

Malin Burnham

Interview conducted by

Mary Walshok, Ph.D.

December 11, 2015

SAN DIEGO TECHNOLOGY ARCHIVE



Malin Burnham



Mr. Malin Burnham serves as the Chairman of John Burnham & Co. Mr. Burnham is a private investor. Mr. Burnham serves as the Chairman of Burnham Pacific Properties and Chairman of Advisory Council of Sorrento Associates, Inc. He is the Founder of First National Bank at San Diego and serves as its Director. Mr. Burnham serves as Honorary Trustee of Sanford-Burnham Medical Research Institute. He is also a Trustee of The Burnham Institute. He also serves on the Dean's Advisory Council of The Rady School of Management at the University California, San Diego. Mr. Burnham is a former Director of San Diego Gas & Electric Company, Cubic Corporation, and Gen-Probe, Inc. Mr. Burnham is a former Trustee of Stanford University and President of America's Cup Organizing Committee.

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INTERVIEWER: Mary Walshok, Ph.D.

DATE: December 11, 2015

LOCATION: San Diego, CA

1 **WALSHOK:** This is Friday, December 11th. This is Mary Walshok about to begin a
2 conversation with my friend, Malin Burnham.

3 **BURNHAM:** Good morning, Mary. Nice to have you here, and I look forward to our
4 conversation.

5 **WALSHOK:** I can't remember if we are in round two or round three *[laughs]*.

6 **BURNHAM:** I think it's three.

7 **WALSHOK:** But what I really want to do in this hour to hour and a half that we
8 have together is pick up where we left off, which was that I've got good information
9 on how you got involved with the Fishman's and the Burnham Institute. I think we
10 are fine there. Where we left off is how the circle of support for the Burnham
11 expanded, and I'd love to have you – if you could, please – retell the story of how you
12 got Doug Manchester onto the board, and then he had an unexpected encounter on
13 an airplane with a man by the name of Denny Sanford.

14 **BURNHAM:** Yes.

15 **WALSHOK:** And I think a lot of the history of the Torrey Pines Mesa can be
16 understood by those sort of early relationships. Do you see what I mean?

17 **BURNHAM:** Mm-hmm.

18 **WALSHOK:** That was sort of catalytic in making a lot of other things happen. So
19 why don't we start with Doug arranged for this – for Denny Sanford to join you –

20 **BURNHAM:** Mary, it is very interesting, as I look back on my little personal history
21 with some of these projects in San Diego, and I don't take credit for any one of them.

22 I like to be part of a team and part of the effort, but in life sciences, it was very
23 interesting in that I was asked to join the board in year six of the La Jolla Cancer
24 Research Foundation. I did not know anything about cancer, and that's all they were
25 doing. But I looked inside the organization, talked to the people, and I saw
26 something that I knew was unusual, and it happened that to be that at that time,
27 science was done by the scientist in a vacuum. The scientist didn't want his or her
28 neighbor to see what was going on because they may steal their secrets.

29 And when I walked into the laboratories of the La Jolla Cancer Research Foundation,
30 I didn't see any of that. There were no walls. There were no siloes. People were part
31 of the family. It was partnerships. They were all working together, and I felt it. I saw
32 it, but I couldn't explain it. It took me six or seven years to gain, in my vocabulary,
33 the word "collaborative" – "collaboration," and that's really the DNA of the life
34 science world here in San Diego. It is the key to our success.

35 Okay, fast-forward. About ten years ago, I solicited and got Papa Doug Manchester
36 to come on the board of what was then, the Burnham Institute, which was a
37 successor to the La Jolla Cancer Research Foundation. And as serendipity, many
38 times, is our savior, Papa Doug and his wife at the time were on a round-the-world
39 charter trip for the WPO group, which, of course, is the senior YPO group.

40 On this trip, they met a chap by the name of T. Denny Sanford from Sioux Falls,
41 South Dakota. And Denny told them, during that trip, that among other things he
42 had just recently pledged a \$400 million gift to the South Dakota Hospital group,
43 which was a large group; probably comparable in size to either Sharp or Scripps here
44 in San Diego. They covered four states, and it was a \$400 million pledge.

45 Well, Manchester's ears perked up and he said, "Gee, you are in the health care
46 world." He said, "I'm on the board of a little outfit in San Diego called the Burnham
47 Institute, and we are all in the health science world."

48 **WALSHOK:** Yes. Good for him.

49 **BURNHAM:** He said, "You know, you ought to come out and see what we're doing."
50 This is one of my examples of serendipity. So about three or four weeks later, it
51 turned out that Papa Doug was having a birthday party, and if I remember correctly,
52 it was his 70th birthday party.

53 **WALSHOK:** Papa Doug?

54 **BURNHAM:** Could've been his 65th back then.

55 **WALSHOK:** Yes, probably.

56 **BURNHAM:** He invited Denny Sanford to come out to his birthday party. And Papa
57 Doug arranged a five-person table for dinner and dancing and all that type of thing
58 and the customers, so to speak, were Denny Sanford, Roberta and I, and John Reed
59 and his wife, Muffy. At that time John was our president and CEO and one of the
60 handful of top scientists in the world in biology investigation. And so that's when we
61 met Denny, and it was a social event. But nevertheless, we talked a little bit about
62 business, so to speak, and we invited Denny to come out and take a look at what we
63 were doing.

64 We knew, at that time, that pediatrics was his current interest. So we said, "Well,
65 let's talk about pediatrics. It sounded like that's what you were interested in today,"
66 and he said, "Yes." We suggest that he bring one or two people out from South
67 Dakota with him, and we'll have our team there, and we'll talk about pediatrics to
68 start.

