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The DON of ELAN

Always on the go, entrepreneur **Donald Panoz** has sped from pharmaceuticals to resorts to motor sports, leaving an expanding global empire in his wake.



ELIZABETH LANDT / Staff

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When Becky Mayberry went to work at Chateau Elan, she heard all sorts of stories about her new boss, the stout redhead who looks confidently down from an oil painting in the lobby.

Donald Panoz — “Dr. P” to employees — has a résumé with more turns than a Grand Prix road race. First he made a fortune in pharmaceuticals, where he pioneered the nicotine patch. Next he started developing hotels, wineries and golf courses. Then he “retired” and roared into motor sports, building fast cars and racing them on four continents, sometimes on tracks he bought and spent millions to improve.

Wine, wealth and speed — no wonder people talk about him.

“We heard there was an underground city over here,” says Mayberry, now Panoz’s assistant. “We heard that big trucks would roll up in the middle of the night and unload cars. Some people said there was a secret subway, and Dr. P could step into it and go anywhere in the world.”

There has always been an air of mystery about Panoz, the 66-year-old businessman best known locally as owner of the Chateau Elan winery and resort and the Road Atlanta race track in Braselton. Since he came to Georgia two decades ago, he has slipped easily from pharmaceuticals to luxury hotels to auto racing as if they were weekend hobbies instead of multimillion-dollar enterprises. He owns more than 30 companies — the latest a venture to put electric cars on the streets of Atlanta — and employs 1,200 Georgians. He travels so

widely and incessantly to keep track of it all that his own children often can’t answer the question: *Where’s your father?*

“I used to think daddy was a spy,” says Panoz’s daughter Donna Sparks, remembering the days when he crisscrossed Europe, Asia and Africa on pharmaceutical business. “He wore this black leather coat, and he flew in and out of exotic countries where the governments sometimes fell after he had been there. I just knew he was a spy.”

He wasn’t, of course. Don and Nancy Panoz, his wife of 47 years, are simply two of the damndest serial capitalists Georgia has ever seen. Motorists who drive by the faux-French chateau on I-85 are glimpsing only a fraction of the Panozes’ far-flung domain — the tip of the cork. From their latest resort in Scotland to their upcoming race in Malaysia, their interests hopscotch the globe like the



BRANT SANDERLIN / Staff

Entrepreneurs Don and Nancy Panoz, at home in Savannah, have always worked as a team in building their many ventures. "There hasn't been a day since 1962 that we haven't had something under construction somewhere," says Nancy Panoz.

bank of clocks in the Chateau Elan conference center, the ones that give the times in world capitals: Paris, Tokyo, Los Angeles, Braselton.

"There hasn't been a day since 1962 that we haven't had something under construction somewhere," says Nancy Panoz.

The journey began modestly in the mountains of West Virginia.

There's no sign marking Don Panoz's headquarters in a nondescript two-story building across the interstate from Chateau Elan. The items on the coffee table outside his office attest to his eclectic pursuits: books

about racing, bottles of wine and Georgia mountain water, even a couple of stuffed animals — each of them representative of a family enterprise. In a corner suite, Dr. P sits at his desk in a blazer and knotted tie firing up one Silk Cut cigarette after another. The man who developed the transdermal patch that has helped millions stop smoking is allergic to it.

"It gives me welts," he says, flicking his gold lighter. "But it's easy to stop smoking. I've done it dozens of times."

He drums his fingers and turns to a laptop computer to check his e-mail. Everything about him radiates Type A energy, from his

DONALD EUGENE PANOZ

► **Background:** Born 1935 in Alliance, Ohio; grew up in Spencer, W.Va.

► **Education:** Attended Duquesne and the University of Pittsburgh, but never graduated. Employees call him "Dr. P" because of his two honorary doctorates.

► **Lap 1:** Co-founder of Mylan Laboratories, founder of Elan Corp. Still has his hand in the industry as chairman of SICOR Inc., a pharmaceutical firm in Irvine, Calif.

