CAPITAL CLUB RADIO INTERVIEW

Capital Club Radio - Special Episode Interview with Walt Collins from the 2017 DBA International Conference

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00:08 Opening: Live from the 2017 DBA International Conference at The Aria Resort Hotel and Casino in Las Vegas. It's time now for a special episode of The Capital Club Radio Show, broadcasting on the Pro Business Channel Networks. This show made possible in part by FLOCK Specialty Finance. And now, here's your host, chairman and CEO of FLOCK Specialty Finance, Michael Flock.

00:37 Michael Flock: We're delighted to be here today with Walt Collins, one of the leaders and icons of the debt buying industry. Walt is the founder of Collins Asset Group. He has a very long history in the industry. He started actually with Collins Financial Services, which was dedicated to charged-off debt purchasing. He started that in 1996. After a successful 25-year career in institutional investments and mortgage banking, he became a founding board member of the Debt Buyer's Association and president of DBA in 1999. He sold CFSI, or Collins Financial Services, to a private equity fund in 2006 but remained active through consulting and board work. He re-entered the industry recently in 2011 by establishing the Collins Asset Group. So, Walt, thank you for coming today.

01:28 Walt Collins: I'm honored, thank you for having the icon.

[laughter]

01:34 WC: That one's hard to accept. But thank you.

01:37 MF: You're one of the examples of a successful debt buyer that has lived through several interesting periods in the transformation and evolution of this industry. And you were so successful when you sold your first company, CFSI, and then I know you had that interim period where you were on the board, and then you just re-entered the industry again. What motivated you to come back in 2011?

02:06 WC: That's an interesting question, Michael. Two things, when I sold the company, I was the only one that got to feast at the trough, my fine people that really what Collins is all about, that's who Collins is, they didn't. They got options and opportunity with the new owner for the next liquidity event. Well, that didn't happen. It took the private equity firm about five and half years to run the company in the ground, and my poor people were now losing jobs and losing the opportunity they were supposed to have. So, pulling my violin out, I came back because of my people, I wanted them to have the opportunity that was lost, that is true. There's another side to that though, and that's reading right to left. When I retired, it was a wonderful situation for me, but I certainly wasn't a Michael Dell. I had enough funds for the retirement, but I retired in a zero interest rate environment, with six kids, eight grand babies, more to come. And so just looking... My goodness, with no returns on my principal, I could wipe out quite a bit of my capital and not have much to leave the kids.

03:37 MF: So even someone as successful as Walt Collins, after a huge deal that you did with the private equity fund, it was partly financial then I guess, personally. And then also, you wanted to share, I guess, proceeds of the future with the team that helped you get where you were.

03:55 WC: Absolutely, and they all have a substantial piece of New Collins.

04:02 MF: But was there any also motivation just because, even though you made a lot of money when you sold CFSI, were you... I wouldn't use the word bored, maybe that's the wrong word. During the transition or in that period where you were consulting, did you question kind of your identity? Well, you had a huge liquidity event, you could lay back comfortably, but did you think that maybe your purpose in life had change, was that part of it?

04:33 WC: You're asking some very interesting questions. Yes, in fact, I would tell folks my life became going to Starbucks in the morning, reading the paper and then going home and resorting my socks.

[laughter]

04:49 MF: Yeah. So you needed a new challenge.

04:52 WC: Yeah. That happened a little too soon for me. I sold the company 62 going on 63. I'm now 72 going on 73. Now, it would have made a lot more sense for me. So yes, I had not lost the drive yet.

05:10 MF: I heard the phrase, "when you retire you expire". And so, perhaps, that summarizes kind of some of your thinking that you really didn't like to be going to Starbucks every day, reorganizing your sock drawer. So, anyway, well welcome back to the industry, and you came back at a really interesting time. 2011, I think, was just sort of the beginning of this onslaught of regulation. And also the supply, it was shrinking, I think, at the time too, partly because of the regulation, but also I think the American consumer during that period had de-leveraged following the crash. So, what was it like starting in 2011 a new company versus back in '96 when you started CFSI? That must have been pretty different.