69 So that happened maybe a few weeks later, and we got into one of the conference
70 rooms at the institute, and we had John Reed and two or three of his scientists. They
71 got up to the white board and put a lot of words and departments and game plans
72 and what have you, charts, and one thing or another. And after a while, Denny said,
73 "Well, can you write it up?" To me, that was a foot in the door, and, "Well, sure we
74 can write it up."

75 So we put a formal proposal together and that turned out to be a \$20 million gift
76 from T. Denny Sanford to start a pediatric center of research within the Burnham
77 Institute. At that time we had 10 or 12 NIH grants on pediatric work, but they weren't
78 consolidated. They weren't grouped together, and we all know that once you do that,
79 you can get there a lot quicker when you have people working closer together.

80 **WALSHOK:** But Malin, you realize what an extraordinary story that is because
81 development professionals will say, "Oh, you have to cultivate people. You have to
82 win them over." You're talking about an around-the-world trip, and becoming
83 friends with a board member.

84 **BURNHAM:** Yes.

85 **WALSHOK:** A birthday celebration where people really hit it off and liked one
86 another.

87 **BURNHAM:** Yes. Yes.

88 **WALSHOK:** A single visit and presentation.

89 **BURNHAM:** Yes.

90 **WALSHOK:** A proposal and a check.

91 **BURNHAM:** And a check. Exactly.

92 **WALSHOK:** There must have been something magical because that man has
93 become one of your best friends and one of the most important supporters of science
94 and medical research in San Diego. So can you say a little bit more about how that
95 evolved?

96 **BURNHAM:** Yes. I think, at that time, Denny was looking beyond Sioux Falls, South
97 Dakota.

98 **WALSHOK:** He was ready, you would say.

99 **BURNHAM:** He was ready, yes – another timing event.

100 **WALSHOK:** Serendipity.

101 **BURNHAM:** Yes, serendipity event. You know, he never said this, but as I look back
102 on his life, Sioux Falls is not a big enough environment for someone like Denny
103 Sanford, though it is a great place. I have been there several times. And they love
104 him there, and that is his official legal home. And he has done many marvelous
105 follow-on supports for not only the hospital but other things in the Dakotas and so
106 on and so forth, but San Diego gives him another outlet. To the extent that he buys a
107 home in La Jolla on the beachfront.

108 **WALSHOK:** I know.

109 **BURNHAM:** Because you don't have an ocean beachfront in Sioux Falls.

110 **WALSHOK:** That's right.

111 **BURNHAM:** Or many places in the country. And he used to be a –he's not active
112 anymore, but he was into sailboat racing – maybe 20 years ago. So again, he's used to
113 the water and that type of thing, and so it's a different environment for him. By the
114 way, his home in La Jolla is one of either four or five that he has, like in Scottsdale
115 and in the Colorado mountains and, of course, Sioux Falls, and I'm missing one
116 somewhere.

117 **WALSHOK:** Yes.

118 **BURNHAM:** But nevertheless, yes, it's what I call kind of a stepping stone.

119 **WALSHOK:** You talked about that in an earlier interview, and you also talked about
120 how you and Roberta were at a point in life when you decided you were ready, when
121 you set up the foundation, and I just think it is interesting. I am a sociologist, so I
122 apologize for being analytical. But I think it is very interesting how people have a
123 certain readiness in life to explore new horizons and resources, and that's what we
124 captured with Denny.

125 **BURNHAM:** Well, yes, and you remind me that it was another one of those turning
126 points and pivots in my life in that Roberta and I set up – to be formal about it and
127 disciplined about it – we set up our own private foundation back in 1980 or '81
128 because we were thinking long term and wanted to pace ourselves and discipline
129 ourselves and so on and so forth. So as a matter of fact in 1981 that led me to write a
130 letter to my 5 managers that were in the Burnham Real Estate Company that owned
131 small pieces of the company – but I had the majority of it. And I told them that, "In
132 the next five years, perhaps by the end of 1986, that if all went well, I would like to
133 sell this company to you folks."

134 I did not make any promises. I did not give a price or a formula. I just wanted to alert
135 them that there was this possibility, and if all worked well, that would be what I
136 would like to do. Part of that reasoning was because of our private foundation that
137 we had set up earlier, and we knew what I wanted to do in the future, long term. So
138 at the end of 1986 – by the way, I was hard at work in Perth, Western Australia,
139 helping Dennis Conner win the America's Cup.

140 **WALSHOK:** I remember that.

141 **BURNHAM:** And which actually happened on the 4th of February in 1987. But
142 Roberta and I were down in Australia for four and a half months during that period
143 of time. But in any event, by the end of December, we sold the company to my five
144 managers, and that point I converted full-time out of the business world into the
145 nonprofit world.

146 **WALSHOK:** And your pivot towards science, I think, was also very interesting
147 because, as I recall, you said to me, if I had met you in the '60s or '70s, you may not
148 have expected that to happen. So after Denny got involved with the Burnham
149 Institute – and I am trying to think of dates – but again, the historians will get the
150 dates right – two things happened in San Diego that I thought were very important.
151 One was the effort by a group of San Diegans to help Bob Klein –

152 **BURNHAM:** Yes, exactly.

153 **WALSHOK:** – get the stem cell initiative.

154 **BURNHAM:** That is the next step in this history.

155 **WALSHOK:** Right. And I, as a citizen and a philanthropist, contributed to that
156 effort, and I have interviewed Larry Goldstein and a number of people. I would really
157 like your take on that period and how it coalesced the community or –

158 **BURNHAM:** Well, Mary, that was another one of these serendipity steps – I guess
159 my life is filled with them when you get right down to it. I did not know Bob Klein.
160 But I knew of the effort that he was putting into writing a bond issue for the state of
161 California that went on the ballot statewide, if I recall, about nine years ago now, for
162 the voters to approve a \$3 billion bond issue to be used entirely for stem cell
163 research.

