



IFA USA History: Interview with John Nicolai

Steven Cohen:

My name is Steve Cohen. I'm here today as part of a legacy program that IFA USA has taken on and we've met with a number of people that have contributed to IFA, none less so than today's interviewee John Nicolai. I got to know John first as a competitor, a colleague, and ultimately a friend, and we continue that even though we were both past our original roles in our professional career. So this is great, John, that we're both in the same city, even though we're on Zoom and we get to talk a bit about your contributions to IFA. John has served IFA in many roles throughout his life and his impressive career, not the least of which was the chairman of the organizing committee for only the third world Congress that IFA put on in the United States.

Now there's been a fourth with Ken Makovic in Boston, but at the time in 2001, John was third chair of an IFA worldwide Congress and there's a number of other roles, but I thought that one in particular is noteworthy. John was born and educated in San Francisco, so he's a native [inaudible] I'm not. He went to college at the University of San Francisco, which is a major university here in town, and he is currently the chairman of the board of the school that he went to back in the, I believe it was in the late 1960s. And then in the late 60s, while he was there, he also took a year off and went to the University in Rome to study at the Loyola Rome campus majored with a study in art history.

Currently John also serves on the board of trustees of the Rome Center of Loyola, it's another piece of responsibility. Before that he, Oh, I should say during that, he's also earned a position as a Knight of Malta. John, we don't have the time to hear all about it, but I know it's quite impressive and that lead goes back quite a few years. So graduating at the end of 1970, and interrupt me, John, if I get something wrong here, but graduating at the end of 1971, with a degree in accounting from school, he started off working for about two years with the company US leasing company. And after that accepted an offer from Ernst and Ernst, currently known as Ernst and Young, for a direct assignment into their tax department. And for the first several years in those early 70s John was serving mostly domestic clients and somewhere in the process began, and this is really the history of international tax, began taking on more and more international tax client responsibilities.

By 1979 or 1980 he was responsible for the worldwide tax planning for a number of multinational clients, including a major worldwide company based in France. You might pick up there John, to tell us about your beginnings in international and how you were noticed by the people in New York as well.

John Nicolai:

Well thanks, Steve. Thanks for the introduction. The only thing I correct is I didn't take a year off and go to Europe. I actually went to Europe and studied for a year, very hard there, even though it was not in the field of accounting. It did enter into how I ended up doing what I am doing or have been doing for the last 40 years. It contributed greatly in my career. And ironically, some of my friends that went to Loyola today, one of them being an ambassador, a former US



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ambassador would say the same. A few others that are former CEOs of major fortune 500 companies also attribute a lot to really what started them on a global view [inaudible] time they spent in Rome and Europe. And being in a very tight knit group of people that for the first time, we were thrown into a culture that was very unusual for each one of us but...

Steven Cohen: And you learn to speak a little Italian.

John Nicolai: I still speak a little Italian. I actually spoke pretty good Italian when I was there. They used to say, when you start dreaming an Italian, then you're speaking, and having some dreams in Italian, but those days you have to get back there and really use a language like anything [inaudible] but it's a fabulous language. Someday, maybe post COVID I can get back there again. It was one of the factors that helped me find the international world that every time I was in Europe and had a weekend off, somehow we found ourself heading to Rome if we could. So [crosstalk] anyway I moved into Ernst and Ernst at the time. We had a huge tax department of probably five people, I think, if we even had five, it was the auditor sent their leftovers.

And so that's how I started in the field. But tax back then was really evolving with lots of new legislation, very complex area. And as you mentioned, New York, it seemed like all the firms had all their international work done in New York. The firms being the big aid at that time. I think there was one practitioner that I knew that Ernst and Ernst back then, Carl Loreen who was an outlier in, as a history that you can read about someday, but Carl is a legend going back in IFA. And he worked out of Los Angeles of all places but was pretty much by himself out there. Not many people want to tangle with Carl [inaudible] find out. But I started working on clients and decided really to start reading more and asking a lot of questions of people in New York as to the international side of the taxation of some of the issues that these companies had.

And as you mentioned, I did work on a couple of large French multinationals and some US domestic companies, and one little British oil company that was starting up in Alaska and had no operations in the US to speak of, other than a place in New York, and a holding company in San Francisco. So I started working closely with them. So from that, I found my way in New York more than a couple of times in the late 90s, early 80s, and with good fortune ran across the person that ran our international tax practice for Ernst and Ernst back then. At that point, we were called Ernst and Whinney. And his name was Mike Kenny and Mike became, really one of my first mentors who help me guide me through my career at Ernst & Young. Mike, at that time was very avid contributor to IFA.

