

bio Gorog

7/16/02

XC DATA CORP.

OBITUARIES

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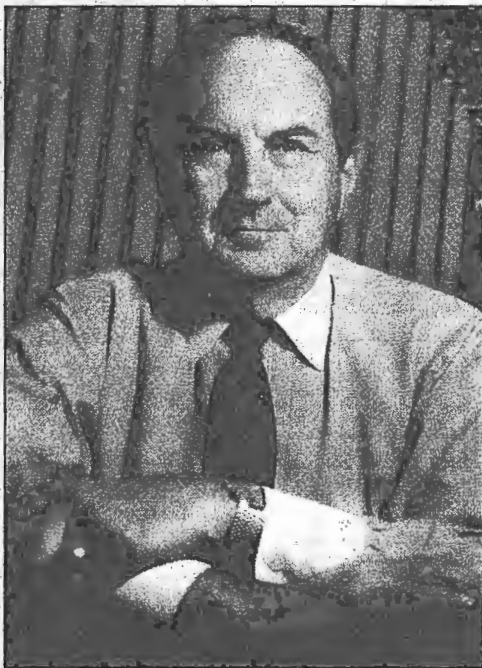
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He also was an economic adviser at the White House during the Ford administration and was a former president of Magazine Publishers of America.

Mr. Gorog, a resident of McLean, was born in Warren, Ohio. He served in the Army during World War II and in 1949 graduated from the U.S. Military Academy at West Point. After Army service during the Korean War, he settled in the Washington area and was co-founder of Data Corp., a high-technology research-and-development company.

He was chairman and chief executive of the company, and in the 1960s he presided over the development of a full-text retrieval system for the massive amounts of data being stored in computer systems of that period. This eventually became the LexisNexis computerized law and news information systems now used by thousands of law firms, courts, federal agencies and businesses across the United States.

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In 1996, Mr. Gorog was named Nasdaq's Entrepreneur of the year.

He was a member of St. Luke's Catholic Church in McLean and the Knights of Malta lay order of the Catholic Church.

Survivors include his wife of 53 years, Gretchen Meister Gorog of McLean; six children, Robin Gorog of Colorado, Jonathan Gorog of Virginia Beach, Christopher Gorog of California, Lesley Gorog Harris and Jenn Gorog Nichols, both of McLean, and Peter Gorog of Oakton; and 21 grandchildren.

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Ivan A. Hall, 80, a retired watch-and-clockmaker who operated Hall's Watch Shop on 11th Street NW down-

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*x c Data Corp.
Mead*

MEMO TO: Data Corporation File
FROM: Charles Bourne
RE: Notes of 6/11/97 Call to Bill Gorog (703/834-8311)

I called Gorog and discussed the history book project. He's glad to hear that the Data Corporation story is being written, and he'll be glad to review the draft text. He can be reached at

Bill Gorog, Chairman
Intellidata
13100 Worldgate Drive
Herndon, VA 20170

(703/834-8311) or his assistant,
Eileen Donovan, at 703/834-8442

With regard to why Mead bought Data Corporation, Gorog said that there were two main reasons: (1) unknown impact of computers and the paper industry; (2) ink jet technology. At that time, people were saying, "Computers are going to eliminate paper overnight." Mead wanted to hedge their future position. Furthermore, Mead was exploring new printing technology, and had some good techniques, but Data Corporation had the technology and experience in the electronics side of the ink jet printers. So OBAR and the ink jet technology were the main reasons behind the acquisition. The Mead CEO at that time, Jim McSweeney (sp?), who started as a non-college trained time clerk, was very perceptive, and "had a nose for the right things at the time."
right

McSweeney lived in Dayton, close to Gorog's partner, Lysle Cahill, and they started the initial discussions about mutual interests.

CHARLES BOURNE AND ASSOCIATES

1619 Santa Cruz Avenue
Menlo Park, California 94025
(415) 322-7101

June 18, 1997

Bill Gorog
Chairman
Intellidata
13100 Worldgate Drive
Herndon, VA 20170

Dear Bill:

It was good to talk with you on the phone the other day. As I mentioned then, now that I've retired from DIALOG, I am able to spend more time working with Trudi Bellardo Hahn of the University of Maryland, to write a book for Academic Press on the early (pre-1977) history of the online search services and technology.