05:58 WC: Dramatically different, dramatically so. We were doing some interesting things, had opportunities to do interesting things that were really out of the box, non-traditional, some not even truly related to the debt-buying industry that we were doing. And yes, I came back right into the teeth of Dodd-Frank and the CFPB, and that has not been fun. It's made it quite difficult. We were involved in sub-prime lending that we were very comfortable with, but even that came under extreme fire from the CFPB. And so, was that a wise move for me? I tell people, "Once you retire, let no one talk you into coming back." But we are doing some interesting things, and tonight our goal is to be here. We're certainly not what we were in '96 or '06, but doing enough things... Especially on the technology side, that's pretty exciting stuff. So I hope that semi-answered the question.

07:09 MF: Right. Well I want to come back to the new Collins Asset Group in a minute. But I think, because many of our listeners are entrepreneurs and everyone at some point, many, want to have a liquidity event at some point to...

07:25 WC: Sure. Absolutely.

07:25 MF: To monetize their life's worth and investment.

07:28 WC: Absolutely.

07:28 MF: And you monetized it in '06, selling to a private equity fund.

07:32 WC: Right.

07:33 MF: What were the emotions that you went through when you were selling that? You had built up Collins Financial as a really powerful, successful debt-buying company, and you had a strategy to do that. So when you went to sell, what was going through your mind and how did you manage that transition mentally to give up some of your, if not all, I can't remember... You sell all your equity?

08:00 WC: All.

08:00 MF: Okay. But you were still on the board and you're still...

08:03 WC: That was a part of the agreement, I'd stay for a while. And yes, very emotional. The reason for this sale was, and I'm sure you'll remember this, '04 or '05, Wall Street found our industry and were coming in on a big way. Bear Stearns, Goldman, Cargill Finance. My goodness.

08:33 MF: Now I remember.

08:34 WC: I think it was '05 they, quarter of a billion dollars, funded to my competitors, and they were going to follow that up with nearly a half of billion the next year. Well I'm not a Harvard MBA, but I thought, "There go the spreads for a while." And so, many of my peers had a liquidity event. I was one of the last ones. And really up until that moment I really wasn't going to sell, I was just going to stay with it. But I was a principal in an investment banking firm. We sold that company to a powerhouse Wall Street firm in '93. That company, I got to know their M&A fellows quite well, we stayed in touch. And they knew what I was doing, and they kept saying, "If ever you're looking for a liquidity event, keep us in mind," and so I had that relationship. In about mid '05, I called and I said, "You know fellows, I think it's probably time." And it took them about seven, eight months, but they did a very good job, and they sold me on February the 6th of 2006. And so that was the reason. When you sell your baby, and you're letting it go off to college, if you will, perhaps. Yeah, it's not easy. It's not easy. And the new CEO, when he came in, he said, "What kind of transition should we have?" I said, "It should be: You are the coach now, and I go sit in the bleachers. You don't want me on the bench with the team. It won't work."

10:25 MF: Right.

10:25 WC: And so I immediately gave up in that regard. I thought it was best for the firm, and it was. It was. That was why it took place. It was my baby, and so you want to pitch back in but you can't. You can't.

10:43 MF: Yeah. Even as a board member?

10:45 WC: As a board member, yes you can. And certainly, I would if I thought that things were going in the wrong direction, I would absolutely bring that up and explain why I thought the way I did. But the group that had purchased me had their own thoughts on the company, the industry. And so my opinions early on didn't... Just didn't mean that much to them.

11:17 MF: And I want to come back to that. But what were the success factors at Collins Financial that enabled you to monetize and liquidate your equity in a pretty good valuation? What do you attribute your success to of the first company?

11:31 WC: People. People first. We were in a gunslinger environment.

11:37 MF: Okay.

11:38 WC: Not a lot of regulation, Federal Trade Commission was our chief policeman. Their teeth weren't all that sharp back then.

11:43 MF: Right.

11:45 WC: And so, when you have big spreads and not a lot of regulation, you're going to attract a lot of different people. To give credibility to the company as it pertained to dealing with the creditors in the country:

The banks, the finance company and so forth, it's always about people, always about people. It can't be Walt Collins like Bernie Madoff and an accountant sitting on my lap. So that's the world I came from, so I built firewall after firewall after firewall of incredible people with great resumes that the banks would like to have.

