# Early Investors

You'll recall from my recent post about Learfield's history, I'd done significant research about the feasibility of a regional radio network operating in Missouri.  And, I'd decided that we'd first start with Farm rather than news.

I had a vision. Of course I didn't have a clue HOW things would turn out, but I DID know that there was demand; that advertisers would pay to reach this audience and that we could deliver a substantial audience with Derry behind the mic. There was the small detail of how we'd get the money together to start. Operational losses would reach $35,000 and initial capital expenditures were $7K. So I thought we needed $42,000—a huge amount in my mind.

During the research phase, I'd contacted two local bankers about getting a small loan. They politely turned me down. It was then I learned they wanted security in the form of tangible assets such as inventory. We needed to buy equipment, make deposits for telephone connections, pay the long-lines bill for the network, and pay our salaries. We didn't have tangible inventory or accounts receivable.

At the coffee shop, I discussed all this with Buell, who offered to put "a few of my friends together" to help in the financing. And, he did. Without his wisdom and help, we'd never gotten the project off the ground. Today this is called angel-financing; a term I didn't know back then. Buell and his cronies were angel-financiers These boys did alright financially as I'll discuss in a later episode. But neither Derry nor I have ever grumbled about *their* success because without them, we'd never have been.

*October 9, 2007*

**Buell Baclesse** suggested two of his buddies join us:  **Jim Wunderlich** of Jefferson City and **Jack Murphy** of Columbia. Wunderlich had been a farmer and owned an auto supply business; Murphy had owned a Buick dealership. Wunderlich and Baclesse were about 55 at the time; Murphy maybe 10 years older.  Derry invited in a friend**, Dr. George Stiles**, who was a veterinarian from Windsor, MO. He'd been appointed by the governor as the State Veterinarian and so had moved his family to Jefferson City. Both were about 41. The first time together was in Jefferson City at the offices of Home Savings and Loan where both Buell and Jim were board members.

It was decided that Derry and I would run the business and own half (25% each). The four of them (Buell, Jack, Jim and George) would own the other half or 12.5% each. We'd capitalize the venture for $24,000.  That meant Derry and I would each contribute $6,000 and each of them $3,000. Then we'd go to the bank for the balance of our first year's operating needs. Neither Derry nor I had Six thousand dollars, so it was agreed the new company would take promissory notes from each of us in lieu of cash. We all had to personally guaranty the bank debt (along with our wives), and the local Exchange National Bank granted the $50,000 loan. Of course, the note was full recourse, meaning the guarantors were personally liable in the event of a default. Naturally the bank would go first to those four who had the money. The six served as a Board of Directors; Buell was President, Derry, vice-president and I was secretary-treasurer.  We met every month.