



ELIE HORN

MY LIFE
IN BUSINESS AND
PHILANTHROPY

30TH JUNE 2013

**CENTRE FOR
JEWISH LIFE**
where jews connect



ELIE HORN

SHORT BIO

Low-profile real estate magnate Elie Horn founded Cyrela Brazil Realty in 1978 and built it into the largest publicly traded developer of high-end residential buildings in Sao Paulo and Rio de Janeiro. It operates in 17 states and 66 cities in Brazil, Argentina and Uruguay. The company has existed for 50 years and has over 8,000 clients.

A workaholic, he was born in Syria, arrived in Brazil when he was 11, and started working when he was 19. He reportedly still works 16 hours a day but respects Shabbat; Cyrela does not close any deals from Friday afternoon through Saturday evening.

He told the Brazilian press years ago that he planned to give away most of his fortune in his lifetime; he reportedly gives 60% of his earnings to charity every year, including to causes in Israel. Since 2006, Horn has been on the list of Forbes billionaires.



EARLY YEARS

My father lost almost everything in Syria and Italy so we came to Brazil with nothing in our pocket. It was a very hard life. Sometimes there was no food to eat, that was the destiny of a lot of immigrants and not only us. When I was 19 years old I began to work and from the first moment I began to work I tried to make some money and I was successful, a hard worker.

My brother when he was 19 years old used to work to buy and sell apartments. When an apartment was costing \$10,000 he would pay \$1,000 cash, \$3,000 in 90 days and \$6,000 in 36 months. They normally take collection after 90 days so he was obliged to sell the apartment during the 90 days as he would have to make the three month payment. That was easy to do so we did it.

It was easy to begin in the real estate business. Then after some years we got to buy land and sell the land in the same way. We used to buy land, 10% cash and we needed to sell the land within 90 days. Sometimes we used to swap the land with the builder for apartments. We used to sell the apartments to pay in 90 days. So it was very successful until 1976. We made almost \$50 million at that time from nothing in maybe eight or nine years; \$50 million at that time, not from today's time!., We were three brothers we decided to split and then I began Cyrela with a building company at the same time. Cyrela, the previous one was not big league. I decided to build that's how it began.

“I said we are Jews, we must respect Shabbat.”

“You are not Jewish because you want to be. You are born Jewish because your mother is Jewish. So there is a Jewish root in your soul that comes from God, not from you.”

RESPECT SHABBAT

Just an example, when I started the company I never worked on Shabbat. So the engineer was Jewish and he asked me how can you compete with people who are working six days a week and you are working only five days a week?

I said we are Jews, we must respect Shabbat. At the beginning we made much more profit than anyone else because of Shabbat. Shabbat is very important.

When I was 20 years old I was once in a company trying to sell apartments for the land. Shabbat was about maybe 5:30. At 5:20 we went out from the office, we didn't close the deal, we went home. My father always taught us to keep Shabbat and we kept Shabbat. Shabbat is something that if you make money on Shabbat it's a curse, not a blessing. God will give everything, does everything; can give you money during whichever day but not during Shabbat. But I worked on Sundays at the same time. If you believe, God will hear you I think it's important to speak about it.

PHILANTHROPY

My grandfather in Syria opened an orphanage for 3,000 persons in the First War. My father, died in Brazil about 32 years ago. He didn't have so much money but he gave 100% to charity. So we had an allocation we had his way of behaving. I wanted to give 100%; the rabbi said it's not good because you must teach your children to do the same thing, so I promised 60%. So if I have \$100, \$60 will go to philanthropy.

ASSIMILATION

My biggest project today is outreach. We try to fight assimilation. We have 26,000, Jewish students in universities being approached by rabbis. We have something in England I don't know how many, maybe 500 to 1,000. We have in the United States; we have in Brazil, Argentina, France and England a little bit. We have in Vienna and Austria, in Germany. There is a partnership, I'm not alone. But this project is the biggest we have today. I think it's a huge project. It employs maybe 300 rabbis worldwide.