164 I only knew Bob by reputation. But I got a telephone call from him one day. He
165 obviously had been going through his real estate rolodex because that was his
166 profession, and he must have been wondering who he might call in San Diego that's
167 in the real estate world and that could help him do this? And somehow, he matched
168 me up with his thoughts, and that was the phone call that I got and –

169 **WALSHOK:** So he made a cold call to you?

170 **BURNHAM:** Yes, a cold call.

171 **WALSHOK:** Oh, that is interesting. Okay.

172 **BURNHAM:** He told me what he was doing and I said, "Yes, Bob, I've heard about
173 what you're doing, and I'm very interested." "Well," he says, "we need to talk," and I
174 said, "Sure."

175 I believe the next step was that he came to San Diego and we talked about it and we
176 hit it off personality-wise and otherwise and we liked each other's style and one
177 thing or another. So I agreed to help him, and I guess I probably volunteered to take
178 the lead in San Diego as his deputy, so on and so forth. So it finally got to the point
179 where it was timely to finish drafting the bond issue and building a team of
180 supporters. I was one of his vice chairmen – or whatever my title might've been at
181 that time – with the bond issue.

182 And so, now, it's the Burnham Institute. That name was changed in year 20, and now
183 we are in year 39, going on to 40. So I was probably chairman of the board at that
184 time when Bob came to me.

185 **WALSHOK:** I think you were.

186 **BURNHAM:** I have been on the board continuously all these years. As of the last six
187 or seven, as an honorary trustee. Nonprofit institutions generally stay away from
188 anything to do with politics and anything to do with a public vote, taking sides or
189 that type of thing. That is just what the nonprofit world is better equipped to do, or
190 not do. But in this case, I got to be fairly passionate about the need and the fact that
191 it was good for our citizens. It was good for the world, and it was good for our
192 economy, and so on and so forth.

193 I was chairman of the board of the Burnham Institute at that time, and at the right
194 time, once it was on the ballot – once it was qualified to be on the ballot for the next
195 election – I went to our board, and I persuaded them to go public and endorse
196 Proposition Number 71. I'll never forget that number. And as it turned out, we were
197 the first nonprofit medical institution of any kind in the state of California to
198 publically endorse.

199 **WALSHOK:** That is interesting.

200 **BURNHAM:** And ultimately we were the only ones in San Diego that went public
201 and endorsed it.

202 **WALSHOK:** No kidding.

203 **BURNHAM:** Nobody else wanted to get involved because we just don't get involved.
204 But because I was so attached to it and helping Bob and sort of agreeing to manage
205 the San Diego effort and so on and so forth that is what happened. And of course, it
206 was passed.

207 **WALSHOK:** Now, did you pull anybody into a coalition at that time? Or did you
208 primarily champion it through the Burnham Institute?

209 **BURNHAM:** The latter. We did not have a San Diego committee. I was on his
210 statewide committee.

211 **WALSHOK:** I've got it. Yes.

212 **BURNHAM:** I had an authority, so to speak, to represent the action here in San
213 Diego, and they had a lot of individual calls and that type of thing and –

214 **WALSHOK:** Because once it was passed, there was a San Diego committee that
215 sought to locate the headquarters of the institute.

216 **BURNHAM:** California Institute for Regenerative Medicine, otherwise known as
217 CIRM – C-I-R-M. Yes, the next move, after it was passed, was, "Where are you going
218 to put the –?" We had the forum, CIRM, and then where are the headquarters going
219 to be?

220 **WALSHOK:** Right.

221 **BURNHAM:** We immediately put our San Diego hat in the arena, and, of course, so
222 did the San Francisco Bay Area, the Silicon Valley group, and Brook Byers who was
223 already a friend of mine in the venture capital world in Palo Alto, who chaired their
224 effort to locate in their area. And I, more or less, chaired our area, if I recall correctly,
225 in representing that. And Brook is a long-time friend, and he's got a great sense of
226 humor.

227 Anyway, the final meeting of the CIRM was in Fresno, I guess, symbolically, halfway
228 between north and south and not the easiest place to get to have a meeting, but
229 nevertheless, a group of us went up here. We had a good contingent that went up to
230 an almost all-day meeting, and I told Brook, to begin with, "Look, you guys have
231 more money up here than we have in the San Diego area, so if you want to buy it,
232 just go buy it. We won't contest you." And so we had a lot of laughs over that. But
233 anyway, we made our presentations and one thing or another, and we came in
234 second, which was no surprise, but at least we made the effort, and so on and so
235 forth.

236 **WALSHOK:** I want to probe a little bit. Were you the public face for a lot of people
237 that were energizing this? Or did you recruit people to this effort? I know you played
238 a leadership role...

239 **BURNHAM:** Yes. Well, we didn't have a formal committee here in San Diego.

240 **WALSHOK:** Aha – okay.

241 **BURNHAM:** But we had an informal group including Duane Roth of CONNECT and
242 other leaders at UCSD – I don't now recall all the names, but it was informal. We
243 knew it was going to be short term. (CIRM is an organization by itself, and they
244 elected their own trustees, and that was all part of the bill – who would appoint
245 these people and so on and so forth.) And so we knew, once the decision was made
246 on the location, then we would disband because that's the only reason we came.

247 **WALSHOK:** Right. Okay. So it was an ad hoc group?

248 **BURNHAM:** Yes – more or less ad hoc.

249 **WALSHOK:** And if my memory is correct, I think Ivor Royston –

250 **BURNHAM:** Was part of it.

251 **WALSHOK:** – was part of it.

252 **BURNHAM:** Yes.

253 **WALSHOK:** And some of you flew up on his plane to that meeting.

254 **BURNHAM:** Well, I do recall we were in a private plane, and I would say six or eight
255 of us, anyway, flew up together for that day meeting – or mostly all-day meeting.