He had been on the executive committee in 1986, he actually was the general secretary for the US Congress in 1986. And back in, I think it was 1982, he said to me that'd be a good idea if I went to a branch meeting and joined IFA, USA branch. And ironically, it made it easy. That meeting was the first meeting we've



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ever had on the West Coast and it was in Los Angeles. So I agreed to join the IFA US branch and at that time you needed two signatures of IFA members to actually be admitted to the membership. It's not as hard today, but the two people that signed my application was Mike Kenny and Carl Loreen. Carl didn't like competition in San Francisco but he kind of took a liking to me. He never screamed at me, but [crosstalk] became a very good friend and helped me in many ways through some tough international tax issues that really didn't have a lot of answers back then, but needed some real practical experience to put guidance to anybody trying to figure out what this mess was all about.

So I went to that meeting in Los Angeles, Mike was there, Carl spoke at the meeting. It was a fabulous US branch meeting. I'd never been to a technical meeting like that before, they just focused on international tax. So it was a great two-day experience, it was at the Beverly Hilton with large turnout, over 200 people. And what I remember most is most were probably East Coast, not from the West Coast, they were mainly New York, Washington type people that are... I have them on our letterhead that came out, Frank Walsh, who was well known actually started his career at Anderson in Los Angeles. And Frank was very active in this meeting. So at the end of the meeting, I went back to San Francisco, everybody went home and get a major snow storm that hit the East Coast.

And I think no one got home that weekend until probably late Sunday, if not Monday. All the airports were shut down and so that was my first introduction to IFA, USA branch. But Mike encouraged me to actually sign up and he made a call to my managing partner in San Francisco and told them it would be good for my development to come to a Congress that was being held in 1983. And my managing partner at that time said it sounds like a good idea and supported it, and so I took Claudette and we flew to of all places Venice, Italy. Which it brought back memories of my college days being in Venice, but this was a new way to see Venice. I actually had a hotel room class A hotel room, not living out in sleeping bags. So I was living the life when I got the Venice that year, Mike was there with a number of the Ernst & Whinney partners. Many of them became close friends of mine based on that opening experience. One of them[crosstalk]

Steven Cohen:

Dave Berenson, was he there?

John Nicolai:

David was there, he came and he was still wearing his SD [inaudible] flag. He would [inaudible] but David was a partner of Ernst & Whinney, since 1978. And he brought with him Paul Faber, who I think you have met before and talked to. Paul was a partner of David's going back into the 60s and Steve Lifer, which is another long-term name of Ernst & Young and IFA globally. I think Stephen's been to as many congresses as I have, but he was there that week. So we spent a week together about 10 of us from Ernst & Whinney back then from around the world, I and those three people were the only ones from the US firm and we had about six or eight other partners from other parts of the world that came.



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So we had a great week and really, I learned a lot from just being there and being in their company. The topic matters back then were a little less stringent than today in terms of the quality. I think our main topic for the main session was avoidance versus, avoidance versus avoidance [crosstalk]

Steven Cohen: By the way, you've got... I take it, John, you also met a lot of people, not only from the Ernst & Whinney world, but the international tax profession around the world.

John Nicolai: Well, I did. And from the US I mean, some of the big names of the US players from different firms, law firms, Stanley Surrey was still there overseeing the PSC. I had one [inaudible] the US branch had at the Donatello's for all members who were members of the USA branch. And so at the first time I ever got inside the doors of a hotel like that and sat down and next to me was Dick Hamer, who I'd never met before. And he was the most gracious individual and really was interested in what I was doing and all about San Francisco. He knew a few of the partners very well from San Francisco, one being Dom Tarantino, who has a history from San Francisco and a history with me from USF, and Dom turned out to be the chairman of Pricewaterhouse globally for several years.

Steven Cohen: So John, there's an interesting link between the most recent one of these programs and this one, Marianne Berge, where we learned that she became the first woman partner of Pricewaterhouse and Dom Tarantino, the gentleman you just mentioned from San Francisco that became the head of PWC was very instrumental and making sure that she became the first woman partner.

John Nicolai: Yeah. Dom was actually the head of tax for Pricewaterhouse before he ascended to the role of chairman and just exactly the same as Mike Henning, who became the head of tax for all of the US and worldwide for Ernst & Whinney before becoming the chairman of the worldwide firm. Both similar tracks and my good fortune of being able to meet and get to know both of them so very well. And both of them were very helpful in my career. Dom, more than you would think. He told me when... before joining Ernst & Ernst, I said to him, "I really want to be a tax person in a place like yours." I saw him in operation and he was spectacular with clients. I said, "I guess I have to go to law school for three years, and then I can get a job in the big eight."