► **Lap 2:** Developer/owner of Chateau Elan resort and winery in Braselton. Also has resorts in Florida, California and Scotland.

► **Lap 3:** Builds race cars; has a racing team; owns tracks in Braselton, Florida and Canada; promotes Le Mans races around the world.

► **The new new thing:** eMotion Mobility, which plans to import micro-compact cars from Europe and refit them as electric vehicles to be used in a car-sharing system in Atlanta and other cities.

► **Family:** Married to Nancy Hefner Panoz of Savannah. Five children: Donna Sparks, 45, who runs the Granite Steps bed-and-breakfast in Savannah; Deena Nolan, 43, of Ireland; Lisa Wytiaz, 41, who is developing an equestrian subdivision with her mother in Jefferson; Danny Panoz, 39, president of Panoz Auto Development in Braselton; and Andrea Purgason, 36, an interior designer in Braselton. 10 grandchildren.

► **Hobbies:** Cooking pasta, watching the Braves on TV, golf.

► **Quote:** "I just follow my passions. But this may be it. After racing, no more passions."

quietly intense manner to his short, powerful frame, which, despite some paunchiness, still recalls his days as a semipro football player. His ruddy complexion and strawberry hair only underscore the sense that some mixture of ambition and competitive juice is simmering inside.

It was that energy that first attracted Nancy. "He's totally focused," she says. "If he's working on something, he'll almost run you over."

They met in the early '50s in Lewisburg, W.Va., where Don was attending Greenbrier Military Academy. He was the middle-class son of a Moose club manager, Irish on his mother's side, Italian on his father's. (Panoz — pronounced PAY-nose — is an Americanized version of Panunzi.) Nancy, on the other hand, was poor, the daughter of a well-digger who died in an accident when

she was in diapers. She grew up working, taking care of other people's children to help support the family.

They married as teenagers after Don enlisted in the Army. His entrepreneurial instincts first showed when he was posted to Japan. He noticed that the military would pick up the cost of shipping autos to Asia with arriving servicemen but wouldn't pay the return freight. Nobody wanted Japanese cars back then — not even the Japanese — so Panoz bought the used American cars in Japan, sold them at a mark-up and had less-expensive new models waiting in the States for the returning GIs.

After he was discharged, Panoz used his car-trading profits to buy a drug store in Pittsburgh. He enrolled in the Duquesne University pharmacy school but got so busy running the store and starting a family that he quit when one of his credits was disallowed.

"I said to hell with it, I'll just *hire* a pharmacist," he says.

Panoz never finished college, although he continued to study pharmacy on his own. Not having a degree didn't seem to hamper him. In 1960, he talked several members of the Pittsburgh Pirates into investing their World Series bonus checks in a pharmaceutical company he wanted to launch in West Virginia. His partner was an old Army buddy, Milan Puskar, who's still chairman of the firm they began, Mylan Laboratories.

"There's nothing college could have taught him," Puskar says. "Don has vision, and you can't teach vision. He's not a technical person, but he's a master salesman. He always wanted to know: Why not?"

Mylan prospered in the growing field of gelatin-capsule drugs. But the board balked in the late '60s when Panoz pressed it to get into the time-release technology that led to the nicotine patch. Frustrated, he took the biggest gamble of his life, cashing out of the company and moving his family — including five young children — to Ireland, where

there was less government red tape. He had \$60,000 to support them and start a new pharmaceutical firm, Elan Corp.

The move was hard on the children, who initially found Ireland cold and alienating. But they warmed up to the place and occasionally pitched in at Elan, labeling envelopes and packing prescriptions as their father traveled the world building the business. Their mother stayed behind to run the home office and tend to the family; as she puts it, he was the finder and she was the minder.

Nancy never questioned why they had to relocate — not after Don suggested that she read his favorite author, Ayn Rand.

"I read her and all of a sudden I understood," Nancy says.