12:26 MF: When you say people, do you mean collectors or managers?

12:29 WC: Senior managers.

12:30 MF: Senior managers.

12:31 WC: And we were very selective with collection people, but I'm talking about people like Dr. Gary Wood.

12:37 MF: Right. I know Gary, sure.

12:38 WC: He have two terms now with Federal Reserve Board, that sort of thing. And once I did that, we got the attention of the banks. We became a favored bidder. They were comfortable that we were going to do it right. Next came technology. Those are the two things, people and technology. I am not a tech guy, but I guessed right. I can text you and email you a little bit. But coming from the world I did, I recognized we're going to have hundreds of thousands or millions of $2,000, $3,000, $4,000, $5,000, $10,000 accounts on the books. And if you could push a button and know where Joe Smith is in the grand scheme of things at any given moment, you would have an edge. And then even more important, if you could develop technology that would quickly let you analyze a portfolio before you put capital into that thing and had a good sense of what the returns might be, we had to go there.

13:42 MF: So with technology it's data then?

13:46 WC: Yes. In fact, it may be arguable, but I don't know of anybody that came out, at least came out with technology. We unveiled it at the first DBA meeting. It was quite the rage. Some of the bigs wanted to buy it.

14:04 MF: This was your own system?

14:06 WC: It was called the Collins Debt Scrubber. And what I did was hire PhD, PhD candidates from the University of Texas because there was... It's a new industry. There's nothing on the shelf in the software store. And so, they came in and over a course of time, we built that software and then, of course, every day since, in the last 20 plus years you add to it, add to it. What you're doing with that software is, every time you're hood-winked or make a mistake, you program that out so it can't happen to you again, and after a while you've got a very valuable piece of technology. People and technology.

14:51 MF: People, technology, which includes data. Earlier, before our conversation today, you told me, I think, you were pretty diversified in terms of, I think, the creditor relationships or asset classes. So diversity, or maybe it's the strategy that you put in place, was that what you were implying?

15:10 WC: Yes, but I will tell you, those things develop with time. Your strategy comes over the course of time. You start out with a strategy and then you change it, as you should, as things develop. But the strength of the company, people, technology, was then the vast diversification of our portfolios. There is not a consumer asset class that we haven't made very large purchases of, track all that data, track the recoveries. And so, we were never glued to any particular asset. If we didn't like the price of the credit cards, we could go to auto deficiencies or broken apartment leases or Bally's Health Spa contracts and on and on and on, all of the consumer assets you can think of. And so, that was a monumental strength. We could go where the best price was, and we knew what that was. And so that served us extremely well.

16:24 MF: Because you were diversified?

16:25 WC: Absolutely.

16:26 MF: So you weren't putting all of your eggs in one basket.

16:28 WC: Nope. Absolutely.

16:29 MF: Okay, so those were the factors of success of Collins Financial. You sold it to the private equity fund, and I know that there were some problems, and I think our listeners would be interested in this because most of them are entrepreneurs. So what happened? Because, from '06 I think to, was it '10 or '11, the company went into a decline.

16:49 WC: Yes.

16:50 MF: Could you comment on what changed.

16:52 WC: Sure. First let me say, the private equity firm, wonderful people, good people. People that they brought in, good people. Their philosophies changed the makeup of the company, and in my view, and it became evident, that they were giving up the strength, the very strength that made the company. I believe that they were trying to take it too quick to another level.

17:25 MF: Growing too fast.

17:26 WC: Too fast, and they were focused on one particular aspect of the market that was dominated by all the bigs.

17:37 MF: What? You mean credit card or...

17:39 WC: Let's say fresh credit cards. And my comment in a Board meeting was, "We're giving up the strength of the company going one dimensional and that could be taking a QE2 into a box canyon and if you're wrong, you're never going to turn that thing because you've changed the entire culture of the company. Unfortunately, I was right and it did happen, and good people, I know why they were doing what they were doing, their strategy, they lost. They lost.