And he goes, "You don't need a law degree to practice tax, why don't you just come over and start with us." Unfortunately he offered me a job in San Jose and I told him I didn't want to go down where the apricot fields where I [crosstalk] big city. And he looked at me strangely then again, this is remember in 1972. And he said, "Well we can bring it back maybe to the big city after a year or so." And I decided at that point, that's when I decided to stay and go with Ernst & Ernst since they offered me a job directly in the San Francisco. But Dom really helped me with that advice quite frankly [crosstalk].



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- Steven Cohen: You mentioned that your first Congress was in Venice. Did you go to many after that?
- John Nicolai: I went to a couple. I think in total about 35 in a row, was my record all the way through Rio. And saw that Rio being in what, 2017?
- Steven Cohen: Pretty amazing.
- John Nicolai: Once Claudette and I got in the habit of it, it was a pretty nice week to spend, to get technical training, be with a bunch of friends and be in a fabulous city. There wasn't a city I can think of that I didn't enjoy in all the congresses. If you go back and look at where we've been since 1983, some unique places and IFA, for anybody in the US, it offers a second opportunity. It's just not going to the Congress. We have many, many years tagged on a meeting prior to the Congress where we'll meet with other branches and have a very specific one-on-one would say, the Canadian branch or the French branch or the UK branch. And spend two days before Congress in normally a different city than where the Congress is held. But San Francisco was geographically close enough where we could get from there to the Congress site, usually with a bus ride or a train ride.
- So it gave an added benefit that an extra two days invested gave you a much broader program, specialized just solely in relationships between the US country and say another country like I mentioned. So there were some really great opportunities there that I remember those pre-meetings just as well as the congresses in terms of places we ended up and things we were able to do.
- Steven Cohen: And the human contact, the relationship that you developed from that.
- John Nicolai: Absolutely, I mean, these were more than just professional relationships. These became close friendships that Claudette and I created with couples all over the world for many years.
- Steven Cohen: This isn't a close relationship but you mentioned to me that, I think it was somewhere in the 1982, 1983 timeframe. You went to a meeting, might have been in New York, and you had a colleague working... I think it was Mike Damiani.
- John Nicolai: Mike [crosstalk], legendary partner of Gudera brothers, a great M&A guy, Fordham graduate, got there on full scholarship roll and you never want to work with a harder working guy than Mike. But I was in Mike's offices, this is in the mid 80s, Mike was legal counsel for Air Liquide out of France worldwide, and really served them well. But we were in his office one day and I noticed a name tag next to me, and I saw an M. Carol with a B, and I said, "Who's that?" And he is "This is this guy he's of counsel, I don't know what he does, I think he runs all over the world giving speeches." And he introduced me to him [inaudible]



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Mitchell B. Carol who started and really is the backbone of IFA as we know it today. [crosstalk]

Steven Cohen: Creator of IFA worldwide that's based in Holland, right?

John Nicolai: Yup. And I didn't really appreciate [inaudible] back then what I know today about IFA versus what I knew back in the mid 80s, who I was actually meeting and what the significance of that was. But now because of my contact with Mike Damiani.

Steven Cohen: Now, moving into the mid 80s we, I think John, you and I and a bunch of other professionals from around the Bay Area started a international dinner group that we met once a month, but also in one of those guys with Jim MacDonald from Pricewaterhouse. But around that time, maybe you could explain how you were asked to become the regional Vice President for IFA in Northern California.

John Nicolai: It was back in I guess the [crosstalk] 87, 88 timeframe. And I remember the dinner group well, you were the one that ran the group and we used to call you the Ayatollah if you recall because of how tough you were on all of us. But it was [inaudible] dinner group we had for a bunch of practitioners that weren't based in New York, we seemed to have a pretty good following of all those people, as I recall. The Larry Delaps of the world and Jim Fuller, Jim McDonald, Jake Gonzales was in that group, John Stephan from a corporate side with Bank of America. So we had some really top talent sitting in the room, but in that process and time, Jim was asked to move back to New York to take a leadership role with Pricewaterhouse. And so he asked me if I would take over the leadership of the branch being in California, it included Los Angeles back then, we've had changes over the years, but it was really a West Coast branch as we had it back in the late 80s.

So I took that over. And the first thing I ended up, we had the US branch meeting scheduled already before I stepped in. But fortunately, if you remember, Dave Foster, Dave really jumped in and really helped out on that program.

Steven Cohen: Dave was a partner at Brobeck, which was a law firm in San Francisco. And I think he was the past international tax counsel in Washington before coming out here.

John Nicolai: He was also the BNA author of 1248 portfolio.

Steven Cohen: Right.

