

I came to the U.S. in 1958, when I was about 20 years old. I waited 3 years to get my papers and my Uncle Tony had a guarantee that he would be responsible for me in case I would not hold my own, do work and pay my dues. That is how I got into the country; he was my sponsor. He

owned drugstore in Dayton, Ohio and he wanted me to be his pharmacist. I went to the University as an apprentice pharmacist but was not that interested. I looked in paper and saw that it was warmer in California than Florida so decided to come to California.

I had an old Buick convertible and drove that across the country. The fuel pump went out, so I pulled into a junk yard and found the same car. I did a lot of repairs on cars when I was a kid, so I exchanged the pumps and went on my way. I passed through Omaha, Nebraska where it was 40 degrees below zero and was so happy when I arrived in nice warm California. I was driving in Downtown LA, by City Hall where the road goes down and comes back up. I got a vapor lock in car and had to pull it over. A cop came up and wanted me to get it off the road right away. I offered him the keys to see if he could get it going but had to just wait until it cooled off then took off from there.

My Uncle said "Once u get to California, don't have lunch, don't have dinner. The first thing u do is join the army reserve. They are drafting right now and you are from Canada." That was the first thing I did and a week later I was drafted. I lucked out. I was not a citizen yet, but they were drafting everyone at that time. 5 am exercises, 3 squares a day, I was smart ass kid and it was a great experience for me.

I served 6 years. Went to Fort Ord for 6 months, then once a month I would go to a meeting. Every summer I was a part of the 349th general hospital. Because of my Uncle Tony we would go to Hawaii or the Presidio in San Francisco for a 2-week duty. It was a pretty good gig.

After the first 6 months of the reserves I worked for Bob Pierce. I had a weekend job where I made more money than the total of 6 months in the army at 11 cents per hour. I was running work for Pierce in Southern California, but he had divisions all over. He knew I was a skier and offered me to run a life science building in Reno. It was in the fall. We would start work at 5 am and work until 2 pm then go up skiing the rest of the day. I really enjoy skiing, it was great. I would love to do it still and could probably get free lift tickets now, but you get to a certain age, you do not climb ladders and you don't ski.

Bob Pierce owned the industry no question about it. Very good businessman. He was all lathing and sponsored plasterers. He thanked me and said "Jim, you made me nothing but money" when I left. He was one of the guys who helped me get into business. He took me under his wing and gave me a lot of tips. He was also the guy who loaned me 25k when I was buying a duplex.

I left Pierce and worked for Clyde Hawk for 4.5 years. I was a superintendent eager to learn the whole business. He taught me estimating while I was still running the jobs as a superintendent but took the plans home. I put in my time, checked how he took it off and compared to how I took it off seeing if I was on the right road.

Clyde's father left him money and he build a casino with a bar in Ketchum Idaho. The last year I worked for him I was running the whole operation even the payroll. I decided to apply for a contractor license to help with the busines and I gave him as a reference. When he got the notice, he let me go. I remember my wife Sheila came and picked me up with curlers in her hair. That is when we decided to start our own business.

We had a cabin in Big Bear where I studied hard for 2 weeks and beat the test with flying colors. I was nervous, we had 4 kids at the time. I was doing work for Bob Heimerl and Tom Mowery, they supported me and wanted me to continue do work.

I started out of my garage and did 1 million the first year. I remember my son Bradley sitting there with crayons while I was doing a takeoff. Now he is running the company. It is our 50th anniversary.

My brother Paul is a wonderful guy. He worked for the government in the highway department and decided to change. He also has family members in the industry, and I could not have asked for anybody better to be working for the company. He did not want to leave my mother alone so it took him a while to come down to California and start work with us but I was sure glad when he did.

I have seen it come full circle. We had these old vector calculators for estimating punching in the numbers. You would already have the number in your head waiting for it to spit it out at the end. After a while you knew what a number was going to be. My kids remember me every weekend taking off work at home.

I was still in the day-to-day operations when the computers and automation was coming out. We started getting computers to the girls in the office then the boys came in and wanted them for estimating. Paul and I still did it the old-fashioned way and felt comfortable. I could see the paperwork was getting to be more and more and estimating was getting really tough. Today, everyone is on their big screens it is a different world. They will not send me plans anymore; I don't know what's the matter with them.

Back when I started, the plaster contractors were looking for a lath contractor. That is how I got into the game. They gave me chance and I had to prove myself. I was very willing, went full speed ahead and worked hard to be successful. Had many ups and downs. When u start out as a contractor building up a new business sometimes you do not get paid. I could always find work and get the material but there were a lot of Fridays I was sitting in some guy's office waiting for my check so I can fund payroll.

I went through many recessions and as the years went by one thing, I learned about the busines is putting money in the bank is a must. About every 10 years the recession comes and goes and

will kill you if you are not prepared for it. I never lived above my means. I bought a lot of property but always did it with own money for down payment. Never from the breadbasket where my living was. It can get you through some tough times when you own property.