Rand's philosophy of individual responsibility and minimal government interference struck a chord with the libertarian-minded Panoz. Years later, he named his principal company Fountainhead Development after "The Fountainhead," her novel about an architect who refuses to compromise his vision. Panoz keeps the book in his office and gave copies of Rand's other opus, "Atlas Shrugged," to his children when he thought they were old enough to understand.

Not compromising certainly paid off. By the '80s, Elan's time-release medications were making it one of Ireland's biggest companies and Panoz was on his way to becoming one of its wealthiest men, worth hundreds of millions of dollars.



As their children reached college age, the Panozes started thinking about re-establishing themselves in the States so the kids could get an American education. In 1980, Elan scouted locations for a facility in the Southeast. Panoz was leaning toward North Carolina when the Georgia Department of Industry and Trade called him. He wasn't interested at first; he had been to Georgia years before, driving down U.S. 1 in an un-air-conditioned car in the summertime, and

he wasn't eager to return. He changed his mind when the state offered him tickets to the Masters golf tournament.

"We took him to Lake Lanier Islands, and he loved it," says Ray McRae, a Gainesville banker who was on the recruiting tour and remains a friend. "I remember walking in the woods with him, and he came to this field and picked up some soil and said, 'By gosh, this is grape country!'"

Panoz had grown interested in wine through his travels, but it didn't dawn on him to try to make it in Georgia until he saw a roadside stand selling muscadines. He stopped and investigated. Grapes. In Georgia. Who knew?

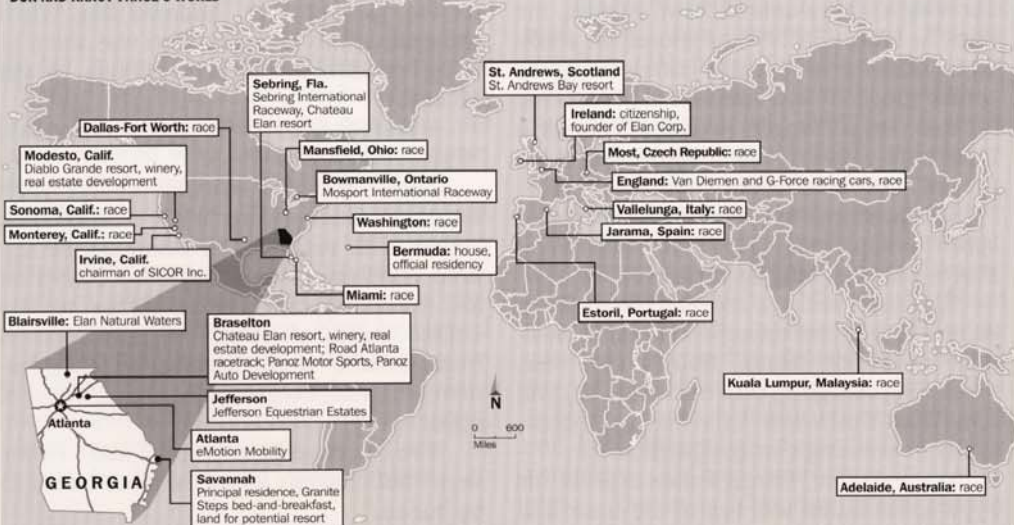
He promptly flew in viniculturalists from California and planted a small plot of vinifera grapes in Gainesville. The results were promising, so he started buying land for larger plantings along I-85 near Braselton. His winery, Chateau Elan, opened in 1985.

Not all the neighbors approved of the chardonnay-sipping newcomers. "Don't forget, this was the Bible Belt," Nancy Panoz says. "We got all kinds of hate mail. Lots of it. Death threats, too."

The Panozes were grateful when Georgia's governor at the time, the teetotaling Joe Frank Harris, came to the winery dedication and raised an empty champagne flute in their honor.

It wasn't enough to make wine; the Panozes wanted other businesses at Chateau Elan. Over the years, they added a 276-room hotel that rates four stars from Mobil, a spa that Nancy designed, a conference center, seven restaurants, three golf courses and a real estate development of houses costing as much as \$2 million. In all, there are 3,600 acres dedicated to the good life where there once had been nothing but grazing land and chicken shacks. The area has gotten so busy that the state highway department is adding lanes to the bridge over I-85 at the Braselton exit.