John Nicolai: But if you were to see David today and ask him what he does, he wouldn't mention international tax. He's a pension tax [inaudible] he wanted to be a RESA and he gave up everything he wanted to know about international for



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some odd reason, but [crosstalk] that's right. He didn't like the congresses, I guess, I don't know. But that's where I really started to get more involved with the US branch of IFA, is when I took over that role in San Francisco. That role led to probably the next biggest event I can recall is the Asia-Pac US meeting was the first ever held, even though central IFA doesn't like to recognize it because it wasn't held in any property in Asia Pacific. But was held instead in a little Island called Maui out in Hawaiian islands and completely organized back then by Frank Wolf. Frank was at that time, retired from Anderson, and had become the executive director of the USA branch of IFA.

And he had this vision of wanting to bring just Asia-Pac countries together with the United States branch. And so we had 12 or 13 countries represented all in Maui for a three-day meeting and at the meeting, again, it was myself, Dave Berenson, and the only other person I really remember a lot was Sandy Goldberg who you [crosstalk]. Sandy and I and David had a wonderful time out there in a really good meeting considering it was in 1991 with lots of legislation going about and lots of issues with 482 pricing back then. Which was really one of the main topics of the entire seminar that we had out there with our Asia-Pac friends. So [crosstalk].

Steven Cohen: John, when were you... I'm sorry, go ahead.

John Nicolai: The only outcome of that was the US turned around and asked me if I would organize the next Asia-Pac meeting to take place in about 1994. And it was selected that it would have to be and done in Singapore. And I said, "Singapore, I could do that. And then we have an office there and we can see if we can get something similar to what we had in Maui." When I got together with my counterpart [inaudible] in the Singapore branch, he actually was a partner of mine in Singapore. And he informed me the branch in Singapore had seven members, they're very active. Well that put the end to our planning for a Asia-Pac meeting in Singapore, it was pretty hard for me to plan something from, 5,000 miles away. And so we ended up putting the stop on that and we never had another Asia-Pac meeting until probably six or seven years ago when we started up IFA again as an Asia-Pac group. Actually it's more like 10, I think the idea came together back in Rome in 2010, when I was still living in Hong Kong.

Steven Cohen: You are obviously getting more and more involved with IFA worldwide not just IFA USA. When did IFA approach you or how did you connect with the idea of having a third world Congress and having it in San Francisco? The third world congress in the United States and having it in San Francisco?

John Nicolai: I think this came about really through the US that, I wasn't on the executive committee at that time. And it was about 2005, excuse me, in 1995. It was probably before we were... I think we were in Switzerland that year at con and at the time it was Jake Gonzales who was our president of the US branch. And we made a pitch. I didn't even know the process back then, but we had sent a



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letter asking for a Congress in 2001. That would have been a 15 year period, which had been the normal period between congresses from Washington to New York to now we get a chance again in 2001. And I think probably Jay was the one that started to edge forward, why not San Francisco? And so by the time we got to, I think it was in con, it was decided that we would propose San Francisco since we had been awarded the Congress.

In that time we spent in cons at the Congress they kind of looked to me and said, "Why don't you pull it together and get a group?" And I asked Jay immediately to help me, even though Jay was in just close to retiring then as I recall. [inaudible] had just retired from Cooper's. And so they asked me to get a group together, which you may recall because you became part of that group. And we had a extremely effective, efficient group of four individuals that took care of organizing this entire Congress that took us six years, as I recall, for us from start to finish. Well, it took us two years to clean it up after the Congress, but really the planning of the Congress was about a six year ordeal and a lot of work by you, a lot of work by Jake Gonzales and Tom Gibson. [crosstalk] was right there as our secretary and trying to clean up the messes that continue to be made. So we went through a lot of efforts up through 2000 and things were looking pretty good as I recall. In fact...

Steven Cohen: How long was that period? It was probably from about 1997 to 1998. It was a good two or three years of preparation [crosstalk]

John Nicolai: I want to say 97. I still have some files that we engaged our PCO is it's referred to, the Congress organizer. We engaged them, I think in 97. And that was [inaudible] Graham.

Steven Cohen: Right.

John Nicolai: But not a lot had to be done. We had to tie up some locations, which we did and we got all the locations we wanted between City Hall and Fort Mason. We put it up on Nob Hill, the entire Congress. So those things were all signed up in the first year or two. And you were the treasurer organizing the checks being sent. And I think you were working with Berenson back then.

Steven Cohen: Dave Berenson was the treasurer of IFA. [inaudible] was the treasurer and you're right. I think and we did a budget for what it would take to put this on including contracting with hotels, contracting with various venues. And we were somewhere near \$3,000,000 if you remember this [inaudible].

John Nicolai: It was a little bit shy of 3,000,000, but it was darn close. But we were in the high 2.7, 2.8 million budget.

Steven Cohen: And the amount of effort of setting up the venue and setting up the speakers, the program itself. So we were looking pretty good into September of 2001 and



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then I think there was a gate that will probably live in infamy for all of us at 9/11. And when the Congress is scheduled for what, about two weeks after that?

