

The Armenian Dream in America

Las Vegas has a new sheriff in town, and it's Tropicana Owner Alex Yemenidjian. After a brief hiatus from the gambling mecca of the world, Kirk Kerkorian's former right-hand man is now building his own legacy while restoring the Tropicana back to its glory. His extraordinary voyage in the business world is incredible. His path to fame and fortune is inspirational. His story is remarkable.

Text Manouk Akopyan | Photo Armen Poghosyan

Alex Yemenidjian's journey starts through the Andes Mountains in 1955. After 13 years and a two-week detour in Boston, it curtails on a one-way trip to Hollywood, where in 30 years, the stars he would walk on would later work for him in motion pictures. In 1989, he has the most significant and mouth-watering meal of his life, and three years later, makes the four-hour trip up Interstate 15 to Las Vegas, where the man who requested his services at that lunch, Kirk Kerkorian, awaits him as consigliere. Sixteen years as the casino tycoon's top lieutenant matriculates into the rewarding challenge of three very important letters on two completely separate fronts: MGM. A little over a year ago, Yemenidjian again embarked on the trek to Sin City

and began what is perhaps the biggest numbers game and gamble of his life: restoring the historic Tropicana Hotel and Casino back to its prior glory – as its *owner*. (see page 43)

For the 55 year old, the numbers now revolve around the Tropicana's \$165 million money-spending makeover that is just a couple of brushstrokes from being completed. The Argentinean-Armenian's triumphant voyage of owning a casino and historic landmark in Las Vegas is multifaceted, as are the roots of his principles.

"I don't define success the way most people do. Most define it by how much money you make and by how many titles you have. I define success by how you raise the next generation," says Yemenidjian as he sits

in his Tropicana office, surrounded by an island of renderings of his revamped playground resting on easels. “Luck certainly plays its factors; it definitely did in my case. But there is no real substitute for hard work. If people like you, and trust you, you are half way there. Those who are good at what they do and have leadership skills as opposed to management skills, they are going to be very successful. It’s amazing how everything builds up.” What’s amazing is his build up – a story cut from the same cloth of legions of Armenian immigrants hoping to one day make it big in the United States. For Yemenidjian, his lucky break came when he met the magnanimous Kerkorian over a social lunch arranged by George Mason, a mutual Armenian friend who was like an older brother to Alex and a younger brother to Kirk.

“It was a great moment for me, an opportunity to meet my idol,” remembers Yemenidjian. “If you are a Jewish kid, there are 2,000 of these guys. If you are an Armenian kid, there is only one Kirk Kerkorian. And there I was, having lunch with my hero, my idol. I was on cloud nine.” In 1989, Yemenidjian was a managing partner of the certified public accountants firm Parks, Palmer, Turner & Yemenidjian and was already establishing himself in the greater Los Angeles area. He expected for the lunch to be strictly social, but five minutes in, before the appetizers had even arrived, Kerkorian asked a question, and as soon as the words came out of his mouth, Alex knew it was an interview in disguise. The question? “What do you think of the current situation in Armenia?” asked Kerkorian, referring to Armenia’s reaction at the time to Mikhail Gorbachev’s policies of Glasnost and Perestroika. “The reason I thought I was being interviewed, granted, I am processing all of this quickly while sitting there, is that ‘here is this guy, a multi-billionaire, who probably knows everything about everything...times 50 thousand. I don’t think he is asking me to get the answer to what’s going on in Armenia. He’s asking me to know what kind of response he is going to get.’ That was a very interesting time to ask that and Armenia had done some things that I think were