Because you were a direct participant and observer in these activities, we'd appreciate whatever help you can provide in our task. We've gone about as far as we can go from the published material that we've been able to get our hands on. Now we need to have the current draft checked by the people who were on the scene at that time—to correct the factual mistakes, fill in some of the missing pieces, and to provide additional comments as appropriate.

With that introduction, I invite you to review the enclosed draft text of the chapter that describes the Data Corporation, OBAR, and early Mead activity. Some of your work is mentioned in the draft.

You may notice that some of the text is in boldface. That's just a temporary artifice to permit me to keep track of my own text and source material so that I can remember where things came from. You may also see some notes passed between Trudi and me as part of the dynamic text-building process.

I'd like to get your comments back in a week or two if that's possible. Just mark up and return the text if that's easiest for you. If you have any questions or comments, please give me a call. I'd also appreciate your suggestions for additional reviewers. I look forward to hearing from you.

Best regards,



Charles P. Bourne

Enclosures: Chapter 8 (4/19/97 edition)

xc: Trudi Bellardo Hahn (letter only)

60106

copy to Tom



CARL P. FISHER
444 EAST 52ND STREET
NEW YORK, NEW YORK 10022
(212) 759-4238

August 15, 1997

Mr. Charles P. Bourne
Charles Bourne and Associates
1619 Santa Cruz Avenue
Menlo Park, California 94025

Dear Charlie,

Following up on your letter of August 6, 1997, I am returning the three chapters you sent me on the history of on-line search services and technology prior to 1977. I have marked the text to reflect some of my suggestions.

I suggest you call Jerry Rubin (at Veronis Suhler and Associates) in NYC and Bill Gorog (who lives in Northern Virginia) to get their comments.

My best wishes for success in this endeavor. Let me know if there is more I can do. Regards.

Sincerely,

Charlie:

There seems to be a serious imbalance with respect to the discussion; probably moderated by your discussion w/ Tiering & Bayet. Neither has first hand knowledge of the discussion. To omit any discussion of Mead -- after all -- Mead's money made it all happen is another concern of mine. I believe the "wrong" impression is conveyed.

7/16/02

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THE DOWNLOAD

Shannon Henry

Remembering A Constant Entrepreneur

During the period when overnight millionaires in their thirties were retiring, there was always something refreshing about **William F. Gorog**, who in his seventies was still working full time on his third start-up.


Gorog certainly experienced success himself: He was a founder of what is now the LexisNexis system, a vast database of publications and public records. And when some of those premature retirees had to return to work, Gorog continued as chairman of **InteliData Technologies Corp.**, an electronic banking and bill-paying company in Reston.


Gorog has been such a constant in Washington's technology community—always wearing an impeccable suit in a sea of khakis—that his absence will be strongly felt in many corners of this city.

Gorog, 76, died this week of complications from lung cancer, and his funeral will be held this morning at St. Luke's Catholic Church in McLean.

"He loved the action," says **Jack McDonnell**, chief executive of **Transaction Network Services**, who had been a friend and business partner of Gorog's since 1975.

See **DOWNLOAD**, E5, Col. 1

 **DOW 8542.48**
UP 69.37, 0.8%

 **NASDAQ**
UP 21.1

Wash Post
7/1/02

DOWNLOAD, From E1

"It's not just the glass is half full, it's the glass is half full of good Scotch in a crystal glass," says McDonnell about Gorog's optimism.

Gorog was born in the steel town of Warren, Ohio, served in the Army during World War II and graduated from the U.S. Military Academy at West Point. He also fought in the Korean War and was in the Air Force for six years. During his Air Force days, Gorog completed a master's degree in industrial engineering at Ohio State University.

When Gorog left the service in early 1954, he went to work for the **Bulova Watch Co.** in New York, where he helped develop one of the earliest electronic watches.

He decided to start his own business, the Data Corp., in Dayton, where he launched what would eventually become LexisNexis. "It's a classic entrepreneurial example of how you stumble into things that you never intended to do," Gorog told me in an interview last year in which he recounted just how LexisNexis came into being.

The Air Force had huge documents containing vast amounts of information that were very difficult to access. The current information-retrieval technology (this was circa 1965) involved a clerk reading the document and then assigning 10 or 15 key words to it based on what that person thought was important. You couldn't search on any other words in the document. There was a clear need to come up with a better system, so the Air Force hired Gorog to create a full-text retrieval system.