256 **WALSHOK:** I want to stay with stem cells and CIRM because it's so big now on the
257 Torrey Pines Mesa.

258 **BURNHAM:** Also, was the second event with Denny Sanford supporting something,
259 the next thing in San Diego.

260 **WALSHOK:** Okay. You mean that effort to get the headquarters here?

261 **BURNHAM:** No. No.

262 **WALSHOK:** No – what happened after? That's what I'd wish you tell us.

263 **BURNHAM:** Okay. Okay. So the next part, the next chapter in the Denny Sanford
264 story happens to be around stem cells. Now, bear in mind that, again maybe
265 serendipity, the voters in South Dakota had already said “we will never do stem cell
266 research in the state of South Dakota.” So that made another friend of Denny
267 Sanford do what we were doing as far as stem cell research potential here in San
268 Diego.

269 So, first of all, we decided – we being four organizations on the La Jolla Mesa: beside
270 the Burnham Institute, there was Salk and Scripps and UCSD Medical – we decided
271 it was best for us to form our own consortium to take advantage of getting grants
272 from CIRM. And in the bill, \$3 billion bill, 10 percent of that money could be used for
273 brick and mortar, and the largest grant that could be made for any one institute
274 location was \$50 million.

275 **WALSHOK:** Got it.

276 **BURNHAM:** \$50 million of the \$300 potential million available for a brick-and-
277 mortar facility. Well, the largest being \$50 million also required, in the bill, a 20
278 percent philanthropic equity on top of the grant for the brick and mortar from

279 CIRM. We put in an application. We formed the consortium here, the five
280 organizations, and, of course, more recently, three years ago, the La Jolla Institute
281 for Immunology and Immunization came in as our fifth wonderful member. In any
282 event, we put in the application, and Sanford and our consortium put in a \$50
283 million grant request application.

284 And at that point in time, we knew we had to get another \$10 million or 20 percent
285 on top of that. So while the grant application was being processed, I went to Denny,
286 and I explained all of this to him, and I said, "Denny, in order to get our \$50 million
287 grant, we have got to get \$10 million in philanthropic money on top of that. So we
288 would love to put your name on the building as the Sanford Building for our
289 purposes." And he said, "Well, let me think about it."

290 A few days later he came back: "Well, my advisors say for \$10 million, I ought to have
291 my name on the entire consortium." Now, this began a poker game and I'm really
292 not a poker player. Nevertheless, I didn't realize, but we were playing poker. So I said
293 to Denny, "No, no, no, Denny, we've already been working with a person, a real
294 person in Los Angeles and who also is interested, and he is prepared to put up \$30
295 million to have his name on the entire consortium, not just the building. But he has
296 got two conditions that we don't know if we want to live with."

297 **WALSHOK:** Oh, I think I know who the man was.

298 **BURNHAM:** "And so we'll put your name on the entire consortium if you'll put up
299 \$30 million." Well, he says, "Let me think about it and get back to you in a few days."
300 So he comes back and says, "Well, my advisors say that that would be okay, but I
301 can't put all the money upfront. I'll put up \$10 million upfront and \$20 million over
302 the next 20 years." And I said, "No, no, Denny."

303 **WALSHOK:** No, that won't work.

304 **BURNHAM:** "This is a ten-year deal. The CIRM is only a ten-year proposition. This
305 money's going to be spent in ten years, and we need –" so anyway, another visit to
306 his advisors. He comes back to me, and the history is known. He agreed to put up
307 \$30 million – \$10 million upfront and \$20 million over the first 10 years. And so that
308 was the poker game, and that was the second tranche of Denny Sanford's
309 philanthropy that came into San Diego.

310 **WALSHOK:** That's a great story. Are you okay with me staying with your role in
311 triggering other philanthropists? Because from where I sit, that's an extraordinary
312 contribution.

313 **BURNHAM:** Yes.

314 **WALSHOK:** Or are there others?

315 **BURNHAM:** Yes and there's at least one more that ties into all of this.

316 **WALSHOK:** Yes.

317 **BURNHAM:** One more of those Denny Sanford stories besides others in the
318 community.

319 **WALSHOK:** Yes, well, I'd like to keep with Denny and then go on to Conrad and
320 maybe others that I'm not aware of, but what I find so interesting, and we probably
321 should interview Denny – right?

322 **BURNHAM:** Yes.

323 **WALSHOK:** Because he has made such commitments to the institute that you
324 helped launch, but also, now, to UC San Diego and in addition to CIRM. So anything
325 you feel is comfortable to share would be appreciated because it is amazing.

326 **BURNHAM:** Okay. Well, let me explain what I would call, perhaps, the third
327 chapter, the third Denny Sanford chapter. About seven years ago, our development
328 department at the Burnham Institute was putting together a game plan for a \$100
329 million campaign to start building our endowment. Well, we already had a small
330 endowment, but we needed to build it up, and we hadn't even taken this to the
331 board yet because it was in the planning stage. And somehow – I never did figure out
332 how Denny heard about it – but he came forward and says, "Well, gee, that's
333 interesting, and, yes, we really do need to build this up," and so on and so forth.

334 **WALSHOK:** Was he on the board?

335 **BURNHAM:** No.

336 **WALSHOK:** No?

337 **BURNHAM:** No. No. He's never been on "the" board. He's only been on the
338 honorary board. We have an honorary board at the Burnham Institute – established
339 during the Burnham Institute name period – of honorary members – those who have
340 contributed \$10 million or more.

341 **WALSHOK:** Got it.

342 **BURNHAM:** So anyway, Denny has not been on the board. That's not his interest in
343 serving on boards. So anyway, he hears about our campaign, and he says that he
344 could be interested in helping us with that campaign. And he said maybe he would
345 make a \$50 million matching gift.

