Oral History of Alan Rievman

Interviewed by:
Burton Grad

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(by telephone)

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Table of Contents

Alan Rievman

Conducted by Burton Grad on 3/21 and 3/23/2006 – IT Corporate Histories Project

[This interview was conducted by phone in three parts over a two-day period, on March 21, 2006 and March 23, 2006. The first part of the interview was not recorded and the statements below from Alan Rievman were based on notes taken by the interviewer and reviewed by Rievman. The remainder is an edited version of the transcript of the recordings made during the interviews. The interview was based on a series of questions posed to Rievman by the interviewer at a previous time. Those questions are listed at the end of the interview in brackets. Rievman's CV is also included with this interview transcript.]

Abstract: Alan Rievman describes his experiences with Computer Software Systems (CSS) which later became National CSS, a major computer timesharing company during the late 1960s through the 1970s. Rievman worked with and for the company effectively as its chief financial officer from its founding in 1968 until and after its acquisition by Dun & Bradstreet in 1979. He discusses raising the money needed to start the company and how the initial timesharing offerings on the IBM 360/67 using a derivative of CP67/CMS were priced (and repriced) in order to generate sufficient income to pay the very high rental fees for the computer and its peripherals. He reviews the process for the initial public offering and then the lack of management financial discipline which almost destroyed the company within the first year after the IPO. He helped orchestrate the rescue of National CSS through layoffs, closing of offices and radically reducing the cost of the equipment needed through third party arrangements. Rievman then describes the successful growth of the company, the changes in management over the years and the makeup of the Board of Directors. He describes in some detail the acquisition of National CSS by D&B and concludes with his role after the acquisition and then the beginning of his financial consulting practice.

Burton Grad: This is Burton Grad. I'm interviewing Alan Rievman by telephone regarding his experiences at National CSS. Alan, please give us some of your personal background and how you connected with National CSS.

Starting Computer Software Systems

Alan Rievman: I was a graduate of the University of Connecticut with a Bachelor's Degree in Accounting. My wife met Robert Bernard's wife in the 1950s and we had been friends as couples for a number of years, but then lost track of each other for a few years. I was working as a partner in a small accounting office when I ran into Bob Bernard again in the mid 1960s. Incidentally, we called Bob "Robo" (pronounced Robbo) and that's how I will refer to him during this interview. I did some accounting work for Robo when he set up Computer Software Systems (CSS) with Ken Bridgewater. I then helped them put together the initial Business Plan as an assignment of my accounting practice.

Ken Bridgewater was living in the UK and working as a consultant to British General Electric. Actually, it was Ken's consulting income (along with some consulting work of Robo's and Dick's) that kept the company going while they were formulating the business plan. Robo and Dick had the idea that they could provide time-sharing services to various large companies at an attractive price if they could acquire an IBM System 360/67 along with the time-sharing software which had been developed at the IBM Cambridge Scientific Center under Norm Rasmussen, Dick Bayles and a few others. But acquiring a 360/67 was a major cost. So, Robo went out looking for money.

Through a friend, Bob O'Connor, Robo made contact with Clarke Dodge, a venerable, "white-shoe" brokerage firm in New York (Clarke Dodge had US currency on their wall which they had issued during the Civil War). With the time-sharing Business Plan, Robo, Dick and I were able to persuade them to invest $600,000 in the company. For their money the individual investors (clients of Clarke Dodge) received 40% of the company, the insiders (at that point there were 10 employees) received 40% and 20% was put in escrow with the stock going to the insiders if the company went public within a certain period of time; otherwise it went to the Clarke Dodge investors.

The major use for the funds, besides paying for operating expenses and salaries, was to pay IBM $165,000 as a three month deposit in escrow on the rental of the 360/67 (which cost $55,000 per month).

In putting together the Business Plan, the concept was to charge 40 cents per second for computer usage. This would produce $1,440 per hour if all of the seconds could be billed. They assumed that they could bill 10 hours a day considering that customers would be on the West coast as well as the East coast of the US as well as in between. So, that was projected to generate $14,400 per day and for a 20 day month (working days) it would mean $288,000 per month. But this assumed that every second was billable, with no provision for system overhead or down time or unsold time.