The main goal is to fight assimilation, try to get people to understand what it is to be Jewish. When I was 28 years old I was going out with a non-Jewish girl. She threatened me to finish or to marry, so we finished. But then she invited me to the wedding. One hour before the wedding I thought okay, I cannot marry you but I can live with you. She said now it's too late.

But then I said, when I married I would like to prevent this for my children the battle I had. So we put them in a Jewish school. I was never in a Jewish school myself; I was in a French school. We brought the rabbi to the house, they made a Shabbat, the three of them, beyond university

It is important It's very difficult to understand Judaism if you don't know. It's very difficult. We are not a normal people. We are not English, we are not Brazilian, we are not French; we are Jewish. Jewish is a question of soul. You are not Jewish because you want to be. You are born Jewish





“That is very important to keep your Jewish soul’s traditions, your Jewish soul’s sources and values, roots.”

because your mother is Jewish. So there is a Jewish root in your soul that comes from God, not from you.

When you stop, when you assimilate and you go outside, you are cutting the roots from 3,000 years ago to now. You are cutting your roots with God. That is very bad. . Who am I to be able to cut God’s will? It is terrible. Can you go against God? It isn’t possible. So if God made you Jewish, for some reason he made your soul Jewish. And if your soul is Jewish you cannot change your soul. You know this.

A Jew cannot convert. It’s impossible. There is a father, a Catholic in France who was Jewish when he was a child. Today he’s a Catholic and a Jew at the same time. He is not Catholic. Being Jewish is like being a man. You can’t be a woman. It’s impossible. You are a man. Jewish, you cannot change. It’s a question of choice from God, not from your choice. You are not born in another house, a Catholic or Protestant or Moslem, why? It doesn’t depend on you. Why were you born a man? It doesn’t depend on you. Why do you have blue eyes? It doesn’t depend on you. Why were you born in Brazil? It doesn’t depend on you. You accept or you rebel if you are that crazy. The same thing about Jewish; I accept or I cut the roots. If I cut the roots it is very dangerous for my soul, for my eternity. The soul comes from God. God determines, the soul determines. When we die we don’t die. The body will die but the soul, that is myself, will be forever. That is very important to keep your Jewish soul’s traditions, your Jewish soul’s sources and values, roots.

ISRAELI YOUTH

The Israeli boys and girls are sweet. They are apparently rebels but in fact they are not. When you go outside Israel they are sweeter than in Israel. In Israel, there is the problem of what we call religious and not religious. But outside they feel differently.

I met some of them in some backpackers and to me they were very sweet. Outside you can talk to them very easily. Inside it is more difficult because of the ambience. The Israelis that work outside the state normally assimilate at the rate of maybe 80% and happily. So to be only Israeli is not enough. We are trying to have some success. I don’t know how much success, but probably I think we maybe 5% to 10% are changing that’s good enough. And the others are trying to have some roots of Judaism, because don’t know what Judaism is. Whenever they come to know Judaism, they say I didn’t know what it is to be Jewish or to keep Shabbat or something kosher or to speak with a Rabbi.

In Brazil, we have the Israel trips and we are sending maybe back 1,000 persons to Israel per year. They go there for three weeks or one month. They study half time and they make tourism half time. Of course if someone makes three weeks of studies it changes his life by the finish. I think it’s quite successful. I don’t know how much it is successful, but it is successful. At the same time we are doing a programme with Leo Noe from England.

“I think Kabbalah has answers for a lot of things that we need to know.”



RELATIONSHIP WITH GOD

I think this philosophy is very new for me, but it's very interesting, very deep. I think much better God needing me than not needing me, because what many people have said, a statue, doesn't change, With God we must have a relationship He's going to get angry at you, you get angry with Him, but it is a relationship. You with the statue, there is no relationship. God could not be a statue. And by the definition alive.