18:14 MF: That's a pretty radical change, and obviously, you probably didn't anticipate that when you sold to them.

18:19 WC: No, I really did not. There was a lot of things. [chuckle] When you sell a company... A private equity firm buys you because they see a company with potential, but not being properly managed. Or they see one that has all the potential, is properly managed, and they want to take it to the next level, and that was us, but our industry requires a certain mindset and background. A commercial banker doesn't necessarily make a great collection company CEO. And so, those were the mistakes, in my view, that were made. Wonderful people across the board, I would never say anything derogatory about them, personally. The business decisions just didn't work.

19:22 MF: Well, it's actually shocking, because in our middle market, most middle market debt buyers have niches that they're good at, or they have special relationships that enable them to buy debt outside the giant auctions, like Encore and PRA.

19:39 WC: I respect that, I respect that.

19:41 MF: And that's probably... You were diversified, so you weren't in all the big auctions by definition, and to go from that business model to one where you're focused on fresh credit card? I mean, that's where all the big players compete.

19:56 WC: I suggested that they would run the prices up on them to take them out, and I was told that that wouldn't happen, and they had their own contacts and so forth, but it did. It immediately happened.

20:10 MF: So, pretty big lessons learned then, from when you're selling your company, I guess you would say in retrospect, make sure that you know what the strategy is of the new buyer, especially if you're gonna stay on the board, if you leave any equity, and I know you didn't.

20:25 WC: If you care about your people, yes. If it's just a liquidity event for yourself, it wouldn't matter.

20:31 MF: It wouldn't matter.

20:32 WC: But I do care about them.

20:33 MF: You care about the people, and interesting, Walt. So then I guess, fast-forward to 2011. So you got back in once... Was there any particular magic in that date?

20:47 WC: It was six months after the private equity firm threw the keys on the table.

20:54 MF: Okay, all right. So your non-compete then didn't matter? I guess you probably had a non-compete, but by then it didn't matter.

21:02 WC: All they wanted was to lick their wounds and go away. And so there sat, really, and they had changed the name, which I had so many calls from law firms and folks in the industry saying, "Collins, your name is Scotch Tape. What are they doing?" [chuckle] Well, they bought the company, they can call it whatever they want. They did.

21:26 MF: So you recapitalized... You started a new company, you capitalized it with... Was it your own equity then, and Collins Asset Group?

21:34 WC: And kind of an interesting start-up. There was a major league company that helped make that decision for me, and they were involved heavily, and then CFPB and Dodd-Frank got them too. So I was just coming back to ride in the wagon, come to the conference, be here with you all, and that would be my role. Well, I would ride in the wagon, but I am now pushing and pulling the damn thing.

22:08 MF: Well, you brought your son in too. Isn't he part of the team?

22:11 WC: I did. He's president. Very interesting man. I so respect him, his ethics, morality, and his intelligence. He was going to be a minister and work in Africa as a missionary. It was going to be Angola first, made it all the way to Portugal, stayed there several months learning the language, culture, because it's a Portuguese colony. Civil war breaks out within two weeks from when he's supposed to go, and State Department puts a stop on it, so I said, "Well, come... I've started this company called Collins Asset Group, it's a new industry. Come on back. I don't care if you pour coffee, just come home until this straightens out." He stayed. He learned the business completely. He did missionary work and ministry work in the States and in our town in particular, and he just learned the business inside and out. Went off on his own, raised his own capital. There wasn't an aspect of the industry that he didn't fully understand, and then, we came back together when we bought this company back.

23:31 MF: That's a great story. I mean, you start out as an African missionary and you end up in debt buying.

23:37 WC: And now you're a collector in a debt-buying...

[chuckle]

23:39 MF: And you're a collector in debt buying. Totally different.

23:43 WC: Legitimately, he definitely treats people with dignity and respect, demands that of collectors.

23:49 MF: That's a really powerful theme here, as we connect the dots in this conversation, Walt, that treating people with dignity and respect, whether it's a collector, or your manager, I guess your creditor, your investor.

24:01 WC: That was our moto from day one. We also had incredible legal guidance. Just by sheer luck, Manny Newburger was so instrumental.

