

# John P. Calamos Sr.

## Sky's the Limit for This Greek Immigrant Son

Ask John Calamos about his crowning achievement and he won't say it was flying 900 successful combat missions — often under enemy fire — during his 1968 tour of duty in Vietnam. Or writing two books about convertible securities. Or building one of the most successful investment firms in the country. Or being a billionaire.

Nope. He'll tell you it was graduating from USAF Flight School at Webb Air Force Base in Big Spring, Texas. "There were more than 60 in that class — many of them from the Air Force Academy — and only about half of us graduated," he says. "I was just this kid from the West Side with a finance and philosophy degree. I'd never been out of Chicago and I sure didn't know anything about airplanes or flying.

"Yet one year after entering flight school, I was flying supersonic jets in formation. It was amazing what the Air Force taught us."

The 65-year-old veteran isn't flying supersonic today, but he gets close. John is certified to fly Beechjets, Learjets and MU-300, and is working on his Citation X certification. He keeps in his hangar at DuPage (Ill.) County Airport a fleet of three planes: a Citation X (capable of speeds up to 0.92 Mach), a Marchetti SF 260 and a T-6. While one of his four captains, Terry Williams, pilots the Citation, John has logged roughly 150 hours during the past few years as a pilot — mostly in the Marchetti.

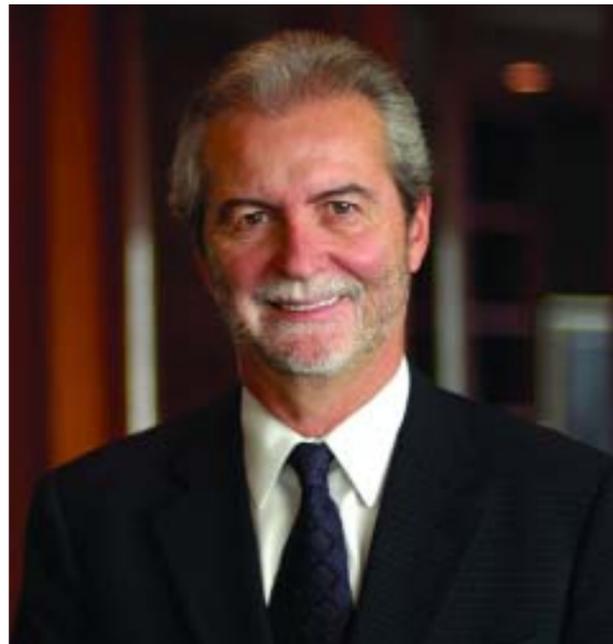
"It reminds me of a military jet," he says. "Although a light airplane, it's extremely maneuverable with a stick and is a war bird with military characteristics. I've even taken it down a couple of times to Lakeland, Florida, for the Sun & Fun Festival to fly some (two-plane) formations."

Flying is something of a family affair for John. He fondly remembers taking his son

and daughter on cross-country trips in his first plane, a Grumman Tiger. And daughter Laura soloed when she was 17, though she never pursued her pilot's license.

"Just like my daughter, she said 'OK, Dad. I soloed. Now let's go do something else,'" John recalls.

The Calamos family has since grown to include three grandchildren and the



Grumman Tiger has been replaced by the Citation X (used extensively for John's busy business schedule around the United States and Europe), but John still loves to fly his family to Aspen for a Christmas vacation. And his favorite excursion, no doubt left over from his flight school days, is through the mountains.

"I love flying my Marchetti low-level through the Rockies down to Las Vegas," John says. It reminds me of flying the A-37 jet fighter. You're going up and down with the mountains, through valleys and over peaks. It's a wonderful experience! And it does make you pay attention."

The soft-spoken, but clearly intense Calamos still has a fighter pilot's lean build

— 5' 11" and 180 pounds — and looks as though he could fit into his Air Force uniform with few alterations. And his admiration for the Air Force is still strong.

Indeed, you see a lot of John's pilot training in the approach he and his team take at his company, Calamos Investments: scrutinize what's going on in the world around them, attempt to understand the risks of every business or investment decision — and do what can be done to manage those risks. It was just that discipline that helped John build one of the country's best asset management firms.

"Investing is a lot like flying. You can't avoid risk. But to succeed you must manage it," John says.

John founded Calamos Investments with a partner in 1977, though his first brush with investing came 21 years earlier. At 16, he persuaded his parents to allow him to invest their nest egg: \$5,000 in war bonds and silver dollars. Eschewing a hot tip from a cousin for a TV-maker that eventually went bankrupt, John says he painstakingly studied several companies and eventually bought stock in three: Texas Instruments, Beckman Instruments (now Beckman Coulter) and Thiokol Chemical (now Alcoa Industrial Components).

By the time John graduated from the Illinois Institute of Technology in 1965, the investment had increased in value and provided his parents with a substantial part of their retirement income. Equally important, it proved to John that research was the key to investing success.

When his Vietnam tour was over, John was stationed at the air force base in Minot, N. D. He flew B-52 bombers there ("practicing for WWII"), but renewed his studies of financial markets during his spare



Calamos with his fleet of three

time. It was during this period that his fascination grew with convertible bonds and their rather unique characteristic: convertibles are purchased as interest-paying bonds, but can be exchanged for common stock at a later date. During the 1970s, when the stock market was going nowhere fast, these convertible securities — if chosen and managed carefully — seemed to offer a promising, risk-adjusted return.

After leaving active duty in the Air Force, John switched to part-time pilot and full-time investor, serving 11 years as an A-37 fighter pilot in the USAF Reserves on weekends. He began work as a stockbroker, and later established Calamos Investments, with convertible bonds as his core offering. The same attention to detail, commitment to performing well and preserving capital that he promised his par-

ents is obvious in his company today. Less than 30 years later, John's Naperville, Ill.-based Calamos Asset Management, Inc. (Nasdaq: CLMS) has more than \$41 billion under management. Its Calamos Growth Fund has earned first place on the Forbes Magazine Mutual Fund Honor Roll each of the last three years.

The growth of the company has allowed John to pursue a new passion: philanthropy. As you'd expect from the son of Greek immigrants, John puts a premium on education and family. He was the first in the family to attend college and the first to earn a post-graduate degree (MBA from IIT). Today he's a trustee at both his alma mater and nearby Benedictine University. Most recently, he set up the John P. Calamos Foundation. Among its first contributions: \$2 million to Chicago's new

Hellenic Museum and Cultural Center. The 40,000 square-foot, \$15 million facility will be built in Chicago's Greek Town neighborhood and is scheduled to open in March 2008.

"Greek immigrants, like my parents, were excited about coming to the United States. My father started a grocery store on Chicago's West Side and everyone in the family worked — often around-the-clock — to make a contribution," John says. "I'd like to help honor those people and the Hellenic Museum and Cultural Center will showcase our Greek heritage and help preserve the culture that those earlier generations worked so hard to create."

And no doubt convince some other young man or woman who's never been out of Chicago that, with a pilot's discipline, the sky is the limit. ✕