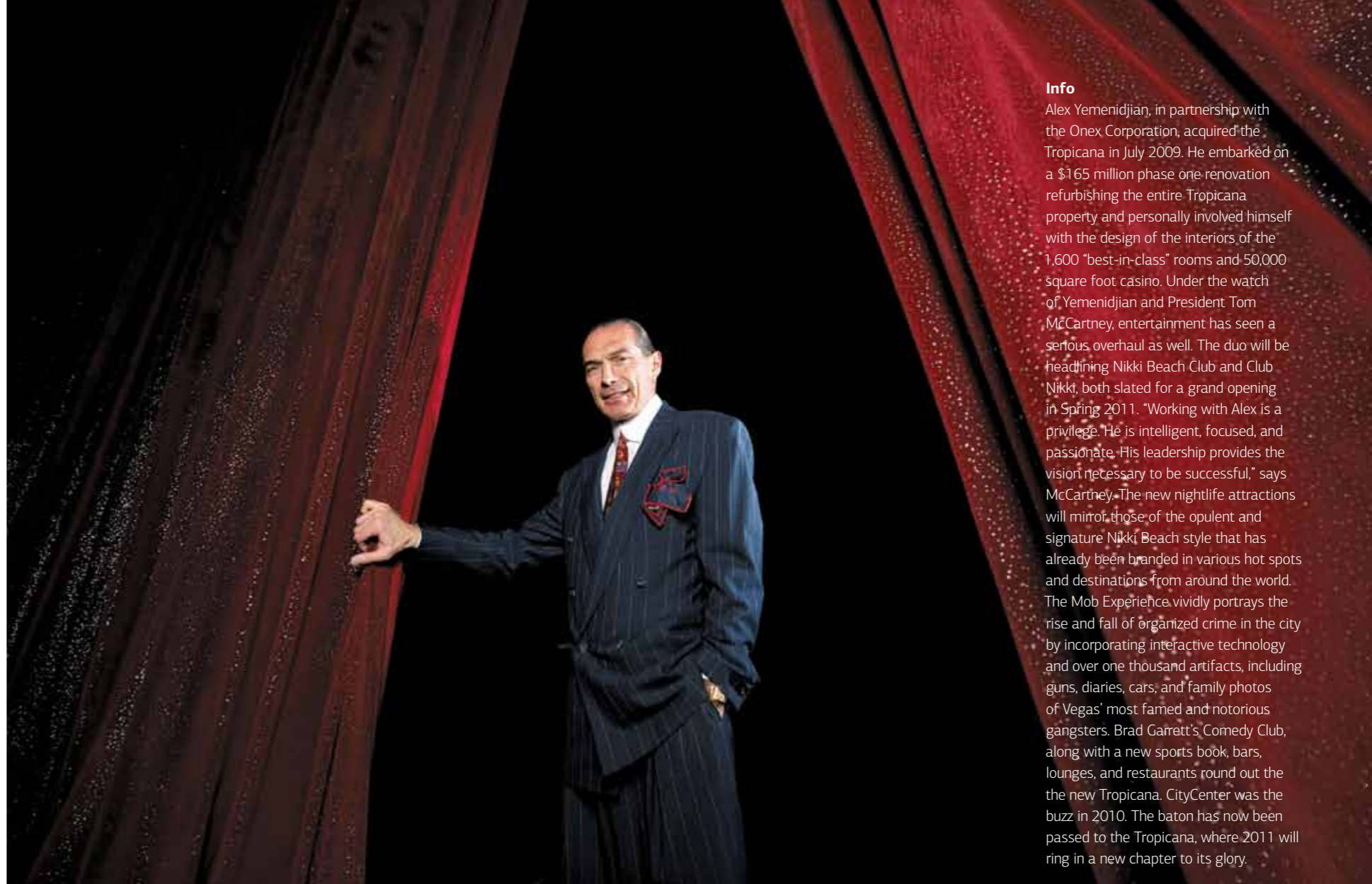
raining on Gorbachev’s parade.” The next day, Yemenidjian got a call from Mason instructing him to call Kerkorian the following Monday at 3 p.m. “It didn’t sound like 2:59 or 3:01, it sounded like three!” Yemenidjian laughs. “He’s a very punctual man. So I gave him a call and he said, ‘I am not much for words, would you like to work for me?’” And so the wild ride began. Working for Kerkorian led to a special assignment in which Yemenidjian took a leave of absence from his accounting firm without even asking for details on Operation Kerkorian, which turned out to be selling Metro-Goldwyn-Mayer, Inc. (MGM), the renowned motion picture lion that once roared with such masterpieces as *Gone with the Wind* and *The Wizard of Oz*. On January 1, 1990, Yemenidjian took a six-month leave of absence that lasted 16 years and turned into what many describe as a loyal father-son relationship with Kerkorian. “It was a big change for me. The assignments that I received from my former boss were things that were new to me, but that made it very exciting. Change is good, it irrigates the human condition. I had a chance to do a lot of things I knew nothing about, and I learned from him. How can you not learn from him? It was like getting private lessons from Michael Jordan for 16 years. I was very fortunate to be in that position. We never talked about the six months or leave of absence ever again and it was a wild ride,” he says. “Mr. Kerkorian is a gentleman’s gentleman, and without question he is the smartest person I have ever known. He can see around corners. So having the opportunity to work closely with him and to learn from him has not only made me a better businessman, but also a better person.” Although initially provided the proverbial meal ticket by his mentor, Yemenidjian quickly proved to be business-savvy in Las Vegas, wearing many hats and serving in a number of other capacities in Kerkorian’s empire. Alas, Jordan officially had found his Scottie Pippen. A tall, trim, immaculately and expensively dressed man whose trademarked

scalloped-collared shirts are one of a kind because he designs each and every one of them himself, Yemenidjian certainly fit right into Las Vegas’ court of platinum glitz and glamour. In 1995, he began a four-year stint as President of MGM Mirage (formerly, MGM Grand Inc.). During his initial time in the casino-hotel business, he participated in the design and development of MGM Grand, New York-New York, MGM Grand (Detroit), the MGM Grand Conference Center, and The Mansion at MGM Grand. With Yemenidjian’s rapport and acumen already established across the globe, his mentor’s next assignment was based in an industry his disciple knew nothing about – movies. In 1999, Kerkorian appointed Alex, under much condemnation and disapproval from Hollywood critics, as CEO of the fledgling motion picture company MGM.