DON AND NANCY PANOZ'S WORLD



ROB SMOAK / Staff

TAKING CARE OF BUSINESS

In a typical month — mid-May to mid-June — Donald Panoz traveled to seven nations on four continents:

- May 16:** Diablo Grande, Modesto, Calif.: resorts
- May 17:** Chicago: pharmaceuticals
- May 18:** Jarama, Spain: racing
- May 21:** Atlanta: personal
- May 29:** Diablo Grande, Modesto, Calif.: resorts
- May 31:** Irvine, Calif.: pharmaceuticals
- June 1:** Adelaide, Australia: racing
- June 3:** Singapore: racing
- June 4:** St. Andrews, Scotland: resorts
- June 6:** Le Mans, France: racing
- June 11:** Stuttgart, Germany: electric cars
- June 13:** Le Mans, France: racing
- June 16:** St. Andrews, Scotland: resorts
- June 19:** Savannah: personal

Now comes the next step: exporting Chateau Elan. This summer the Panozes opened St. Andrews Bay, a golf resort that overlooks the ancestral home of the game in Scotland. They're also looking at developing resorts in France, Australia, near Savannah and a dozen other locations. Projects are coming to Panoz; a delegation from New Orleans visited earlier this year, trying to persuade him to build in the Crescent City.

"We're on track to develop 10 or 12 properties over the next decade," says Henk Evers, president of Ridgewood Hotels, the Panoz company that manages Chateau Elan and other resorts.

The most ambitious project to date — 10 times bigger than Chateau Elan — is Diablo Grande, a 33,000-acre resort in the foothills overlooking the San Joaquin Valley of California. It has taken Panoz a decade to clear the many environmental hurdles to developing in the state, and there are some legal challenges pending. The experience has tested his patience like nothing before.

"It's been 10 years of torture — the same stuff that made me go to Ireland," he grumbles. "The way environmentalists are these days, I'm not sure I could build in Georgia like I have."

A few years ago, Panoz got obsessed with golf. He played every chance he got with clubs and balls of his own design, and kept his office on the second floor of the Chateau Elan clubhouse. Gene Sarazen, the great golf champion from the '30s, became one of his closest friends largely because he reminded Panoz of another plucky Italian-American, his late father, who was once a prizefighter. Nothing was too good for Gene. Panoz sponsored a PGA golf tournament in his honor, the Sarazen World Open, and flew the elderly golfer around the world to consult on course design.

Sarazen used to joke that Panoz was going to invent a pill that would keep him alive forever. Panoz delivered the eulogy at Sarazen's funeral two years ago. The tournament has folded, and Panoz has relocated his office from the clubhouse as if to confirm he was moving on.

His latest obsession? He can blame that one on his son.

Danny Panoz fell in love with sports cars when the family was living in Ireland. Eleven years ago, with his father's backing, he started a company to build limited-edition roadsters. When "Pops" (as the family calls him) retired from Elan in 1996, he told his son that Panoz Auto Development needed to establish a heritage, like Audi or Porsche, and that the best way to do it was through racing.

Pops wasn't kidding. Today, he owns three tracks, four driving schools and a cluster of motor companies that, taken together, build more race cars than any other concern

in the world. He also fields a racing team and stages a dozen races around the globe as part of the American Le Mans series, a celebrated name he licensed from the mother circuit in France.

"I didn't know anything about this four years ago," Panoz says in his office, which is filled with model cars and racing memorabilia (including a picture of actor Paul Newman, who has driven for him).

"Let me show you something," he says, leading the way down the hall to another part of the building. He opens a door, and another world magically appears: It's like walking into a Willy Wonka chocolate factory for gearheads.