346 He was talking about making a matching gift, and we said, "Denny –" I forget exactly
347 why, but we felt that a matching gift at that time was not really part of our game
348 plan, but that we certainly – we didn't dismiss it. But we said, "Denny, we would
349 really like this \$50 million gift that you've mentioned, and it would be our proposal,
350 with that kind of a gift, that your name would go on the institute." He did not ask for
351 it.

352 **WALSHOK:** No.

353 **BURNHAM:** We said that it was –

354 **WALSHOK:** You offered it, yes.

355 **BURNHAM:** – it would be certainly appropriate that your name would go on that.
356 Anyway, we got to the point where he said, "Okay, I'll make the gift," and he had
357 suggested to people that he really wanted to match it, but it was not officially part of
358 his gift. It was an outright gift, period.

359 **WALSHOK:** Okay.

360 **BURNHAM:** We got to the point where you put the name – this was a fun little
361 story – and so I had a private conversation with Denny. I said, "Denny, maybe the
362 way we decide whose name goes first, why don't we just flip a coin?" And without
363 taking a breath he said, "Only if we use my two-headed coin."

364 **WALSHOK:** *[Laughs]*.

365 **BURNHAM:** I am not necessarily a very bright guy, but I figured out right then and
366 there that his name goes first. And I may have an ego, but I'm not going to let it get
367 in the way of a \$50 million grant, and so that is what happened.

368 He tells the story a little differently. He and my wife, Roberta, hit it off on the very
369 first day because they have a very similar sense of humor.

370 **WALSHOK:** Yes, I remember you telling us that.

371 **BURNHAM:** He tells the story this way, and actually, Roberta did say this, but she
372 said it in hindsight, not in foresight, but anyway, Denny tells the story that it was
373 Roberta that made the decision because she said, "Denny, you know how names get

374 shortened, sometimes, to just initials?" She said, "You wouldn't want this known as
375 the B.S. Institute, would you?"

376 **WALSHOK:** *[Laughs]*.

377 **BURNHAM:** Well, that was proposed after the decision had been made.

378 **WALSHOK:** Right. Right. That's a great story.

379 **BURNHAM:** Anyway, we get a lot of laughs out of that and so on and so forth. So
380 that was really the next part of the Denny Sanford story with the then Burnham
381 Institute.

382 But there was one more that I would like to throw out at this time because if you
383 look on my history with Denny, it was a series of steps – upward steps. First of all,
384 serendipity – meeting on an airplane with a trustee of the then Burnham Institute,
385 coming to San Diego and giving us our first \$20 million grant. And then, going to the
386 next higher step in the order of science is the consortium for stem cell research, a
387 consortium that's never been equaled or duplicated anywhere in the world.

388 **WALSHOK:** Wonderful.

389 **BURNHAM:** Yes. The next step beyond that is what he did after all of this, where he
390 gave \$100 million gift to UCSD to create the first ever stem cell clinic in the world. I
391 look at these as a series of steps upward, and it wouldn't have happened unless you
392 made the first one down here, the foundation. So to me it's really an interesting, fun
393 history to look at it that way.

394 **WALSHOK:** Well, I've also interviewed Larry Goldstein, who actually is very
395 humble about how the momentum built. He is extraordinarily appreciative of Bob
396 Klein. He said, when all the scientists were trying to lobby and we were just falling
397 flat on our faces, enter Bob Klein and he knew how to mobilize support.

398 **BURNHAM:** Mm-hmm. And they are very close friends.

399 **WALSHOK:** He has also described Denny in a similar way, and I think Denny's
400 become good friends with the dean of the medical school, David Brenner. I think
401 both you and Papa Doug should be thanked by many institutions for bringing such
402 an extraordinary person into our realm. But you have also helped draw an old friend
403 of yours, Conrad Prebys, into philanthropy in the science arena. Is that something
404 recent? Or have you and he always shared an interest in science? Or how did that
405 come about?

406 **BURNHAM:** Well, I first knew of Conrad in his earlier days in San Diego as a real
407 estate developer, and that was when I was co-founder and chairman of the First
408 National Bank here in San Diego that we started, I believe, in 1982. In the '80s, if I
409 recall correctly, I we did business with Conrad, but I also believe that we financed
410 maybe one or more of his projects, which were much smaller than he's done to date.

411 And then, from a contact – let's say a financial contact – we didn't have any real
412 contacts for a number of years. Socially, yes. Community-wise, yes. But I was never
413 calling on him for any financial contributions in the nonprofit but we stayed
414 knowledgeable with each other.

415 Then, the Burnham Institute was growing up in the world and one thing or another.
416 I went to Conrad at one time and got him interested in a situation that we needed
417 help on if we were going to get the big grant from the NIH. It happened to be that
418 the NIH had put out an RFP for people to start a – well, in our case, we called it a
419 "drug discovery center."

420 **WALSHOK:** Right – translational medicine.

421 **BURNHAM:** Translational.

422 **WALSHOK:** Translational research. Yes.

423 **BURNHAM:** But the grant was for four robotic machines that would speed up
424 discoveries.

425 **WALSHOK:** Got it.

426 **BURNHAM:** And so we got this grant – I think only one of four in the entire
427 country, if I recall correctly – and these machines. I relate back to my high school
428 chemistry when we were dealing with test tubes.

429 **WALSHOK:** I know. I know.

430 **BURNHAM:** I can remember –

431 **WALSHOK:** And microscopes.

432 **BURNHAM:** Yes. With the advances since then and these four robotic machines, we
433 are now able to identify over a million chemical compounds per day.

434 **WALSHOK:** Oh, my god.

