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A silver tongue turned to gold: He took \$108 and parlayed it into an empire

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Suresh "\*\*Steve\*\*" \*Gupta\* preferred Hollywood to Bollywood growing up in a small city some 150 miles outside New Delhi.

"In India during the 1950s, the English-language movies were shown in cinemas on Sundays," said Steve in an interview in Toronto. "I loved Rock Hudson movies, the cars, the dreams and everything about America. I always wanted to go to the States, but I got in here."

His love of American culture inspired him to become a singer and to master the English language. His father discouraged his budding musical career. But his silver tongue turned to gold, allowing him to cash in immediately after immigrating to Toronto -- 33 years ago with \$108 in his pocket -- by selling record amounts of insurance door to door.

After dabbling in real estate for seven years, he then graduated into full-time entrepreneurship and began to master the art of leverage, or using other peoples' money to make his own.

The result is an exceptional business career, building a real estate and hospitality empire with tens of millions of dollars in annual revenues.

By the 1980s, his private company, Easton's Group of Companies, owned as many as 7,000 apartments in Toronto but now it mostly develops and operates hotels and other tourism businesses from gas bars to restaurants. Easton's Group employs 500 people and now has \$400-million in hotel and other projects under way.

"Everybody gets opportunities but most people don't take them. I just don't understand. I always take them. God gives you

opportunities. They are gifts and I take advantage of them," he explains. "I'm also an optimist and I always knew I'd live in a big house and drive a big car."

Some of Steve's business partners have fallen along the way, during his rocket ride to riches, due to fear, distraction, procrastination and pessimism. Steve exhibits none of these traits; instead, he has a positive, joyous attitude about life and business that's infectious.

He mastered the difficult task of selling insurance to strangers by knocking on doors through a combination of drive and moxie.

"I would give them a small gift and they would open the door," he said. "After that, insurance just made a lot of sense for these people to have."

In no time, Steve became the top premium producer and he won a first-class trip to a sales conference in San Diego.

Never one to miss a beat, he cashed in his first-class ticket so that he and his wife could make a holiday of it.

Steve comes by his business acumen honestly. He grew up in a prosperous family supported by his father's successful construction business.

"My father was very upset when I immigrated to Canada," he says. "Now my whole family and most of the friends I grew up with are here. All are living in nice homes and driving nice cars. They have all done very well."

Steve's big break came in 1978 when he was told about a lucrative gas station and restaurant business that was for sale along the Highway 401, west of Toronto.

The pricetag was \$1.3-million, with \$300,000 down. He had only \$15,000 in the bank, and owned two houses, including the one in which he and his family lived.

He mortgaged his properties, borrowed more and raised \$66,000 and ended up buying the business for \$950,000 with just \$220,000 down.

Then he took in two partners.

For the next two years, he worked six days a week, 12 hours a day

with his partners until they fell along the way and he bought them out.

The business, which he still owns, became a bonanza.

He doubled diesel sales within a year by getting a list of Quebec trucking clients who had not been gassing up at his station for the Toronto-Montreal run. He negotiated a better deal with Texaco Canada, the franchisee at the time.

He organized a plebiscite campaign in the municipality to be able to serve liquor in his restaurants.

He greatly improved his fast food outlets by bringing in brand name entities.

He then built a hotel nearby to cash in on the volume of traffic that his service island was generating.

Now he owns five hotels and has another under construction. The original gasoline bar, in Port Hope, Ont., is probably Canada's biggest operation by gallonage.

In 1983, he began buying apartment buildings and flipping them.

In 1986, he and others took advantage of the wholesale divestiture of the Canada Deposit Insurance Corporation, which had seized thousands of apartments that had been bought by trust companies that were controlled by Peter Pocklington and Leonard Rosenberg.

"I worked out the figures until 4.30 a.m. the day I learned about the first apartments. I had to make an offer by 11 a.m. the next day and was picked up at 6 a.m. by car to inspect the properties," he recalls.

"At 11 a.m. I made an offer for \$59.7-million for 2,500 apartments."

The second deal totaled \$209-million and involved 5,627 apartments. Steve took 25% of the deal with two partners and the three doubled their money in a few years.

Now he concentrates on his hotel portfolio and managing the huge cash flow from his existing businesses. Easton's is now as big as many public companies, but Steve is disinclined to go public.

"It's up to my kids," he said. "We could leverage ourselves but would lose control."

Named Company of the Year by Hotelier Magazine, Easton's business model -- they own Marriotts, Quality Inns and Comfort Inns -- is based on Steve's simple adage, "Underpromise and over service."

He and his wife design the hotel rooms with a view toward providing "four-star quality at three-star prices." His moderate franchises are American brands because, as he says, "the Americans are best at branding, so why not use them?"

Two of his four children are now directly involved in the business and he credits much of his success to his wife who tolerates his form of mild workaholism.

Very wealthy these days, Steve is not one to take up golf or bridge, but still works tirelessly on deals and projects. He is also involved in philanthropy.

He has paid for 10,000 cataract operations for people in his native India and also finances the installation of washroom facilities in rural schools so that parents have no misgivings about sending their daughters for an education.

"Without eyesight, people can't do anything in poor countries," he said. "It's a really simple thing to do."

Steve has always been one of those rare persons with an inner compass, based on a form of spirituality.

"Success is a journey, not a destination."

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Leverage master.