The smell of cigarettes gives way to the scent of grease. The floor is strewn with skeletal chassis and carbon-fiber fuselages that resemble kayaks. Disembodied motors rumble in service bays, their metal guts trailing tubes and sensors that are hooked to computer monitors like patients in an intensive care unit. Engineers with clipboards hurry about, their voices a Le Mans-meets-NASCAR mingling of European and Southern accents.

Over in the corner, there's a strange yellow car that looks like a cross between an egg and a golf cart.

"That's an electric thing we're doing with Chrysler," Panoz says.

It's an offhanded reference to his newest venture, eMotion Mobility. The company plans to import thousands of Daimler-Chrysler microcompact Smart cars from Europe and retrofit them with electric engines for a groundbreaking car-sharing system in Atlanta. The enterprise could flop — or it could help relieve Atlanta's air pollution problems and expand to other cities, making Panoz the biggest thing that's ever happened to electric vehicles in the United States.

Not that Panoz would want to regularly use one of the tiny EVs any more than he can wear a nicotine patch. He prefers fast, sporty cars like Danny's latest creation, an \$80,000 land missile called the Esperante.

No doubt about it, Panoz has a lead foot. Showing a visitor around Road Atlanta, the track he bought in 1997, he gooses the accelerator until the white safety barrels lining the course stream by in a seamless blur. Noticing his nervous passenger, he allows himself a little smile and explains, "You've got to let the old horse breathe every now and then."

But speed isn't why Panoz got into motor sports, a notoriously expensive undertaking that is just beginning to break even for him.

"Don isn't really a race fan," says Scott Atherton, a former driver who became president of Panoz Motor Sports last year. "Watching cars go by on a track doesn't thrill him. What thrills him is the business opportunity — winning *that* competition."

At some point, Danny Panoz expects, his hyperactive father will tire of the track and

look for another race to run. "It could be fly-fishing, it could be yo-yos," he says. "And then he'll go, 'You know, yo-yo technology hasn't advanced in years,' and he'll be off."

All the time Don and Nancy Panoz were building Chateau Elan, they commuted to Georgia from Ireland and Bermuda, where they had bought a home on a golf course because of favorable estate-tax laws.

"We were living in the Bermuda triangle," laughs Nancy, who doesn't like to travel quite as much as her husband.

In a sense, Don is still out to sea. He spends three-quarters of his time on the road and figures he has visited 76 nations. Sometimes he takes commercial flights; more often he hops his private jet, a 22-seat Challenger that one of his lieutenants likens to a flying living room.

"I have a jet because I need it," Panoz says, deflecting any notion that he lives extravagantly. "This isn't lifestyles of the rich and famous."

At least a couple of weekends a month, Panoz alights in Savannah, where his wife lives with her 94-year-old mother in a 10,000-square-foot antebellum townhouse that's furnished with exquisite antiques and family mementoes. He's been trying to spend more time there lately because of something that happened to Nancy. Four months ago, as she was preparing to supervise the finishing touches on their Scottish resort, she had to be hospitalized with a mild stroke.

The family was shocked. Although Nancy loves to work and pushes herself almost as hard as Don, she's three years younger and exercises regularly. Outgoing and active, she has always seemed indestructible to her children.

"We always figured something like this would happen to daddy first," says their daughter Donna Sparks, who runs a bed-and-breakfast down the street in Savannah. "It's been very upsetting."

In June, even though she hadn't regained complete use of one side, Nancy thoroughly worried her family by traveling to Scotland for the opening of St. Andrews Bay. When she returned to Georgia, Don was there to bring her coffee in bed. Soon enough, he was off again.

"I don't live here," he says of Savannah. "I just visit Nancy."

Indeed, it's hard to pinpoint just what Panoz considers home. While he's an Irish citizen with residency in Bermuda, he seldom visits those lands anymore. Nor is he an American citizen; he comes to the United States on visas and moves on as business and whim dictate, an entrepreneurial pinball bouncing through a world of opportunity.

"I've been to a lot of places I like," Panoz says, "but I haven't found the place I want to be buried."