However, in typical Yemenidjian fashion, he served his boss well and proved all his doubters wrong. “There is nothing more rewarding than hearing someone say that something can’t be done, and then interrupting it by actually doing it,” says Yemenidjian. “When we took over the management at MGM, the movie studio was a great and legendary company in eclipse. There were many aspects to the turnaround, including reducing expenses and buying back our home video distribution rights from Warner Bros. just before the DVD market experienced explosive growth. We accelerated the metabolism of the company and doubled the cash flow of our film library, which was our primary asset.” Within \$100 million of running out of money – which in Hollywood economics equals a movie – Yemenidjian overhauled the entire business model of MGM. With

over 4,000 titles in MGM’s movie stable, Yemenidjian bankrolled on his library and brought the debt-laden company back above water. Forbes dubbed him the “Wizard of MGM” for his efforts. “As far as critics doubting my experience, it never bothered me. I think in any business, and particularly in the motion picture business, it is very important to stay true to your convictions and to avoid being seduced into doing irrational things. The most powerful word in Hollywood is ‘no,’” he says. Hollywood, Calif. is where Alex and his family lived until later moving to Woodland Hills, a half-hour drive north into the San Fernando Valley. The Yemenidjians emigrated from Argentina to the United States in 1968 and after initially touching down in Boston, two weeks later, his father would relocate to Los Angeles because he wanted his

children to continue Armenian school as they had originally began in Argentina. “I didn’t speak Spanish until I was five years old, because we were forbidden. It was only Armenian in the house,” says Yemenidjian, in perfect Armenian. A note that is familiar amongst Diasporans, his mother was born in Cordoba, Argentina and his father in Pierus, Greece, the countries port city, because both of Yemenidjian’s grandparents had fled from the massacres during the genocide. Alex’s maternal grandparents were born in Van and his paternal grandparents were born in the outskirts of Istanbul. After World War II, his father’s family left Greece for Argentina. “In the 1920s, 30s and 40s, Argentina was a first world country. A lot of people that were emigrating from Europe and Eastern Europe had a choice. They would either go to the United States or Argentina. ▶



Info

Alex Yemenidjian, in partnership with the Onex Corporation, acquired the Tropicana in July 2009. He embarked on a \$165 million phase one renovation refurbishing the entire Tropicana property and personally involved himself with the design of the interiors of the 1,600 “best-in-class” rooms and 50,000 square foot casino. Under the watch of Yemenidjian and President Tom McCartney, entertainment has seen a serious overhaul as well. The duo will be headlining Nikki Beach Club and Club Nikki, both slated for a grand opening in Spring 2011. “Working with Alex is a privilege. He is intelligent, focused, and passionate. His leadership provides the vision necessary to be successful,” says McCartney. The new nightlife attractions will mirror those of the opulent and signature Nikki Beach style that has already been branded in various hot spots and destinations from around the world. The Mob Experience vividly portrays the rise and fall of organized crime in the city by incorporating interactive technology and over one thousand artifacts, including guns, diaries, cars, and family photos of Vegas’ most famed and notorious gangsters, Brad Garrett’s Comedy Club, along with a new sports book, bars, lounges, and restaurants round out the new Tropicana. CityCenter was the buzz in 2010. The baton has now been passed to the Tropicana, where 2011 will ring in a new chapter to its glory.



They were both equally desirable.” Yemenidjian notes that even though he didn’t know how to speak a word of English, education was the primary reason for the family moving to the United States. “My father decided that he didn’t see a good future for my sister and me in Argentina, so he sold everything at fire-sale prices just to move the family to the U.S. for only one reason – so that my sister and I can go to American universities.” It was at Encino’s Ferrahian High School where Yemenidjian would continue his Armenian studies and go on to meet his wife of 34 years, Arda. Together, they have two children: a daughter, Noelle, 29, and a son, Armen, 25. After graduating from Ferrahian in 1973, Yemenidjian laughs as he remembers that his aspirations of going

to the University of Southern California were cut short because he couldn’t afford his way in. Plan B to USC was by way of California State University, Northridge, (CSUN) a school that proved to be just as good as USC once he graduated with a degree in business administration and accounting in 1977, he says. He would go on and earn his master’s in business taxation from USC while working during the day and taking classes at night and later, teach in the same program. Nowadays, the perks of revisiting Los Angeles and his Beverly Hills home are to see his granddaughter. But for the most part, Yemenidjian lives in Las Vegas, where he has taken an active approach in the day-to-day operations and face lift of the Tropicana as its co-owner, CEO and chairman.