After extensive negotiations with IBM, CSS was able to get the computer delivered and to get a copy of the Cambridge software (originally called CP40, later called CP 67/CMS, and even later called VM/CMS when IBM released it for general use). But IBM put in a proviso in releasing a copy to CSS: CSS would get no help from IBM. CSS was on their own since it was not a supported or even an announced product at that time. The machine was installed after Thanksgiving in 1968.

Very quickly, CSS realized that the configuration was inadequate and that they couldn't obtain the predicted $288,000 per month in revenue. Given the increased machine costs (up to $100,000 per month) and the salaries of the employees and the office expense, etc. it was apparent that they would need more income. However, there were two other charges on the price schedule: connect time at $5 per hour and online storage at $10 per month for each 120K of storage that customers used. These other two charges were considered to be too insignificant to project as part of the business plan. In reality, these two “insignificant” charges aggregated approximately 2/3 of the gross revenues with the 40 cent per second computing charge contributing the remaining 1/3! As it turned out, as fully configured, at capacity, the 360/67 billed approximately $300K per month.

Here are a few other notes from the early days of CSS. Dick Orenstein built a FORTRAN program to do the billing, but with floating point arithmetic, the number often didn't come out exactly even and this made balancing the books and producing an acceptable income statement and balance sheet a challenge at times. Early in 1969 I hired a bookkeeper, originally on a part time basis, but she ended up working full time for many years. All of our accounting was done using handwritten records at that time and the bookkeeper did the payroll. I was still not an employee until late summer of 1969.

But Robo and Dick Orenstein were quite aggressive in wanting to grow the company so our expenses always exceeded our revenues and we were again short of cash. We went back to Clarke Dodge for more money and sold more stock for $850,000 at $3.33 per share (after giving effect to a much later stock split of 2 shares for 1). The original price to Clarke Dodge was $1.25 per share (adjusted for the stock split). Dick Glazer, who had been the IBM salesman who "sold" the 360/67 to CSS wanted to join the company and invested $100,000.

Grad: You said that $600,000 was raised from Clarke Dodge from their private investors. How was the stock ownership divided at that point in time?

Rievman: At that point in time I believe that 40 percent of the equity was allocated to the Clarke Dodge group including some people from Bob O'Connor's organization as well. I don't remember the exact breakdowns of each shareholder but there was 40 percent to them, 40 percent to the initial employee group of ten people (including myself with one of the smaller pieces) and the remaining 20 percent was put in escrow with a strange escrow arrangement. It would either flow to the Clarke Dodge group should certain events occur or that 20 percent would flow to the insider group upon the occurrence of other events. One of the events that broke the escrow was an initial public offering.

Grad: So if there were an initial public offering then the stock would go not to the Clarke Dodge people but to the other insiders?

Rievman: Yes, it was a question of who would wind up with that 20 percent.

Grad: And of the insider group, Alan, who were the principals?

Rievman: Bob Bernard, Dick Orenstein and Ken Bridgewater. Ken had been supporting Dick and Robo by consulting to the British General Electric Company. Ken was a U.K. national I believe, and he was living in England doing consulting anyway and he made enough money consulting that the three of them were able to keep going. Dick and Robo were also doing some consulting to Perkin Elmer, but they were spending most of their time trying to get Computer Software Systems off the ground. That was the name of the company at that point in time.

Let me continue with the history that I can recall. So, with the money from Clarke Dodge $165,000 was placed in escrow to IBM. Lo and behold the machine was scheduled for delivery and the remaining $435,000 was used for other expenses like payroll and rent and other related overhead costs. And so we went into business.

Grad: Were you an employee at that time, Alan?

Rievman: No, I was not an employee at that time. I was still with my accounting practice. I was consulting with CSS for a fair sized chunk of my time, but the company started in business on or about December 1, 1968. I was heading into a major tax season and one of my partners had become ill in early August if memory serves me; he had ruptured an intestine and was out of work for eight or nine months at the time. He was a very sick man. He might not have made it had he not been in pretty good shape; he was a tennis player among other things. There was no way that I could leave the small accounting practice at that time. So, all I remember of the ensuing several months was that I don't remember anything that happened. I was working in effect three full time jobs. One full time job trying to get Computer Software Systems off the ground, which was probably taking 30 hours a week; my normal accounting practice which took another 40 to 50 hours a week; and the extra tax season burden of probably another 30 to 40 hours a week. As I said, I don't remember anything.