435 **BURNHAM:** Drug discoveries are going speed up. It is like a needle in a haystack.
436 That is what we are looking for. So we went to Conrad at this time because we knew
437 we needed help, on top of the NIH grant. So Conrad came in and gave us his first
438 gift, which I believe was \$10 million, and that became known as the Conrad Prebys
439 Drug Discovery Center.

440 **WALSHOK:** Right.

441 **BURNHAM:** And it is a very fascinating place to go in and visit and watch these
442 machines and so on and so forth.

443 **WALSHOK:** Can I just probe you a little bit because I think I'm correct in terms of
444 timing. Prebys' philanthropy had been primarily in the arts.

445 **BURNHAM:** Yes.

446 **WALSHOK:** So why were you audacious enough to go to him and –?

447 **BURNHAM:** I don't know.

448 **WALSHOK:** I mean this is a very different kind of investment opportunity.

449 **BURNHAM:** I understand, but I don't let history get in my way.

450 **WALSHOK:** Oh, okay. All right.

451 **BURNHAM:** I am willing to buck the tide from time to time because –

452 **WALSHOK:** Okay. And you knew he had capacity.

453 **BURNHAM:** I knew he had capacity, and I had not asked him for anything for a
454 long time. And so I went to him and explained what we were doing and asked him to
455 come out and take a look. And yes, his philanthropy up to that time – well, he was
456 into the zoo. He was into the arts. He was into music – those types of things, but
457 again, not the science world. And so I went to Conrad, and I explained what we were
458 doing. And he came out and took a look and said that he would be willing to give us
459 that \$10 million gift.

460 **WALSHOK:** But then how many years later before he gave you – what – more than
461 \$200 million?

462 **BURNHAM:** No, \$100 million.

463 **WALSHOK:** Or \$100 million.

464 **BURNHAM:** \$100 million.

465 **WALSHOK:** So he must have fallen in love with the work and –

466 **BURNHAM:** Well, he did. And people have been attracted to the institute and our
467 people starting with the first multi-million dollar gift that we ever had, which came
468 from Donald Bren in the early '90s – well, sometime in the '90s.

469 **WALSHOK:** Oh, okay.

470 **BURNHAM:** Donald had never done anything in San Diego of any magnitude or any
471 note, but his company, The Irvine Company, had acquired their second set of three
472 high-rise office buildings in Downtown San Diego. So now, The Irvine Company had
473 a presence –

474 **WALSHOK:** It had presence, yes.

475 **BURNHAM:** – six of our, maybe, ten major Class A buildings. So we went to him
476 because of his increased investment opportunity in San Diego. We went to him and
477 asked if he would endow the president's chair at the Burnham Institute, knowing
478 that he has given many endowments of chairs principally to the UC system – UC
479 Irvine as well as others.

480 I think that, at that time, he had endowed maybe 20. Excuse me. He endowed as
481 many as 50 – I think it's more than that now – as many as 50 chairs, mostly in the UC
482 system. And so we took that as a model and went to him for the president's chair,
483 and he gave us \$2.5 million, and that was really our first multi-million-dollar gift.

484 **WALSHOK:** Got it.

485 **BURNHAM:** From there, we started growing in size.

486 **WALSHOK:** Again, stepwise.

487 **BURNHAM:** Yes, steps – correct.

488 **WALSHOK:** More and more ambitious. So what triggered Conrad's latest gift,
489 which led to the renaming of the institute yet again?

490 **BURNHAM:** Well, let me jump back a little bit here.

491 **WALSHOK:** It's okay. Yes.

492 **BURNHAM:** Our staff has done a very good job over the years of keeping our
493 donors advised. We give them a detailed report once a year as to how their money

494 has been used and how we can attribute some discovery success to that effort. And
495 in some cases, we give them a report maybe twice a year, and we had been doing
496 that for about six years with Conrad. He was very proud of that drug discovery
497 center with the four robotic machines, and he had been to one or two of our galas
498 where he got another uptick on what we were doing and socialized with other
499 donors and things of that nature. And he decided that he wanted to be a bigger part
500 of this.

501 It is interesting. Conrad and Denny made their decisions coming from different
502 positions. In the majority of cases where Denny's given a gift – a large gift – it's
503 something that he, I don't want say invented, but something he thought of the need
504 for and he did his investigation and found an institution or found somebody –

505 **WALSHOK:** Yes, he discovers or co-creates, yes, yes.

506 **BURNHAM:** –that he could work with and so on and so forth. In fact, just, if you
507 look in this morning's *Union-Tribune* front section, –

508 **WALSHOK:** I have it.

509 **BURNHAM:** – there's a full-page ad thanking Denny from the National University
510 for the things that he's done. Denny brought all those ideas to them.

511 **WALSHOK:** To Mike, yes.

512 **BURNHAM:** And he had tried them at another university, which I won't name.

513 **WALSHOK:** Yes.

514 **BURNHAM:** It did not take. So anyway, in the majority of his philanthropy, Denny
515 has thought about an idea that isn't being taken care of. And the end result may be
516 substantially different than his initial thought, but nevertheless that's how he got to
517 the point.

518 **WALSHOK:** Yes, but it's a very, very interesting – I get it. Yes.

519 **BURNHAM:** Now, Conrad is the other way around. As Conrad explains it, it's when
520 the hook is set, and his gut tells him it's the right thing to do.

521 **WALSHOK:** So he responds to an opportunity.

522 **BURNHAM:** Yes, he does. Now, when his gut says yes, he doesn't say yes verbally,
523 but he's interested.

524 **WALSHOK:** Right and then he does his due diligence.

525 **BURNHAM:** He does his due diligence, and we bring him an opportunity, and he
526 says, "Well, let me think about it, but I want to come out and visit. Show me what
527 you are going to do and how you're going to use the money," and so on and so forth.
528 So they are different approaches. They are very interesting.

529 **WALSHOK:** Right.