24:14 MF: Yeah, we've used Manny.

24:15 WC: In keeping us going in the right direction. And frankly, I learned of this fellow, Manny Newburger, and he was so respected he can walk both sides of the street. He'll defend the creditor, he'll defend the debtor, the consumer. And so I wanted him on my side and he happened to live in Austin, Texas.

24:35 MF: Mm-hmm.

24:35 WC: So I called and met with him. He spent a good 30 minutes telling me how foolish I was entering this industry, this budding new industry with the regulations, and he went on and on and on.

24:51 MF: Mm-hmm.

24:52 WC: I was sinking into my shoes, and he said, "But you know Collins, if you'll listen to me, I'm just telling you all about the risk. If you listen to me and don't take some risk, you won't even open up a lemonade stand." That was my first go around with Manny.

25:06 MF: Okay.

25:07 WC: And then Manny trained our collectors. Manny... All of our compliance... There wasn't anything written that was put in an envelope that Manny didn't bless. And so we owe Manny an awful lot for our success.

25:20 MF: Right. That's another example of a relationship. A person that made a big difference in your company in going forward. So Walt, how did you get through some of these tough times, because you had four or five years there in that period with the private equity fund that was kind of destroying a lot, maybe unintentionally obviously, the value though in the baby the Collins Financial that you've built, how did you deal with all that adversity?

25:49 WC: It was difficult. It was difficult and I pushed back and started to... I was helping others in the industry, doing some consulting, and I just had to push back and not be as involved. In fact, they had me as chairman, and then I got out of that. As the company was really struggling, they asked me to come back as CEO and I wouldn't do that, but I agreed to come back as a consultant. And I was really going to help them sell the company, and I had a couple of offers from some of the bigs, and I just couldn't...

26:36 MF: Is that when Trish Baxter was the interim CEO? And she had been your general counsel.

26:41 WC: Yes. Trish is just wonderful. She's so talented and such a wonderful person.

26:47 MF: And then I think recently, you've also had some personal challenges and... With your wife being a... She's now a cancer survivor, but there was a time...

26:58 WC: A transplant survivor.

27:00 MF: Right.

27:00 WC: Transplant survivor, it wasn't cancer. She...

27:04 MF: Oh, I'm sorry. I thought that was the cause of it.

27:07 WC: No, it'll be eight and a half years ago, she was diagnosed with epilepsy and it got pretty severe with seizures, and so she was on some pretty harsh meds, harsh to the liver, for a number of years. She really started going down in 2013, '14 was really getting bad, and the internists missed it. They said it had to be hormonal because all of the organs looked fine. Well, they missed it. And so then we're trying to get hormone replacement, which makes you more seizure, stroke prone, so we couldn't... Nobody... I was going to fly her to Poland at one time. Well, finally in January of '15 it hit. It was a deteriorated liver, and it was gone. It was stage four, five. It had been missed and now we know. And so throughout 2015 she had little to no hope. She had depleted so badly. She got down to 68, 69 pounds. They couldn't operate. Finally got her on a list but on hold, and we... I was in touch with hospice. It was just really no hope. And a miracle occurred. A miracle occurred. If you want to hear that I'll tell you real quick.

28:31 MF: Yes, so the miracle, was it you found what the right kind of liver transplant...

28:35 WC: We were leaving the Texas Liver Institute, the Austin, Texas branch, and I talked to the doctors, and they said, "Yes, you really have to get with hospice, you're not going to keep her around much longer." And on the way home... And we had been going to the university hospital in San Antonio, the transplant center, they're incredible, we'd been in and out of there for a year. And the phone rings in my vehicle and we're almost home and I don't know what I'm... I'm kind of half out of my mind because it's over for her, and the voice comes through asking for her. It's University Hospital. I said, "Well, she's here. She can hear you." "We have a liver for you and we need your acceptance. Yes, or no, right now." I almost fell out of the truck. Her little bug eyes bugged bigger. I said, "Say yes." She said, "Yes, I accept". "Can you be here within three hours?" I said, "Absolutely." So we raced to San Antonio. We had an incredible surgeon that we had met along the way that was going to be her surgeon, Dr. Fransisco Cigarroa. He's renowned. He was a chancellor at University of Texas. And so they, once there, they looked head to toe, and he turned to me and he said, "Walt, I would never recommend it if I didn't think it was possible." But he said, "We're going lose her, and were going to lose the liver."

