

FINAL



HEARTHSTONE

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James Z. Pugash
1951-2006

JAMES Z. PUGASH 1951-2006,
NATIONAL REAL ESTATE FINANCE PIONEER
AND PHILANTHROPIST

Rhodes Scholar, graduate of Yale and Harvard Law, co-founded nation's largest institutional investor in residential development.

SAN RAFAEL, CA – **James Z. Pugash**, real estate finance pioneer, innovator, philanthropist, and co-founder / chairman of **Hearthstone** – the nation's largest institutional investor in residential development projects – has died. He was 55.

Surrounded by his family, Mr. Pugash passed away peacefully on Wednesday, September 20 at his estate in Sonoma Valley as a result of his battle with pancreatic cancer. He is survived by his wife, Stephanie, sons Anderson and Tobin, daughter Alison, and sisters Meryl L. Bralower and Melissa J. Pugash. Services were held Sunday, September 24 in Sonoma.

Born in Buffalo, New York in 1951, Mr. Pugash received his undergraduate degree in economics from **Yale College**, where he was research assistant to **James Tobin, Nobel Laureate in economics**. He graduated from the **Harvard Law School**, where he was editor-in-chief of the Harvard Environmental Law Review. He earned a masters degree from **Oxford University**, where he studied as a **Rhodes Scholar**.

During the early 1990s, Mr. Pugash pioneered the concept of using pension fund money to finance moderately priced, for-profit housing in the U.S. Under Mr. Pugash's leadership, **Hearthstone** became the first, and today remains the largest institutional equity investor committed to residential development projects in the United States.

Pugash persuaded financial giants including the California Public Employees Retirement System (CalPERS) and Bank of America, to invest in residential home building with **Hearthstone** managing the funds. **Hearthstone** now has more than \$11 billion committed to the home building industry, financing more than 450 communities in 80 markets in 25 states representing 40 builders and nearly 90,000 homes and lots. **Hearthstone** continues to actively manage a substantial source of investment capital from public and private pension plans, university endowments, Fortune 100 companies and large private trusts.

Prior to **Hearthstone**, Mr. Pugash was a Special Limited Partner of Montgomery Securities, managing the firm's real estate activities. Prior to that he served as Vice President of Occidental

Petroleum and Executive Assistant to **Dr. Armand Hammer**, Chairman of the Board. Early in his career he served as Counsel to the United States Senate Committee on Energy and Natural Resources.

Pugash was a member of the **Mortgage Roundtable of the National Association of Homebuilders**, the **Policy Advisory Board to the Harvard Joint Center for Housing Studies** and the **Real Estate Advisory Board of the University of California at Berkeley**. He served on the Construction Industry Dispute Resolution Task Force of the California State Senate, the Special Advisory Committee to the California State Senate on the Orange County Bankruptcy and the New Haven Investment Committee of Yale University.

In 1999, his firm became lead sponsor of the **Hearthstone BUILDER Humanitarian Award**, given annually to homebuilders who have made significant contributions to non-profit community service. Mr. Pugash was founding chairman of the **Homebuilding Community Foundation**, a non-profit organization promoting charitable giving by members of the homebuilding industry. He was also on the **Board of Jazz Aspen Snowmass**, a Board Member for **Homes for Working Families** and a member of the **Yale University Endowment Campaign Committee**.

During the last decade, Mr. Pugash along with his wife Stephanie became more actively involved in charitable causes. Pugash was an accomplished pianist and his love of music inspired him to **found Sonoma Jazz + and serve as Chairman of the Board**. Sonoma Jazz + is a world class annual festival of music, food, and wine in California's Wine Country, raising funds to support education and health related organizations. Mr. Pugash's most recent philanthropic project was focused on affordable housing initiatives.

In lieu of flowers, contributions can be made in memory of James Pugash to the Pugash Family Fund, care of the Greater Houston Community Foundation, www.ghcf.org. Donations can be directed to pancreatic cancer research, affordable housing initiatives, or Sonoma Jazz +.

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Company profile: <http://members.cox.net/davidkusumoto/hearthstone-profile.doc/>

General information: <http://www.hearthstone.com/>