The belief in God is very good because everything I do bad I am hurting Him, and since I like Him I don't want to hurt Him. Like you don't want to hurt your father, or your mother, or your wife, and so on. You try to understand and to have a relationship with your father or your mother you are not going to hurt them. If you understand what is God, you are trying not to hurt Him at the same time. The pleasure of God is very important for us to understand. The book is by Manis Friedman. I can bring you the copy and you can send it to anyone you want. Its 40 pages, but in English very good, very interesting.

KABBALAH, AND PHILOSOPHY

I like very much Kabbalah, and philosophy. It's too late to learn, but I like very much philosophy and Kabbalah. I think Kabbalah has answers for a lot of things that we need to know. In philosophy it was very important. When you understand God, you understand the good, you understand the Creation, you understand the existence, you understand your duty, your obligation. So it is holistic, and in holistic you become a much better, bigger person. There's a difference between an animal and a person, because an animal doesn't control his instinct, and we like to control our instinct. The Germans behaved like animals or worse, because they didn't control their instinct during World War II. The difference is to control or not control the instinct.

UPMARKET, NOT IN A DOWN MARKET

Guest: On the slide I think it quotes you saying that you made most of your money in an upmarket, not in a down market, and I guess today...

EH: Not true. We made more money in a down market than an upmarket.

Because in the upmarket everyone makes money, so sometimes people compete with you with more strength and less margin for profit. In bad times we were always capitalised, so we do better in a crisis than in boom. In 2007 I said the crisis wasn't in boom and not in an upmarket. We try to be very conservative in our life. We are very conservative in finance matters.

Guest: So to pick up on this in terms of liquidity and you said you have very conservative approach, especially because I mean maybe ten years ago, five years ago Cyrela didn't exist in Brazil.

EH: In 80s it didn't exist at all.

Guest: What role do you think leverage plays in the profit markets in Brazil?



“So Israel is not only a country, it is a Jewish country, and has something to do with our soul at the same time. We cannot separate.”

EH: I think it was bigger than before... We had a lot of money coming from the mortgage banks and the dollar, People are able to buy an apartment on credit, you cannot compare before 2005 with 2013. It's, two different worlds.

But today there is a split between economic houses and medium luxury houses. To make economic houses you need to be industrial. To make luxury houses or medium apartment you need to be an artisan. It's a different thing. We decided ourselves not to make the economy, but we are partners in a company that does very popular apartments and is doing very well. We are not going to make any more the very low. We'd rather use him to do for him, not for us. In fact they are a much bigger market than our apartments. We want to have 30% more profit than formerly. We don't need to sell everything in one day, in one week. We can sell it in one year.

MY RELATIONSHIP WITH ISRAEL

Guest: Can you describe your own personal relationship with Israel and your viewpoints on it? Secondly how is Israel perceived in Brazil, and are you doing work on that level as well?

EH: I'm a Jew. I like my country is that it is Israel for the same time. I guess impossible to dissociate Israel from Jewishness. It's impossible. Every day when you pray, you pray that we need to go to Jerusalem again. We need God to help the people. So Israel is not only a country, it is a Jewish country, and has something to do with our soul at the same time. We cannot separate. How is Israel perceived in Brazil? Probably like Brazil in England: unhappily. People, the media is very leftist, in general. You know better than me what is the image of Israel in England: the same thing in France, and probably in Brazil a bit less, because people read less in the newspapers. But it doesn't make any difference, because we have a Jew by definition is going to be persecuted, from the time that Jews were persecuted, from long straight down the years ago until now. It's a way of being. And the one test is to protect ourself against this test: to go out is very easy; to go in is very difficult. That is the test. Our main test today probably in this world is to remain Jewish, besides all those problems, beside everything that you see in the street, and so on. As a man you are being tested; as a woman you are being tested; as a Jew you are being tested at the same time.