30:00 MF: Mm-hmm.

30:00 WC: She signed additional waivers and off we went. Now the miracle, and it's a sad story, somewhere in the many hundred-mile radius in that region, and I'm not supposed to know this but I do, a child had died. And due to the blood type, all the people in front of her couldn't use that organ. And I guess the computer popped her up as the best candidate. And so then, as they're wheeling her off, the doctor said, "Don't be concerned if this goes beyond eight hours." And I'm alone... And now it's midnight, and I'm alone in this elaborate waiting room. And at 1:45 the door opens and here comes a surgeon. And I drop my head and I said, "She died, she died, she died." I look back up, he's got a big grin. He comes over, bear hugs me. I fight out of the bear hug. I say, "What the hell's going on doctor?" He said, "I'm done." "The transplant?" He said, "Oh yeah." He said, "Oh, my team will take another hour or so to close up, but it could not have gone more perfectly." And so in two hours and 45 minutes, she had a miracle occur, and we just did our one-year check up in November. They're calling her poster girl and she is now out doing charitable things, trying to help people that are going through that.

31:28 MF: Wow, what a moving story Walt.

31:29 WC: Hope I didn't...

31:31 MF: It's an incredible miracle so...

31:33 WC: It changed me.

31:36 MF: So the lesson learned there is, what? Perseverance, never giving up?

31:39 WC: Yeah.

31:40 MF: Prayer or spiritual faith?

31:43 WC: Yeah, absolutely. When I look back, talk about being blessed. I could be with her every step of the way. I didn't have to be at an office. It'd be nice if I was there, but I could operate out of hotel rooms, out of hospital rooms, and so we were very blessed that I could be right by her side the entire way and I never for a second thought that it was burdensome. That was what my role was and what I was going to do, and I was going be with her no matter what, through everything, and I studied. I wasn't a doctor, but I could talk to every doctor that came in, and I knew what was going on, what they were putting in her, what the procedures were and so we were blessed for that. And I didn't think I could get any closer to my little wife ever. And after that year, we're even closer than I ever imagined we could be.

32:48 MF: Wow. That's outstanding. So your words of wisdom then to the listeners is keep praying, keep trying.

32:55 WC: Absolutely.

32:56 MF: Don't ever give up?

32:56 WC: Absolutely.

32:57 MF: You can be so close to victory, you just can't see it. It's right around the door.

33:01 WC: Yes.

33:03 MF: Does that apply to business as well as personal?

33:05 WC: Without a doubt, without a doubt.

33:07 MF: In the outlook for Collins Asset Group now, for '17 and beyond, what's your prediction?

33:13 WC: Another interesting question. We're so not the firm we once were, and we're doing some very out-of-the-box things. Some with technology that pertains to the medical world and insurance companies, and we've gotten more heavily involved in the lending side. We have not purchased a traditional asset in over three years. Very heavy in an arena that we absolutely had no background in and that's in mortgage product.

33:53 MF: But you've got a background in mortgages.

33:55 WC: Yes, but mine's pretty dated. Mine is very dated.

33:57 MF: Okay.

34:00 WC: And I was a mortgage-backed securities analyst and trader, but that was well over 20 years ago, so it's changed. But we are doing some very interesting things, and we no longer can say we know that we're going have these returns. It's new. It's new. We do very, very deep due diligence, and then we know we're not the smartest people on the planet. So then we farm out any new product to our attorney network nationwide and have them review and their laws, and once everybody is shaking their head yes, then we go forward. But if you were going to fund me on one of these transactions, you would say give me three years of history and I can't do that. So I don't know where... God willing, the programs we're involved in will work. If they don't, I'll be the little old guy greeting you at Walmart.

35:05 MF: So it sounds like you're just going take it one step at a time in some of these asset classes?

35:09 WC: Yes. We have a few paths we're going down, and so we have to be careful about not having too many projects.