530 **BURNHAM:** That is how those two operate. But we got a tipoff that Conrad had
531 made a comment or two that we, our team, interpreted to mean that he might just
532 be ready to make a big, nice, substantial gift. So I would say our team had their ear
533 to the ground, you might say, and that's why he made a \$100 million gift without a
534 limited use. In other words, he didn't say, "I want it to go here. I want it to—"

535 **WALSHOK:** Right. It wasn't designated. Yes.

536 **BURNHAM:** Undesignated. He was giving it to us, and so, of course, immediately,
537 we said, "Conrad, we want your name over the door," and there was no resistance –
538 obviously. So that's how that came about.

539 **WALSHOK:** I would like to editorialize for the archive because 25 or 30 years from
540 now somebody will be listening to this conversation. Part of the reason the story of
541 the Burnham Institute and its evolution is so important is that early on you were
542 able to build a philanthropic base of support and not be totally reliant on federal
543 funds and the NIH. There are some other research institutes on the Mesa that were
544 slower to get to that point, and some that aren't there yet and are having a lot of
545 financial challenges in terms of sustaining their commitment to basic research.

546 So it is important to understand that how you design an institution and how you
547 build stakeholders – if you really want to forward science, which is what these
548 archives are about – depends a lot on civic leaders. Right? Civic leaders taking an
549 interest and putting some of their assets into the institution if they've got them to
550 share. So it's a very good story, Malin, and I appreciate your willingness to take the
551 time and your candor because I think the Salk Institute is now on a similar road to
552 balancing public and private investment. But there are many others that are still
553 trying to figure it out.

554 **BURNHAM:** Well, I think the way at least my mind worked was that our model for
555 scientific support at the Burnham Institute, dollar-wise, was almost totally
556 dependent on the National Institute of Health.

557 **WALSHOK:** I know.

558 **BURNHAM:** The federal government. The Salk Institute, when they started, they
559 had the March of Dimes Foundation behind them.

560 **WALSHOK:** That's right. They had another source.

561 **BURNHAM:** Another story. You look at UCSD. They have got many sources of
562 funding that come in, not just from the NIH. But we were principally limited to the
563 NIH. Now, if you'd look at that model historically, we need about 25 percent of the
564 total budget from private sources, because the NIH funding only comes up to about
565 75 percent. There are certain sorts of overhead that they will not support. They'll
566 give you a grant for basic research, but we have overhead on top of that.

567 So anyway, we knew early on that we had to raise about 25 percent of our annual
568 needs from private sources. So I think that because other institutions had already
569 had other sources, they weren't as quick to look at the private side.

570 **WALSHOK:** Right. That's interesting. That's interesting.

571 **BURNHAM:** And so that's –

572 **WALSHOK:** So you are now very involved with CONNECT. You're very involved
573 with an initiative to create an innovation center or an innovation museum. You got
574 involved with the Kyoto Symposium. I mean you're all over the innovation economy,
575 and in the 20 more minutes that we've got, could you talk about some of those
576 activities and why you got involved? I think in the case of the Kyoto Symposium, you
577 were the champion for that.

578 **BURNHAM:** Well –

579 **WALSHOK:** What do you think is the return to the community? Why is it
580 important to do those sorts of things?

581 **BURNHAM:** There are a lot of answers to that. First of all, I learned early on in life –
582 in business life – that change is inevitable, and from a business standpoint, to survive
583 I needed to recognize change.

584 That taught me to look for what's going on out there, and that taught me that
585 science was one of those things that is going to be more and more important in San
586 Diego because of our health care work and so on. I graduated as an investment
587 engineer, and the best thing that that taught me was how to analyze, how to analyze

588 situations, how to analyze propositions, how to analyze people. That means that I'm
589 thinking about discovery, somehow.

590 For instance, when I was invited to come on the board of the La Jolla Cancer
591 Research Foundation in year six, there were two board members who had come to
592 me and I said, "Look, I don't know anything about cancer. I have no history. I have
593 no emotion. I have nobody in my family who's had cancer. Why are you asking me?"

594 He said, "Well, La Jolla Cancer Research Foundation is all about La Jolla. All the
595 trustees live in La Jolla, the bankers in La Jolla, the attorneys in La Jolla, and we need
596 to broaden the base. And Malin, you've always been a Central Downtown
597 businessperson in the political world," and so on. "You live in Point Loma. You're an
598 outsider, and that's what we need, to broaden the base."

599 So that's how I got started. Serendipity again, you might say, in that regard. So that
600 was one of the reasons that I decided, after getting involved, that I wanted to get out
601 of the business world – retire from the business world earlier in life rather than later
602 in life.

603 **WALSHOK:** Okay.

604 **BURNHAM:** As I said earlier in this conversation, I learned to deal with change
605 early in my career. I anticipate change as much as I can. I never argue with change. I
606 look at it, and learned early on – popular world now and the innovation world is
607 pivoting. I learned way before that work –

608 **WALSHOK:** You learned how to pivot.

609 **BURNHAM:** I learned how to pivot, and partly, that had to do with my sailing, my
610 competitive sailboat racing experience, because when you're out there against a fleet
611 of boats – or even one on a one-on-one basis – you gotta tack from time to time.
612 When and where and how? You got to figure that out, right now. And so –

613 **WALSHOK:** Good metaphor.

614 **BURNHAM:** And so one of the reasons that I enjoyed the medical world – the
615 research world – because it was a challenge, and so –

616 **WALSHOK:** So you have been associated with wanting to better brand or position
617 San Diego as a hub of good science and innovation. I mean and you've selected
618 certain kinds of projects that you think are going to be really promising for that.