John Nicolai: Actually it started on the 30th. So [crosstalk] a little bit, less than three weeks, I think 9/11 was on a Tuesday. We were going to be scheduled to open up that and following three weeks later on a Sunday. So 18, 19 days.

Steven Cohen: We had something short of 2,000 people planning, that had already reserved. We had collected deposits, we had commitments across the board. This is the first time in IFA history that a Congress was being challenged. I don't know if you remember in those 19 days, but there was one of the ladies, I think she was at Pricewaterhouse, Tatiana, joined us. We had a meeting to decide whether or not to cancel the entire Congress or whether to go forward. There were people on both sides of that issue, but Tatiana gave quite a speech about how we were not going to let the world down and that we were not going to be cowed by terrorists. And the decision was made to go forward, but then it was left to you and us, what are we going to do when we had cancellations? Probably more cancellations from the US but cancellations from around the world with our nearly \$3,000,000 budget hanging in the balance. Do you remember those days?

John Nicolai: I remember them like it was almost yesterday because at first, very naively, for the first 24 hours after 9/11, I really didn't appreciate what it really meant to us and running this Congress. It was such a terrible thing to live through, but it took almost a day to recognize what it meant to San Francisco, not just to New York or the world. But we had situations in less than 24 hours when I was sitting up at the Congress hotel, The St. Francis, excuse me, The Fairmont, looking out over downtown San Francisco and all of a sudden the sirens went off and there was alarms all over the place, there had phoned in threats on blowing up buildings and the entire downtown came to a standstill. And everybody was asked to evacuate their buildings. And I looked at this standing up there on top, right on the square where the United Nations Plaza was. Seeing all these cars and all these people and he said, "We're in trouble. This is affecting San Francisco."

And I wasn't quite sure that we could hold the Congress when I saw that site. Well, fortunately things settled down a bit, but we had lots of work to do in that period of time between 9/11 and September 30th.

Steven Cohen: I don't know if you recall the numbers, but there was a substantial number of cancellations and requests for refunds for deposits that were made. We, in the US branch of IFA in those days at least for sure, we were independently responsible for the financial results, profit or loss of a Congress. And we were looking at some difficult financial issues but we manage through. And I think John, you had to keep a steady keel on that boat.



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John Nicolai:

I have the sheet in front of me dated October 12th, 2001. And what the sheet tells me is we had participants signed up for the Congress on September 10th of 1300 participants and accompanying persons of 417. They were telling us based on their experience through central IFA dealing with secretariat [inaudible] the people that we would go over 2,000, which would have been the first time since Venice. It's the only Congress that's ever exceeded 2,000. But nonetheless, we were in good shape, we had the right venues. And sure enough after 9/11, we had, according to the sheet 340 cancellations of participants leaving us a little less than 1000 who came and 120 accompanied spouses, so we're down to 297. So we still got a Congress of almost 1,200 people, which would have been huge in some of the countries that I had been to before 2001. But it just was less than what we were expecting and as you recall, we sized the events and the facilities for a much larger Congress than 13, 1,400 people.

Steven Cohen:

I guess, in those 19 days John, you changed the venues, that we actually moved the venues from one place. In fact, we moved the gala evening from that evening to San Francisco City Hall. Do you remember that had to take a bit of doing and then you, of course, we had a wonderful caterer that helped to work with us on that.

John Nicolai:

Well, he helped us clearly think through why we were going to have a closing event at Fort Mason, a large property. Which really for a closing dinner would have been fabulous, not the size of what we ended up with. And he immediately said, "Take your reception you had on Monday for the city hall and do your closing event there." It's a gorgeous, gorgeous site, that's in many movies, as you can remember and just a great building. And he said, "We can really have a sit down dinner there for 600 people and it'll be fabulous. And we'll use the place out at Fort Mason for our event for the president's reception and turn it into something you'll never see again." Which were half his waiters on roller skates, and they had juggled [crosstalk] they went crazy. And Dan said later, I don't know if you recall, he said, "It was the best thing that ever happened for my workforce." They hadn't worked a day until we brought IFA to San Francisco. So they were anxious to get back to work. So it was a win-win for both of us.

Steven Cohen:

What I had heard John was that IFA was legally the only organization that didn't cancel a meeting. So we were the only group of our size that held a meeting post 9/11, things changed but at that day, the end of September, we were it for the city, including the Fairmont hotel.

John Nicolai:

Well, that's that's right. And the only other thing to be said [inaudible] something that I still remember is because we had no clue who was actually going to come on September 30th to opening session that we had up in Nob Hill. Because you didn't know if people were going to show up or not, they could cancel their flights, we'd have no idea at that point. And I was waiting in the auditorium for the crowd to come in and I could hardly see because of all these lights. But it was Jerry came up to me, Jerry Lieben and he says, "Well, what do



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you think?" Jerry being now the incoming president, as you recall, we anointed him as president at that Congress [inaudible] was still the president, but he says, "How many people you think will come?" And I said to Jerry, I have no clue.