“The Tropicana, both physically and culturally, has been virtually rebuilt from scratch,” he says. “Good planning always costs less than good reacting and spectacular achievement is always preceded by spectacular preparation. I have learned not to mistake motion for action and that most successful organizations are those that keep things simple and do a few things extremely well. The idea is to pick very few fights, and win them.” In a city where gamblers roam around town with a punchers chance of winning, Alex Yemenidjian remains one of Las Vegas’ most respected prized fighters. With every fight he’s picked in the business world, he’s left unscathed. Continuing on his blazing trail through the desert, there’s no sign of ever being a defeat. And you can bet on that.

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The look and feel of the new Tropicana is vibrant and exciting, filled with the casual and sultry rhythms of a hot South Beach night.

The Tropicana

As an owner, what is your biggest challenge with the Tropicana and in Las Vegas?

The challenges are many at the moment because you have the economy, the supply and demand imbalance where you basically have too much of everything in Las Vegas. The sobering reality is that it is now a zero sum game. To be sure, building a company under these conditions is like trying to build a house during an earthquake. Under these circumstances, it is particularly important to be able to articulate and execute a very clear strategy. Our strategy is based on uniqueness and differentiation. Every product, service, and cause that has a competitor is a brand that needs to define and defend its uniqueness. We have more properties opening and less visitors coming. Our situation is very different because we are creating something new and trying to differentiate ourselves and get a fair share of the 35 million visitors that are coming. We are not interested in winning a race. We are interested in running a different race.

Considering the innumerable tourist destinations in Las Vegas, how will the Tropicana draw its share of visitors?

We are working on certain features of the property that we believe are going to be a magnet for many of those tourists. Entertainment, a night club, the beach club, the mob experience. All of these things create traffic. They are unique, special and differentiate themselves in the marketplace. The location is great. We are now giving visitors a reason to come here. We are reintroducing the property all over again. We didn’t buy the property for what it had. We bought it for the location that it has and for what we can do with it. The unique thing about our property is that it is a perfect rectangle and it has streets on three of the four sides. It’s a designer’s dream from that point of view. It’s up to us to take this great location and turn it into a traffic machine.



You have been very hands-on with the remodeling and design process. How has your Armenian and Argentine heritage affected the makeover of the Tropicana, which has a Miami and Latin tropical fusion of South Beach?

The one thing about my heritage that may have something to do with what we are doing here is that, as you know, Armenians and Argentines are very hospitable people. What we are doing here at the Tropicana is making sure that each guest and customer feels as if they were at home. I’ve been lucky to travel a lot and I am very curious to my surroundings, and that springs forth ideas. I started as a frustrated architect in school and quickly decided that I wasn’t really “talented enough.” (laughs) But I have always enjoyed design and architecture. When you see the difference between the day we bought it and today, it is simply amazing.

What will it take for the Tropicana to return to its prior glory as the “Tiffany of the Strip”?

Without question, the most critical aspect of building a company from scratch is being able to attract extraordinarily talented people. Money does not think and buildings do not create. So we have been very fortunate to be able to assemble a high-performance team dedicated to a common purpose, which is critical because intellectual capital is the raw material from which financial results are made.

What attributes do you consider to be vital in business?

Loyalty, sincerity, enthusiasm, pride, creativity, common sense, preparation, a great work ethic, and a commitment to excellence. These are attributes that help people outperform. But I think that the most important is to have a set of core values, and to not compromise. Every person has the ability to elevate themselves into the ranks of the extraordinary. Success is not a matter of chance, it’s a matter of choice.

You are on the board in numerous capacities of many well-known organizations. (Lincy Foundation, United Armenian Fund, Guess?, Regal Entertainment Group, USC Marshall School of Business, Imagine the Arts Campaign of CSUN) How do you juggle all of your responsibilities?

It’s like running a marathon interrupted every so often with a hundred-yard dash. Effective time management requires a lot of practice. When you have so many things on your plate, there are two ways to deal with it: You either do a lousy job at all of them or you surround yourself with people who are extraordinarily good.

What does your future hold, both personally and in Las Vegas?

One never knows, but one thing that I am not interested in is retirement. I would like to spend more time with my family and to expand our gaming company, but retirement is not an option. ■