Things can go wrong but I have never walked away from a bonded job in fact we never walked away from any job. One of the times we were going into a recession we hit a very bad time. We had a lot of receivables and no one was paying their bills. I owed people like Dick Peckam and he said, "I am not worried about you Jim, only the guys that don't call me back." They stood by me and were really helpful to me in a lot of ways. Also, Mark Treadwell, our attorney and Lou and Kathy Rendon our accounts. I love them they are great people. I am not a jumper and do not believe in moving from bank to bank or bonding companies. I like to stay and develop a good relationship with them.

We have a great bunch of contractors in Los Angeles. Mowery Thomson, Berger Bros. W.F Hayward, Martin Bros. Raymond, most of them are my friends. They are good people who bid work competitively and play by the rules. I feel good that it is apples to apples when they compare with me. Every once in a while, an apple would fall off tree and I would get a job. Always fun to do a job where you made a few dollars.

I have always communicated with competitors very well. We are all union contractors. I was in the union myself and like it because I know my employees can afford a home and earn a nice living for their family. I like to treat my people the way I would like to be treated. We are all human beings trying hard.

I was never afraid to jump into something and take a risk.

I had a passion for flying and remember going into the flying school in Van Nuys in 1965 telling the guy that I wanted to be a pilot in three weeks. He laughed and took my 3k. Only a year later I felt comfortable enough to take my family for a ride. Every week without fail we would go down to Ventura and do touch and goes in the clouds with my instructor. It was a good experience for me. It is like driving the more you do it the more comfortable you feel. You have to keep it up. I am instrument and multi engine rated pilot. I had 4000 hours when I stopped flying.

I eventually got an airplane and I loved flying up there to the Western U.S. and Nevada. We were building the new fad at the time; racquetball courts and I would get the guy's setup on the jobs. I used to fly at 5 am because I wanted to be part of it all. Having employees that start work at 6 am I better be there as well and not be a slacker. I always wanted to go the extra mile to make a better life.

One day my oldest son Michael said, "Dad jump on a plane tomorrow, I am going to Oshkosh,

Wisconsin and you are coming with me.” He has been flying for his employer for 20 years and has over 10k hours. He flies a big airplane like a 737, it is called a G5. It’s like driving a Ferrari, that plane is so responsive these planes almost fly themselves. When you land it seem like you are in a 25-story building as the wheels touch down. There is a responsive moving map in the plane. When I first flew to Canada, I had this old BOR that would shake and flip back and forth. We never got lost but it was wild. That was an incredible trip, it was quiet a treat I really enjoyed it.

They did not even have welders when we started, we were doing star drills. I remember doing overhead star drill for putting hangers in, it was hard work.

EIFS were coming into industry and they wanted to do a fire test. I was one of the first guys to look at that. The reason I got into it was because of AWCI. They had seminars for everything including accounting, estimating and we jumped on all of it. I spent lot of time, learned a lot from there and also had booths at shows. I came across some of the great new products like Dryvit and Georgia Pacific’s yellow dans glass gold board. I saw a lot of things come out and evolve and embraced the changes. One of the first things we started was the panel business. We had help from AWCI and an architect that helped set it up properly. So many good things were happening.

We were working on a 40-story building in Long Beach, Harbor Towers and did expedited lath plaster and drywall. We also did the Holiday Inn Towers on Century Blvd. It was all build offsite and finished by craning everything in place saving a lot of money. It was one of our fist panel jobs and worked out great expediting the job. Panelization is making a comeback these days but they never stopped using in Las Vegas.

We had another job in Long Beach many years ago. It was a 40-story building and they wanted to build a penthouse on top. We had 22-foot 6-inch 16 gage studs that had to be put up on the roof, so I hired a twin helicopter to lift them up. There were 2 of us up there and the stud was going around about 100 miles per hour. All we could do is pick up the 2x4 on the ground and start hitting the stud to slow it down so we can tell the guy to drop it onto the deck. It was so dangerous and would never do that today.

We also did a hospital in Santa Monica with a tunnel ceiling with drywall on top and drywall on the bottom with an access door in middle. It was a very difficult project.

The 1993 recession was really tough everyone. And then the big earthquake hit, and it put me on a whole new lever. It was unbelievable, a God sent at a time we were really struggling, a silver lining. We did not stop for 15 years. Al Coulomb was my superintendent at the time and did a great job. Rocketdyne called us and they wanted 150 men 24 hours around the clock. I went to the union and I got all the men, they could not believe it. I was serving on the Health and Welfare Trust and on the Apprenticeship Trust and we are all a team. We stated out by

doing all the lathing, plastering, drywall and added cabinets and acoustic tile ceiling. Then the whole thing just broke open. It was Brad' first job. I remember my wife was in the office one day and Brad was on the phone, "Yes Sir, Yes Sir, Yes Sir. Then he hung up and looked at his mother, "How the hell am I going to do that?" But he did it and took care of it all.

Brad was up at our office in Fresco hiring some carpenters not too long ago. The guy running the program told him he worked for me in the past and there will be no problems getting the man. It felt so good to hear that, you live long enough and that is how things go around. Living by integrity, honesty and compassion pays off.

There are so many good people working for the company. My wife Sheila did a wonderful job collecting the money. Brad is doing a great job I am so proud of him. My brother Paul, David and Theresa, Linda Muro. They are a really dedicated, good team. I thank them all for what they have done for me, I cannot tell u how wonderful that was.

I had one hell of a career and a great life.