I have no idea if people will come tonight. And one of the factors, and we were very lucky, is in that period of time, you may recall the US was working very closely with their European allies, mainly Britain, on actually doing a strike on, back then on Afghanistan to really go after the people that had caused 9/11. And I believe, and I still do, if they would have struck before we started our Congress, or even on the same day, people would have been out of here in a second. Because the fears of retaliation, of other bombings, of planes being taken down, it was such that anything like that would have destroyed our Congress. As it turned out, we got through the entire week, had a fabulous, fabulous well organized event.

Steven Cohen: Yeah. Including Napa Valley. Yeah. We had that adventure to the Napa Valley.

John Nicolai: We had a great thing up with Chateau Bichon that was put on by Tatiana, where we celebrated Jerry Libens' promotion. And everything went like you could not believe and all of a sudden it was finished on Saturday. Everyone had gone home they'd taken their tours. Everybody was safe and the US attacked on Sunday Afghanistan.

Steven Cohen: Good timing.

John Nicolai: One week earlier, we would not be talking today. I think we'd have had a bankrupt organization, but that's sometimes you got to be lucky.

Steven Cohen: I know that it really changed people worldwide policy on holding congresses in terms of the financing of that, but due to your [inaudible] and our collective concerns, we cleaned up what had to be cleaned up in terms of hotel contracts and whatever. That the net results to us and to IFA turned out to be pretty minimal. If anything, we pretty much came close to breaking even where I think everybody was concerned this was going to be a debacle.

John Nicolai: Well, we were lucky because hotels never had this experience. No one had. And since 9/11, there is no contracts that are entered into that don't have very strong attrition rules in terms of how many rooms you can give up and when you could give them up. And most of our contracts before 9/11, it was like calling a hotel and canceling a week in advance and you can cancel the whole block. It just never had been experienced before and things changed dramatically as post 2001. So we had some hotels that really didn't do well, but they survived and we helped them, we worked for them as you recall, to try to get some rooms to them through all of our collective firms, having meetings in San Francisco. But overall, I think everybody did fine.



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- Steven Cohen: [inaudible] for the organizing committee it was a bonding experience. No doubt about it.
- John Nicolai: Yes, it was. And for the person in charge of finance, you were as I recall, you had to struggle with our PCO. They have different views on who should get paid what, and I think you came to our defense and gendered as well on that as I recall.
- Steven Cohen: That would be a book that remains to be written. Boy, that was quite a process. But yeah, we ended... I think things ended as well as the fact that [inaudible] they ended well. John, after the Congress, you were then asked to... or were elected to be the president of IFA USA branch as I recall.
- John Nicolai: That's right. That's right. And that was right after Jerry Ball who, rest in peace, Jerry was our president of the US branch during our Congress in 2001. So I became president at, I think 2002 and three, and things were pretty quiet as I recall back then. We were still recovering from the Congress and we were doing fine. We had some great congresses to attend during those two year periods post San Francisco. I think Oslo was on the [inaudible] all of us went to Australia, so it worked out fine.
- Steven Cohen: Yeah, it was. Those were stabilizing years. And then we continued on into the next several years. I think it was probably about four or five years later, during this time, and I failed to mention this earlier, at Ernst & Young, by now, Ernst & Young, you had been asked to leave San Francisco, or at least personally leave the city and take on responsibility as regional partners for Asia Pacific. In other words managing the tax practices or overseeing the tax practices in various Asia Pacific countries. I don't know if we want to mention a word or two about that, but you were partly there and partly in the city.
- John Nicolai: Well, yeah, I was managing partner of the San Francisco area for six years through 2001. And then in light of opportunities, really, in our expansion of Asia Pacific, and also the fact that you remember 2002 was not a great year for some groups, especially Anderson who had real troubles in 2002. The good news for Ernst & Young as we integrated with 55 of their 60 practices globally-
- Steven Cohen: Right.
- John Nicolai: ...and many of those were in Asia Pacific. So I was really asked to physically go out there and integrate the practices and work with the tax practices and the different countries. Turned out to be [inaudible] and one where I always have looked at mergers is one that you have a new entity that comes out of a merger. You don't have a acquisition or a takeover, you take the best of the best and you call it what it is. And that's when we did at Asia Pacific. And so many of those principles today are still in place that came really a lot from our Anderson friends throughout Asia Pacific. So [crosstalk] a great time for me.



