David Lumia

In 1990, after two years and dozens of M&A deals at Drexel Burnham Lambert, he quit Wall Street to create Excelsior Medical Corporation with his wife and college roommate. Excelsior was one of the first companies to utilize digital electronics in healthcare, developing sophisticated medical devices with embedded computers bringing reliability, functionality and accuracy never seen before in the industry. The company eventually evolved into pharmaceuticals becoming the largest producer of pre-filled flush syringes in the world. In 2004, the company was sold to a Private Equity Firm. Currently, he lives in Palm Beach, FL with his wife of 23 years and two sons.

David grew up in Madison, NJ and graduated with a BS in Mechanical Engineering from Rensselaer Polytechnic Institute in 1983. After RPI, he traveled to Los Angeles working in Aerospace at Hughes Aircraft Company, Ground Systems Group. At Hughes he rotated through various divisions in the manufacture of ground based radar systems - quickly climbing up the long and bureaucratic management chain. While working full-time, he completed his MBA - Finance in two years at the University of California at Los Angeles (UCLA).

He spent a summer interning on the fixed income trading floor at Goldman Sachs, but decided to enter the world of M&A in 1988 as a Corporate Finance Associate. This was at the peak of all Drexel and Michael Milken scandals with full daily coverage in the Wall Street Journal.

David and his wife, Margaret, were featured as “The Entrepreneurs” in a 1990 article in Money Magazine titled “In search of the American Dream” by Richard Reeves (see below).
In Search of the American DREAM

The author crossed the country to find out what Americans really want out of life. The answers sometimes surprise, often inspire.

By Richard Reeves
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(MONEY Magazine) – Last spring MONEY commissioned author and syndicated columnist Richard Reeves to travel the U.S. from the Texas hill country to teeming Miami to the windswept new towns of California's high plain. His assignment: Find out what Americans dream of achieving in the 1990s, how aspirations have changed, and who is making progress. Reeves covered 15,000 miles and met with more than 200 people. What he saw and heard was a coast-to-coast tribute to the dream.

THE ENTREPRENEURS LOS ANGELES -- David and Margaret Lumia stood out among those I met for just this sort of industrious independence. In the '80s, the impulse to own your own business was mixed up with the emphasis on making a lot of money. Now the deeper motives are coming through: desire for freedom and fulfillment.

David is 29 and grew up in suburban New Jersey, son of a lawyer for AT&T, grandson of a prison guard and carpenter whose family emigrated from Italy. "A company man," says the son of his father, whom he admires for balancing loyal corporate service and its rewards with energetic devotion to his wife and four children, capping it all with early retirement at the age of 55. The son graduated from Rensselaer Polytechnic Institute as a mechanical engineer. He headed west and signed on with corporate America -- Hughes Aircraft -- and walked into the regiments of men serving time for their mortgage payments. "The first day," he says, "I realized I'd been sold a bill of goods." I understand perfectly. Up to that day our lives were almost identical. I was a mechanical engineer from Stevens Institute of Technology in Hoboken, N.J. and enlisted in the ranks of the busy unhappy -- and on the first day made up my mind to get out.

Lumia got his M.B.A. at UCLA while working at Hughes. One month after he received his M.B.A., he was in the cockpit of 1980s hypercapitalism, the Los Angeles office of Drexel Burnham Lambert. He was far from bored or underutilized there. He was doing investigations of companies designated, sometimes without their knowledge, as possible takeover targets. The first day on the job, a Monday, he came home at
midnight. By Thursday it was 4 a.m., and that schedule continued through the weekend -- 80-hour weeks were typical and he was always on call, even on the weekend. Within a year, at the age of 28, he was making close to $130,000 a year in salary and bonuses.

His wife, meanwhile, was burning up her own track. Margaret Lumia, 33, is a doctor of pharmacy by education, the daughter of a pharmaceuticals sales manager who traveled the West Coast. He told her once that hospitals and doctors were being grossly overcharged for simple medical equipment, like the tamperproof caps on I.V. bottles. "You can sell them at half the price and still make a profit," her father said. In 1977 he formed a company, Acacia Inc., in San Bernardino, and he and Margaret -- first as manager, then as president when he retired -- did just that. Then, last year she came up with the idea for another tamper-resistant product, an adapter that makes it possible to use the same syringe for intravenous and oral treatments. Acacia now has 16 employees.

When Margaret became pregnant last year, David decided there had to be more to life than working 20-hour days for someone else. So he began his own study of what hospitals needed, determined to start a company just like Margaret's. The answer, it seemed, was a computer-driven system to fill I.V. bags to physicians' specifications. He called his old fraternity roommate at RPI, Thomas C. McGuire, who has a bachelor's in electrical engineering with a master's in computer science but who was, at the time, selling real estate in Troy, N.Y. David's message: come to California and we'll invent something and get control of our lives. He still had Drexel Burnham money in the bank.

Then he went to his boss at Drexel and said he needed time for himself. What was company policy on leaves of absence or severance? The answer: "I don't know. No one's ever asked." Lumia did leave. He called his new corporation Excelsior Medical Corp. On a Sunday night at Excelsior's second major trade show, and with most of his savings gone, David was in a room at the Marriott Hotel in San Antonio with Tom and Margaret, who was then eight months pregnant. At 3 a.m., only six hours before the opening of the convention, they finally put together the I.V. system. It did not work. There were two problems. First, the fluid leaked into the bag because there wasn't enough pinch on the feeding tubes; and second, because there was a leak, the system couldn't pump accurately. "Maybe we could use duct tape to try and further squeeze the tubes," said Lumia. "Duct tape," he told the young woman behind the hotel desk downstairs. She had no idea what he was talking about, and he kept calling, a dozen times, each more desperate then the last. At about 4 a.m., the woman finally found a precious roll of duct tape. Dawn was breaking over San Antonio as they carried their work, and David's dreams, into the convention hall. It was a huge hit. Like Thomas Edison before them, they headed home with another problem: how to mass-produce the thing.