Gorog talked the Air Force into persuading **IBM** to give him the first new computer to have what's known as random access memory, which would allow him to run a more sophisticated search. When the computer arrived, however, he discovered it came with no software and no operating system. "They delivered us the hardware and said, 'Hang around, it's coming.'" The estimated time of arrival was two years.

So Gorog and his lead programmer, along with a team of seven coders, set about creating the software themselves. "Anybody in their right senses who understood the problem never would have tried it," Gorog said, laughing. "But that's where Lexis came from."

After creating the system, Gorog set about trying to sell it to others besides the original customer. He saw that it could be of great use to the medical industry, to help doctors locate research that could save patients' lives. He created a medical database and tested it in hospitals. The problem was, no one wanted to pay for it. "The doctors wouldn't pay for it, the patients thought the doctors ought to know what they're doing . . . and the hospitals had no money. It was a wonderful technical success but a commercial failure," said Gorog.

And this is why LexisNexis has its origins in the legal profession. The lawyers are happy to pay for it, Gorog pointed out, because they charge everything to their clients. And the clients are happy because a search that would take an associate five days in a law library could take 15 minutes with the service. A partnership with the Ohio Bar Association began the official business. The main lesson learned from the experience: "Before you get into something, figure out who's going to pay for it," Gorog said.

Gorog said he realized the company would need to grow fast to survive, and it merged with **Mead Corp.** in 1969. He said he made about \$2.5 million from the deal, and \$154 a month from Mead's pension program. At the time, he thought it was an astronomical amount of money.

"Entrepreneurs didn't cash in in those days like they do today," he said.

Gorog briefly left the business world in 1975 to join

the Ford administration, where he became executive director of the Council on International Economic Policy, reporting directly to the president. And from 1983 to 1987, he served as president of the **Magazine Publishers of America**.

Along the way, Gorog became known for helping out his friends, including **Bill Melton**, founder of **VeriFone** and **CyberCash**, who benefited from Gorog's measured advice and his investments in VeriFone's credit card authentication system. "We were business foxhole buddies for nearly 20 years," says Melton. "Most business ventures are just long, hard struggles. He didn't get shocked at problems. There was no sugarcoating and no finger-pointing." Gorog made investments through **Arbor International**, a company he created to finance technology, energy and real estate ventures.

In 1990, Gorog launched **US Order**, one of the first companies to create a way to automate bill-paying by phone. He sold some of its assets to **Visa International** in 1994 and renamed what was left **InteliData**. But then the Internet happened, and **InteliData** had to retool itself to the new electronic-banking times.

InteliData has in the past few years signed up several of the largest banks to use the system, but it's been a hard push. The banks "have just been getting their feet wet, they've been experimenting," Gorog said last year. "It's just starting to happen."

Gorog had become concerned with some of the decisions made by less-experienced entrepreneurs during the Internet heyday. "Most entrepreneurs tend to operate by the seat of their pants and that's fine if you're not a public company, but you can't run a public company by the seat of your pants," he said. "I mean, there are rules today that you've got to [follow], and particularly accounting rules."

He also had little admiration for some new technology products, such as Microsoft's **Windows**. "Windows is really a pretty lousy system," he said. "And rather than staying focused and fixing the thing . . . the way that company makes money is with new additions."

But Gorog was hopeful about the next generation of technologists, and invested in many younger companies. He said he joined the **Capital Investors**, a club of the region's most powerful technologists and financiers, because he wanted to help fund the proverbial couple of guys in a garage, even though he joked about why the club, mostly men a generation or two younger, would want to hang out with an "artifact."

Last year, Gorog accompanied one of his sons to the **Nasdaq** trading floor to see the son's digital-media company, **Roxio**, begin trading on the stock market. Many conversations with Gorog turned to his family—in part because there were so many family members to talk about. He was married to his wife, **Gretchen**, for 53 years, had six children and 21 grandchildren.

But not everything worked out perfectly the first time. **InteliData** has gone through at least three reincarnations, and its future is still unclear.

"The real shame about Bill dying was that **InteliData** was not a success yet," says McDonnell, who is also a board member of the company. "But I think, now, it's turning the corner."

And that's why he intended to run the company until he got it right, Gorog would tell all those who asked why he was still working when he could have been sitting on the beach or skiing. "An entrepreneur is a guy who runs and hits a brick wall and he finds a crack to crawl through, and then he runs until he hits another one, then finds a crack, then runs again," Gorog said.

Shannon Henry's e-mail address is henrys@washpost.com.