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- Steven Cohen: Yeah, yeah, absolutely. And you also had made some attempts to make China more active with IFA worldwide, as I recall.
- John Nicolai: Made some attempts that just blew up like usual, that we thought we had a branch operating there. Back in 2003 and four, we had actual regional meeting with the US branch in Shanghai. In I think 2005 and a number of you came to that meeting, we had another meeting in Beijing where a year later, where I think we got the message that we weren't really welcomed quite yet by the government. They decided to withdraw their speakers and didn't think it was a good idea that we have an organized meeting in Beijing. So we had kind of a disorganized meeting instead. [crosstalk] It was good fun, but we were going to have to keep working on bringing IFA to China and it'll be slow, but it'll happen over time.
- Steven Cohen: Indeed. Indeed. I think that's part of progress. Then I think a bit after that you are asked by IFA worldwide and IFA USA to join the executive committee of global IFA. So that's the exact year, but that you again had a [inaudible] on the executive committee, and maybe a few words about that.
- John Nicolai: Yeah, actually I started on the global committees at IFA back in 2002 with the... they put me on the nominations committee for five or six years. Then they put me on the finance committee, which I think you followed me on the finance committee. And I spent five or six years on that. And then I went on the executive committee that was a six year commitment and that started in 2012. So all the way up through the real Congress, I was on the executive committee and a lot of things happening back then. An interesting time because of governance and so forth just to watch the way our executive globally operated and how the different countries were practicing. We were clearly starting to look at some regionalization models that have a smaller get together. And I think South America was the first to start then. But it was an obvious no-brainer going back to 2010 that Asia Pacific jumped in right away to do the same thing. So we were really starting to look like an organization globally that was different than the IFA worldwide that we knew back in the 80s and 90s.
- Steven Cohen: [inaudible] It's a very different perspective when you're on the executive committee of the worldwide IFA compared to the US branch. So you had both of those perspectives.
- John Nicolai: Yeah. It's interesting even fast forward just to over a year ago the executive director of global IFA, John Blaze. [inaudible] said to me "Call me on wanting to get some views and input on some new roles that we're going to have be placed and filled at global IFA going forward." And I said to him, "Well, first of all, John blaze, you know that you cannot choose people that are 70 years or older." [inaudible] he laughed, and he said, "You're kidding me. That's not true." I said, "[crosstalk] got to go read your regulations."



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Steven Cohen: Right.

John Nicolai: So we just dropped the comment and you know this because you experienced the 70 years in your out role in the finance committee. And so sure enough, a week later, John blaze calls me, he said, "John, you were right. That rule says that we can't have anybody in a global role at age 70 or older."

Steven Cohen: Yeah. Age [crosstalk] starting minority group or maybe it's a majority group.

John Nicolai: So, he said, I've got to do something about it. Well, sure enough. Look in the last year and a half, two years, him and his group have completely revised our global regulations and we look more like a, hang on a second.

Steven Cohen: Popular guy.

John Nicolai: We look more today like a real global organization with a supervisory committee, a executive committee that's made up of regional representation. So some of the things have been done for IFA are incredible, but position them for membership today. I mean, you look at what we've done with women in IFA with our win group and trying to reach out with our younger members to make it more relevant for younger members of IFA [inaudible] and these are focuses that are not accidental. I did call, I will share with you, I did call John Blaze and told him [inaudible] I want to start a new group and call it the SIM group. And he said [inaudible] what do you mean?" I said, "I want to group for Senior IFA Members.

Steven Cohen: There you go. [crosstalk].

John Nicolai: You got to be 70 or older, and we'll call them the SIM group and we'll set up our own programs [crosstalk] I'll get back to you. Well, he hasn't called me back, but I think maybe that should be our next group we consider is the SIM group.

Steven Cohen: We need more SIM.

John Nicolai: All kidding aside, I think our outreach has made IFA a different organization today focused on things that are completely different than when we started in IFA back in the early 80s. And it's for the good of the organization, when you see the type of inclusiveness we have on panels, the type of members we're attracting. We have 13,000 people globally now in IFA, and over 100 countries, it's a organization that's going to continue way past our lifetimes. And so it's something good that I think we can just hand down to the next generation.

Steven Cohen: No doubt about it. And John taking perspective of your career, you are one of the few people, there's a few around, but you are one of the few that somewhere early in your career, got to meet the very first president of IFA global, IFA worldwide. And Mitchell B. Carol, you got to meet him and obviously



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you're meeting who the president elects and that's the future president of IFA global as well who's also an American. That's quite a span, that's an entire span of IFA's history, IFA worldwides history and you got to see the evolution and maybe the revolution of things [crosstalk].

John Nicolai: Don't forget Dick Hamer, who was our president also and Jerry Liben, so this will be our fourth US president. And there's some tremendous presidents in between the US selections, people that really have done a lot of good things for IFA [inaudible].

Steven Cohen: Indeed [crosstalk].