35:22 MF: Right. But are you still going want to diversify like you did with Collins Financial at some point?

35:26 WC: Yeah, and we are. We are, but doing it in completely different arenas. We...

35:36 MF: So it won't be credit card or traditional asset classes.

35:41 WC: We would love for that to come back, but right now we will not pay the price.

35:45 MF: Right.

35:46 WC: We don't know how you can make money at these prices. We would love to see that come back. But, no, everything that we are doing is something that was never done in our industry. The technology that provides the law firms the information necessary to go to court and sue insurance companies under their prompt pay laws of that state. An incredible technology that my guys have developed. Entirely different, it's not even on the same planet as debt buying, things like that.

36:21 MF: But you're probably still going to leverage the success factors that made you pretty successful with Collins Financial.

36:28 WC: Sure.

36:28 MF: The people, the values of treating people well.

36:31 WC: Oh yes, absolutely.

36:32 MF: Leveraging technology...

36:34 WC: Yeah. We're still contacting a lot of debtors. Don't get me wrong. And somebody would say, "Oh, Roger Neustadt." Roger was RGC at one time, and I'm very close to Roger. We were talking today about that very thing. He was asking me, "Are any of your old people with you?" I said, "The whole company is my old people."

36:58 MF: Oh really? Okay, I didn't realize... All the same folks.

37:00 WC: The vast majority of seniors all the way down to collectors.

37:06 MF: Well, that's a competitive advantage. Just because of that expertise and that history. And the culture that you created, now you're bringing back.

37:13 WC: It is. And that is who Collins is. People say, "Well, my goodness, you're almost 73. What will happen if you're gone?" I say, "It'll run a heck of a lot better. I'll get out of their hair. They're the professionals."

37:27 MF: But you've created a culture that will live beyond you.

37:30 WC: Yeah.

37:31 MF: And now you've got your son there.

37:32 WC: Right. And Mike Crossan, my partner and operations officer, incredibly talented. Chick Natkins, general counsel, maybe only a half-step behind Manny Newburger in Fair Debt Protection Practices Act laws. I mean he's phenomenal, phenomenal...

37:48 MF: Well, Walt, this has been a really fascinating conversation this afternoon. Are there any summary kind of lessons you would like to share with our listeners as we conclude?

37:58 WC: We've touched on them. I'm a diversification guy, and I'm going to stick with it. If you're going to go in a direction, until you realize you made a serious mistake, give it some time. Work at it. Keep pressing. Stay on track, and not everything works. And you have to know when you finally hit a wall, but you don't to give up too soon. And I see that quite a bit at times in folks in business. And really, that's it. Stay with it, and God knows, say some prayers too, because they can come true.

38:34 MF: Well, this has been great. So the lessons that I'm leaving with Walt are, again, treat your people fairly. Treat them with dignity, leverage technology, diversify your assets strategy, and then lastly, the perseverance. The perseverance both personally, and that story of your wife is incredible, and then perseverance with your business. You know, kind of rebuilding the company that you started that was in deep, deep trouble. You stuck with it, and you went back to your core principles and your core values, and the people that made you great in this industry.

39:08 WC: And I will give you one more that I forgot. And it's incredibly important. Pay your people. Let them be a part of the company.

39:16 MF: Okay.

39:16 WC: Let them have options. Let them seriously be a partner with you. I can't tell you how much that means.

39:24 MF: Partner with the stock options.

39:26 WC: The only reason someone would leave me is because they want to be a pilot. Not because they're going to be an operations officer, or whatever for another firm. They're all part of it, and that's why it can be a Saturday, I go in and somebody's there catching up and they're not... It's their baby too. If you can do that, you will keep great people.

39:49 MF: Well, on that final note, Walt. Thank you very much for your time today.

39:51 WC: I'm so flattered.

39:52 MF: We look forward to hearing about this great success of Collins Asset Group in the future.

39:57 WC: Thank you so much for having me.

[music]

40:07 Closing: We want to thank you for listening to this special episode of The Capital Club Radio Show. With your host, Michael Flock, and his guests live from the 2017 DBA International Conference at the Aria Resort

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