



The Doud–Clayton Award

A Sigma Phi Epsilon Educational Foundation scholarship to recognize “*Brothers helping Brothers*”

A new and innovative endowment has been established in the Sigma Phi Epsilon Educational Foundation to recognize and encourage the special relationship Sigma Phi Epsilon makes possible between its Brothers.

The endowment will provide \$10,000 in undergraduate scholarships each year to SigEp Brothers who, in their personal relationship and interaction with another SigEp Brother, exemplify the relationship two SigEp Brothers, Wally Doud and Jim Clayton, developed 13 years ago.

Nominations are now being accepted for the inaugural recipient who will be named this fall.

Every Brother and friend of Sigma Phi Epsilon is encouraged to search out worthy Brother to Brother relationships that exemplify the special bond and opportunities our Fraternity makes possible.

Your nomination can be made by simply writing a letter to the Foundation Board of Trustees c/o Executive Director Doug Scheibe, at Zollinger House, 310 South Boulevard, Richmond, Virginia 23220, or you can visit the Foundation website at www.sigep.org/foundation, and go to the news section for the Doud/Clayton Award and complete a nomination form online.

This new endowment was established with a \$200,000 cash gift from **James L. Clayton, Tennessee '57**, in appreciation of Brother **Wallace C. Doud, Wisconsin '48**.

Brothers Jim Clayton and **Joe Clayton, Tennessee '57**, founded the Clayton

Manufactured Home and Auto Companies in 1956 while living in the Tennessee Alpha Chapter house. Jim concentrated on the manufactured home company, and it grew as a privately held company until 1983 when he took it public as Clayton Homes on the New York Stock Exchange. Under Jim's stewardship the company became the recognized leader in the manufactured housing industry with annual sales approaching \$2 billion.

Clayton Homes faced the usual business pressures that come with growth and with being a public company. Those who know Jim Clayton know his entrepreneurial spirit that is so integral to the success of Clayton Homes. But those who have had experience with entrepreneurial companies know that making the transition to a public company, with shareholders and a board of directors including outside directors, poses a real challenge to a visionary founder.

Clayton Homes was a “Forbes 200 Best Managed Company” in 1993. Jim had recruited an exemplary independent board of directors. According to Jim, after a routine Tennessee Sales Tax Audit uncovered an immaterial underpayment in a small business unit, one of the directors seized an opportunity to hire an independent counsel. Jim was able to persuade the board to fire the independent counsel, which resulted in two directors resigning, but not before publishing a vague list of serious allegations which was picked up on the front page of the *Wall Street Journal*.

Faced with recruiting qualified replacement directors was a daunting task. Jim wondered what qualified director candidate

would consider joining a board in this environment.

Enter SigEp Past Grand President and Order of the Golden Heart recipient Wally Doud.

Brother Clayton—never to be underestimated in facing a challenge—called Brother Doud, a retired Corporate Officer and Vice President for Commercial and Industry Relations of the IBM Corporation, who was then serving as a member of the Board of Directors of Motorola Corporation, and asked for his help.

Jim Clayton and Wally Doud had known each other from attending SigEp Conclaves together and serving on the Sigma Phi Epsilon Educational Foundation Board of Directors for several years.

Brother Doud was briefed on the situation with Clayton Homes and the challenges Jim and the Board of Directors were facing, and, at Jim's request, agreed to join the Clayton Homes Board of Directors. Wally's experience with public companies, his credibility, and his counsel helped the company through this difficult period, and the rest is history.

Brother Doud served several years on the board of Clayton Homes as the company continued its 30-year record of 25 percent annual growth, rising to the pinnacle of its industry. Jim lauded Wally in his 2003 autobiography, *First A Dream*, which caught the eye of Warren Buffett, who purchased Clayton Homes as a subsidiary of Berkshire Hathaway.

Partnering on the development of a succession plan the two SigEp Brothers recruited other world class directors and

soon named Kevin T. Clayton, the founder's son, as President, COO, and CEO apparent. As their succession plan suggested, in 1999, Brother Clayton handed off the CEO role to Kevin, but remained as Chairman until the Berkshire acquisition. Kevin currently continues his successful career as CEO of Clayton Homes, Inc., the lauded Warren Buffett company.

