The Six Who Financed Learfield

Earlier I discussed our “angel investors”, the four businessmen who put our financing package together. Today, I want to describe what that financing looked like and tell a little about these four friends.

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.

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