John Nicolai: From Sweden, he's another example of people that have given, without any payment, but just given because they really believe in the organization [crosstalk] to give to.

Steven Cohen: Any final thoughts?

John Nicolai: I can share with you my first duty when I was brought to Italy in the Venice Congress and being the youngest member of my group from Ernst & Whinney, they told me I was assigned to get us a table. Getting a table back then for the closing dinner wasn't that easy. I had to run around, first of all get everybody's tickets who were going to be at your table, and I had the same people ironically at this table for years thereafter with Baron Sins and Paul Farber and the Lifers. And they always had a table, but that first year was tough. Well, I finally got the tables set, everything done, and I come to the dinner on that closing night, they did their dinner on the Friday night. Then we walked in, I was one of the first to the table and I noticed all the tables were misnumbered at this gala event they did out on the [crosstalk].

And next I all of a sudden see people taking table numbers down and sitting down. And so it's getting a little chaotic in there and finally, somebody gets up with a microphone and declares open seating. All my work on getting this table were for nothing [crosstalk]. But I felt sorry for the poor guys that got there late, they didn't get a seat because there were just seats spread all over the place and it was a lesson, and a good one to learn that I always laugh about that when I think back to the effort I did to get that first table [crosstalk] IFA Congress in Venice.

Steven Cohen: Somehow those efforts were rewarded. Anyway one last thought where we both regret that we lost Dave Berenson before we could do a program for him, we mentioned him here that he was the treasurer of IFA USA, but also just an all around good guy and an amazing character. He was, I believe Vietnam war pilot?

John Nicolai: He's Korean war pilot.



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Steven Cohen:

Korean war pilot.

John Nicolai:

He also was a reporter with Stanley Surrey back in the Congress in Jerusalem. This goes back into the, I think 75 or 76 Congress. I mean, David was really bigger than life and just an example, one branch meeting we had in Washington, as we do Washington on rotation for our USA branch meeting. But whoever was going to be our speaker for our main lunch in the last day, a politician, he couldn't show up and we're sitting there two minutes before the lunch starts. He would raise his hand, says, "I'll give a speech on tax policy. I know a bit about it." And he got up in less than 10 minutes and gave a speech for 45 minutes, it was fabulous. It wasn't the first time he had delivered that speech, I'm sure with his role in Washington tax department, but it was the way David was [crosstalk].

Other fun memory of David is Venice or Florence in 1993, when he invited Claudette and I to come with him and Bernie out to visit a house of his great uncle. Which I never had put it together, but his great uncle was called Bernard Berenson, who was probably the most legendary expert on mid Renaissance art from the 1500s, that you did back then go to some guy that did all the chemical work on a painting, and you went to Berenson and he wrote a letter certifying that that really was a Rembrandt or this truly was something out of the DaVinci group. This was a huge name in art history and his uncle or great uncle had given his entire Villa that we went to visit to the university of Harvard and they run school programs at the Villa. Well, we walked into the Villa and sure enough, here's a oil painting on the wall and the oil painting is two young sons or two young children like ages five and seven. And David says, "That's me on the left." So I said to myself, you should have been nicer to your great uncle.

Steven Cohen:

Indeed. What a story.

John Nicolai:

It was quite an event to get out the [inaudible] and see some of David's roots and his relationship and connection to the art world that'd be what it was but...

Steven Cohen:

Amazing. Great story indeed.

John Nicolai:

A fabulous guy.

Steven Cohen:

Indeed, I'm glad we had a chance to at least bring David's name into this because he was a fabulous guy. I didn't know him half as well as you did, but he was very supportive every time I needed him.

John Nicolai:

Well, he enjoyed IFA, tremendously and so did his wife Bernie. [crosstalk] part of IFA for 30, 40 years. [crosstalk] generous with their time at IFA.

Steven Cohen:

Well, John, your time with IFA has been amazing. You've served in fact, at so many different roles, the common theme of your professional, maybe your overall life has been service. Service to IFA, service to your firm, service to your



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face. We at IFA, on behalf of IFA, want to thank you for all you've done and continue to do. You're on the finance committee for IFA USA so you're still, with all the other things you've got going on, you're still serving, but thank you so much on behalf of all of us.

John Nicolai: Well, thank you, Steven. You're welcome and I want to thank you, you've done a wonderful job pulling together this specific area of documenting our history, which is important for our younger members to appreciate the history of IFA and to challenge them to make our history even richer going forward. Because that's what this organization is made up of, is our younger people [crosstalk] platform for people to grow and everyone can contribute and [inaudible] just work hard and enjoy what you're doing, and enjoy the people you get to meet through this journey.

Steven Cohen: Amen. Thank you, John is as usual, it's been a pleasure.

John Nicolai: All right. Steve

Steven Cohen: We're close.

John Nicolai: Take care.