CHARITY IN ONES LIFETIME

EH: you give it in life or you give it to foundation is also the same thing. It depends how many profit you can have to manage. When I decided to give 60%, my wife was very angry with me. She was angry for two or three months. My kids were very supportive. My kids wanted me to do it in my lifetime, not after life. So the kids were very supportive, probably because they heard this is a house a long time ago. And to give it now or to give it later, it's almost the same thing. One great Rabbi in Israel told me not to give it right away: to give it slowly with order.

“There is a mission, each one has his mission. Each one should try to know what is his mission.”



An example, I once asked the Rabbi of Lubavitch. I said to him, I would like to come to live in the States, in San Diego. He told me go back to your country. I went back to my country. I stayed for two months in San Diego and then I went back to Brazil. The crisis began in real estate in California, and the crisis finished in Brazil at that time. That is very good advice.

CURRENT SITUATION IN BRAZIL

Guest: Would you tell us something about the disturbances in Brazil now? Are you worried about that?

EH: I'm not worried, because apparently it's a medium class protest against corruption, against spending a lot of money on football instead of hospitals. So it's not so bad. Some of them are bandits, but it's the minority. I'm not so worried about this problem. I wish there could be a way to restore the confidence to the government and so on.

Guest: Most of us live in London; you've seen high growth in Brazil that's still going on as well as the time of the crisis. Some people start talking about a bubble in the real estate world. What is your view about that?

EH: Well, London I don't know. But Brazil I know. There's no bubble because there's no speculation. People always buy an apartment to live. We don't have foreigners. We don't have foreign money. We have only friends that are willing to invest for business to make money, not to speculate about apartments or land. So I don't think there is a bubble. It could be a bubble one day, but not today. The apartments literally went up from maybe \$5,000 to \$50,000 today in five, six years. But this is not a problem because there is no other land to buy. For the poor apartments, the government apartments, the margin is very slow, very low. So I don't think there is a bubble because people like to live. In London I couldn't answer you.

RETIREMENT

I had two friends 40 years ago, 30 years ago. They made a lot of money importing from Japan to Brazil in 60, 70, something like this. One was 29 years old; the other one 45. They were brothers-in-law. The one of 29 made money and went to live in Canada, playing tennis every day and swimming and having fun. And the other one stayed working. He died at 30 years old from heart attack. The other one is alive today, he's 80-something. So to stop working is a stupid thing for a person. A person is not suppose to retire. He could retire from business, but he could do other things, philanthropy or producing or helping people or going to hospitals. But to stay in the house like a stupid guy; he shouldn't do it.

There is a mission, each one has his mission. Each one should try to know what is his mission. It's not so easy. Whenever you find your mission it's much easier for you. If you don't make a mission, you are not in life. If you don't want to get lost, try to find your mission. Each one of you, of us, has a mission. Everybody in the world has a mission. We should try to find out what is our mission. Each one has his own mission. It is his mission. No one will do his mission other than himself.



PRIORITIES IN GIVING

Guest: When you are in charge of a Jewish organization what strategy is there for dividing between the causes?

EH: The majority will go for Kiruv, because we are losing people. How many Jews we did have in 1940, do you know the numbers?

Guest: 18 million.

EH: How many Jews there were after the war in '45?

Guest: 12 million

EH: How many Jews were we in 1960? 18 million again. How many Jews are today in the world in 2013?

EH: 13 million. So how many Jews assimilated? Including the children who were unborn, the figure rises to about 30 million, because of the 18 million to 36 million or more. We lost about 23 million. We lost by assimilation four times what it had been. Is that right? We don't have the right to do it. We should not do it. That is a problem, a big problem today. Maybe our biggest problem in the world. We don't have a bigger problem.



CLOSING REMARKS

On behalf of everyone here at the Centre I want to thank you very much. Your words contained much wisdom, but most importantly it was your passion and your conviction which certainly had an impact on a lot of people here tonight. Please G-d you should continue being an inspiration for many years to come and you should continue working to inspire many, many more people in this country, in Europe and around the world. Thank you very much.