The scholarship recipients, to be selected by the Sigma Phi Epsilon Educational Foundation Board of Trustees, will be undergraduate Brothers who epitomize the "Brothers helping Brothers" spirit exemplified by Brother Doud as he supported Brother Clayton.

The first Doud—Clayton "Brothers helping Brothers" Awards will be announced in *The Journal* this fall, with the recipients recognized at the 2007 Carlson Leadership Academies.

Wally's reactions to the Clayton gift in his honor:

What was your reaction when you first learned that Jim had made this gift to the Foundation in your honor?

"I was surprised and flattered that Jim put my contribution to Clayton Homes in this fraternal perspective. His generous gift to the Foundation to honor that contribution is a testament to how important the Sigma Phi Epsilon Educational Foundation is to both of us."

How do you see this Brothers Helping Brothers award relating to the SigEp experience?

"It is a definite plus in reminding SigEps that they are Brothers for Life and that when they leave college Brotherhood continues in a variety of ways. Many times the interaction you have as an alumnus with Brothers of other chapters provides your most rewarding fraternal relationships."

While the Honor of Philias recognizes acts of Brotherly Love that impact the community and is not necessarily SigEp related, this award will recognize relationships where a Brother helps a Brother. How would you explain its purpose in a more personal way?

"I think it is really easy to understand if you recall our ritual, **Should a Brother fall by the wayside.**"



Wally and Jean Doud

Wallace C. Doud, Wisconsin '48

Brother Doud was recognized for his career achievement in 1971 with the awarding of the Sigma Phi Epsilon Citation. This first involvement with the Fraternity since graduation reignited his interest and he has been active for the 35 years since.

He served on the Sigma Phi Epsilon National Board of Directors from 1975 to 1983, was elected Grand Treasurer in 1983 and Grand President in 1985. In 1987, he was elected a trustee of the Sigma Phi Epsilon Educational Foundation, a position he still holds. During the *Campaign for the Heart*, from 1990-1993, he was an important part of its success in raising \$7 million for scholarship and leadership endowments. Wally has established three endowments in the Sigma Phi Epsilon Educational Foundation and one scholarship endowment for his chapter at Wisconsin through the University of Wisconsin Foundation. He is a member of the Sigma Senate, the Sigma Phi Epsilon Educational Foundation's highest level giving club.

Brother Doud retired from IBM as a corporate officer and has served on the Board of Directors of Motorola Corporation and Clayton Homes. Wally and his wife Jean are avid golfers who maintain their home in Vero Beach, Florida, and spend their summers at a home in Rockport, Maine.

James L. Clayton, Tennessee '57

Brother Clayton, like Brother Doud, has been recognized with Sigma Phi Epsilon's highest honor for career achievement, the Sigma Phi Epsilon Citation.

As Jim recounts in his autobiography, *First A Dream*, his relationship with Sigma Phi Epsilon is unique. He and his brother Joe founded Clayton Manufactured Home and Auto Companies in 1956, while living in the SigEp house at the University of Tennessee. In 1981, Joe took the auto business and Jim took Clayton Homes. Jim's entrepreneurial spirit created the industry leader, a Forbes 200 Best Managed Company, and landed Jim on the Forbes 400 list of wealthiest Americans.



Jim Clayton entertaining at the 2002 Board of Governors dinner at Zollinger House

Following his hand off of the Clayton Homes CEO responsibilities to his son Kevin, Jim moved on to the banking industry. He established a successful Tennessee bank which was acquired by BB&T. Not one to rest, Jim has now established a new bank which is on an accelerated growth curve.

Jim has remained loyal to his Tennessee Alpha Chapter, serving on its alumni board and its scholarship foundation. The spring 2005 *Sigma Phi Epsilon Journal* profiled Jim and his intern program for Tennessee Alpha SigEps, which has nurtured dozens of undergraduates into exceptional careers.

In 1989, Jim was elected a trustee of the Sigma Phi Epsilon Educational Foundation and has served as its treasurer since 1993. During the Foundation's *Campaign for the Heart*, he worked closely with the campaign leadership and established the Clayton Endowment. He is member of the Sigma Senate, the Foundation's highest level giving club.

Jim is a passionate aviator and flies his private jet. Jim and his wife Kay maintain their home in Knoxville, Tennessee, and have homes in Boca Raton, Florida, and Colorado.