619 **BURNHAM:** Yes. Yes. Well, I – it's kind of a cliché – but I decided early on that I
620 wanted to help make the greater San Diego area a better place to live, work, and
621 play. I've been talking about play, and I've been involved in sports. I helped bring the
622 Olympic Training Center here to San Diego. I was a partner in the ownership of the
623 Padres baseball team. I've been a sailor – competitive all my life – so I've got a lot of
624 interest in sports.

625 But also, just living conditions. I think I've done my share, physically and otherwise,
626 of making this a better community to live in. And then, of course, you have the
627 economics, and it was obvious that early on we had a lot of technical excellence in
628 San Diego. Way before I got involved in it. And I've been one of hundreds that I
629 know that have helped build San Diego into the third largest innovation cluster in
630 the country – behind Silicon Valley and the Boston area – and that means in the
631 world. We have that kind of ability and talent right here, so let's make it bigger. So
632 it's my aim to help do that.

633 Also, as I said earlier, I have the ability to change quickly. I have the ability –
634 immediately, when this conversation ends – to get in a conversation about
635 something entire different in 30 seconds. I don't have to prepare for it. That's just the
636 way I think.

637 **WALSHOK:** Your cognitive map allows you to be wide-ranging.

638 **BURNHAM:** Yes and I love it, but it also is a little detrimental sometimes because
639 once in a while I realize I'm involved in too many nonprofit organizations. I can't
640 keep up with it. Nobody can. There's a limit to what anybody can do, and I exceed
641 that every once in a while.

642 **WALSHOK:** As we finally wind down this three hours-plus that we have spent
643 together, including failed recording equipment, is there anything you wish I had
644 asked you or that you think about, knowing, again, that people are going to listen to
645 this? We're interviewing CEOs of companies about their history as entrepreneurs.
646 Maybe I should ask you, do you invest in science or engineering companies or –?

647 **BURNHAM:** I only – no, not per se. I do invest in startups and early-stage
648 companies but almost entirely through venture capitalists because they know the
649 world. I don't –

650 **WALSHOK:** Right. So you don't tinker in the business?

651 **BURNHAM:** No. No, no, I don't tinker at all. Yes, I've got some very good venture
652 capital investments that I've had for years. I mean the people I deal with have
653 multiple funds, but I let them make the decisions because they –

654 **WALSHOK:** Right. So your point of engagement with this world about which we've
655 been talking is as a philanthropist and, occasionally, on the public policy.

656 **BURNHAM:** Yes.

657 **WALSHOK:** Right? An advocacy front.

658 **BURNHAM:** Yes. Yes.

659 **WALSHOK:** As you described.

660 **BURNHAM:** Right.

661 **WALSHOK:** So have I missed anything that –?

662 **BURNHAM:** Well, not necessarily, but I like to use my brainpower to think and to
663 get other people engaged. Probably one of my best efforts has been to bring other
664 people into organizations and into the effort to help build things. One person can't
665 do it by themselves. We all know that. So many times, I'm not the leader at all of an
666 effort, though it may have been my idea.

667 If we just sort of stop talking about history here for a moment, and think of the
668 future, what am I interested in? There are still things on my docket that we haven't
669 gotten very much off the ground. For instance, we need a new airport in the San
670 Diego region. At the moment, Irwin Jacobs and I have been thinking, almost in
671 secret, about how our next major airport ought to be at the very southwest corner of
672 Camp Pendleton. Well, there are a lot of challenges with that.

673 **WALSHOK:** *[Inaudible comment]*.

674 **BURNHAM:** But that would be a tri-county airport.

675 **WALSHOK:** Yes.

676 **BURNHAM:** San Diego County, Riverside County, and Orange County, but more
677 than that, it would be an international airport. And LAX and SFO – San Francisco –
678 are basically at capacity on international flights. We know, and we discovered this at
679 a briefing I had this week at Cal State San Marcos. They have now done their third
680 research report on our future airport needs and they point out the fact that with the

681 population and economic growth in China and India, their airline needs are growing
682 immensely.

683 **WALSHOK:** Air travel.

684 **BURNHAM:** And so –

685 **WALSHOK:** Yes, it's going way up. Yes.

686 **BURNHAM:** So the Pacific is getting more attention than the Atlantic. That means
687 we need at least another hub for international flights, and it could be right here. So
688 we're always going to have Lindbergh Field. Anyway, those are the kind of things I –

689 **WALSHOK:** Right.

690 **BURNHAM:** Okay. Another thing that I think ought to happen, and people are slow
691 to think about it, is that San Diego Harbor really needs a second entrance. I think we
692 need it, but let's determine that engineering-wise and otherwise.

693 **WALSHOK:** Interesting.

694 **BURNHAM:** And this is not my idea. It's been on the books for 30 years but nobody
695 does anything about it. So those are a couple of things that I think are important,
696 and I'd like to get some energy behind. So we're working it – I like to work on things
697 like that.

698 **WALSHOK:** Yes. Yes.

699 **BURNHAM:** So –

700 **WALSHOK:** Well, I actually think we've done a wonderful job of capturing a story
701 of an institution but also of a person who has contributed, and I thank you very
702 much for your time.

703 **BURNHAM:** Well, I appreciate your interest for the archives.

704 **WALSHOK:** Yes, yes, no, it's going to be great.

705 **BURNHAM:** Good.

END INTERVIEW

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The San Diego Technology Archive (SDTA), an initiative of the UC San Diego Library, documents the history, formation, and evolution of the companies that formed the San Diego region's high-tech cluster, beginning in 1965. The SDTA captures the vision, strategic thinking, and recollections of key technology and business founders, entrepreneurs, academics, venture capitalists, early employees, and service providers, many of whom figured prominently in the development of San Diego's dynamic technology cluster. As these individuals articulate and comment on their contributions, innovations, and entrepreneurial trajectories, a rich living history emerges about the extraordinarily synergistic academic and commercial collaborations that distinguish the San Diego technology community.