

The Chrysler Deal

One day in 1980 I got a call from the ad agency for Chrysler asking me if I'd be interested in doing a media trade for a Chrysler automobile. This was in the days when Chrysler Corporation was hurting badly. The general economy was sour and Chrysler had acres upon acre of new cars it couldn't sell or deliver to dealers. Their idea was to trade these cars for media time they'd use later. Here's how it worked for one \$10,000 car for example:

Chrysler provided us with the car and we'd promise them \$15,000 in advertising on the network, plus a small additional trade amount (\$1,500) for the ad agency as its commission. However, as the trade was used Chrysler would agree to buy for cash an amount equal to 50 percent of the new car price (in this example, \$5,000) in cash advertising. In summary we got a \$10,000 car and \$5,000 cash when the advertising schedule was run and Chrysler got \$21,500 in airtime. So, I said "yes", and got a Dodge Ramcharger pickup for Derry. That was so easy, I called the guy and ordered a Chrysler station wagon for myself. Then, I got a fancy Chrysler for Mizzou Coach Norm Stewart to use (that's another story for later blog!) Then five of us took an Amtrak train to St. Louis to drive back five Dodge Aspens for a "sales fleet".

Recall that Missouri Life Magazine had to be closed? Well, we had significant debt which I retired by giving printing companies--and others to whom we were obligated--cars, vans and other vehicles to eradicate those debts. Our FY 1982 balance sheet shows deferred income to Chrysler of \$331,000! In total, we traded 21 cars. Here's a compilation of notes (PDF) Derry put together and a legal opinion about how to move these assets from Learfield's (Missouri Network's) books to Missouri Life's books to settle debt obligations.

Now, for the rest of the story: Chrysler never used any of its advertising time.

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