Grad: I can understand.

Rievman: I do remember some outside issues such as the fact that the computer quickly ran out of steam. It did not have the horsepower to get anything done.

Grad: How did you determine the billing amount for the customers? You said there was a program that Dick Orenstein wrote in FORTRAN.

Rievman: Yes, and I wound up creating a paper general ledger and paper books of account which were not terribly voluminous since it was basically a small business.

Grad: What customers did you have then?

Rievman: Our customers by and large were Fortune 500 companies. They were Sikorsky Aircraft and Perkin Elmer and eventually they included AT&T and all 23 Bell operating companies but early on that was not the case. We found out after some time went by that many of our wonderful customers would not pay us in a timely fashion. And the computer was costing more money than we had anticipated because we had to bring in additional hardware. Happily, IBM didn't ask for additional escrow because we couldn't have done it. So we had limited books of account. We had no accounts receivable program. We billed people. Some paid us. Some didn't pay us. We had some small customers who didn't have the foggiest idea of how to pay us and we lurched into business. Because of the escrow agreement there was incredible urgency to get an IPO concluded as quickly as possible.

Grad: You're moving ahead a little bit. Was there a second round of financing from Clarke Dodge?

Rievman: Right. We were running out of money and going on that spring Dick Glazer, the salesman at IBM, had decided that he wanted to join the company and invest some money in it. His father-in-law at the time was an official of the New York Teamsters local and somehow or other $100,000 came Dick Glazer's way and Dick, as people referred to him, became the guy with the $100,000 desk.

And an IPO was not forthcoming as quickly as we needed to provide the money. We were burning cash at a rapid rate, and so we went back to Clarke Dodge and somehow or other persuaded them to invest $850,000 at a higher rate, at $6.67 per share (pre split).

Grad: And this is in addition to the $600,000 they'd invested before?

Rievman: And I don't remember how many shares they got there, but probably about 127,000 shares. But they still didn't have majority control if the 20 percent swung towards management. The three largest shareholders were Robo, Dick Orenstein and Ken Bridgewater. And then Dick Bayles, Joe McCarthy, who was the first sales guy, Hal Feinleib and it dwindled on down to a few other people with smaller shares and included among them was me.

Grad: You hired a bookkeeper somewhere in there. Do you have a story about that?

Rievman: Well, I hired a bookkeeper. I didn't have time to deal with all of the detailed accounting issues and participate in trying to formulate financial strategy and all of the other problems I had with the other part of my business life. So I put an ad in the paper for a bookkeeper, found a young widow who had a young child and she needed a full time job. I said "I don't have a full time job for you. I'll tell you what. You come to work and we'll find something for you to do when you're not busy doing the accounting work." We never found anything else for her to do. She was still at the company many, many years later. She outlasted me at least.

Grad: Is this 1969?

Rievman: Yes, it was probably early in 1969 that I hired her.

Grad: Were you still not an employee at that time or were you?

Rievman: Oh, no. I didn't become an employee until probably sometime that summer; it took me that long before I was able to extricate myself from my accounting practice.

Proceeding with an IPO

Grad: Is this the point in time when you wanted to start to get an IPO organized?

Rievman: I had hired a second tier accounting firm for the company because a guy whom I had known in Westport was either a senior associate or maybe a young partner at S.D. Leidesdorf and Company, a small regional accounting firm. It turned out to be a very good choice in 20/20 hindsight but who knew that at the time? We were assigned a partner, a more senior man than the guy that I knew. He was a Stamford resident as well. His name was Dick Wise. Dick was at a country club one day talking with an investment banker who he knew and the guy said, "Hey, do you know of any companies looking for financing," and Dick Wise said "Yes, as a matter of fact I do. There's this little company in Stamford." And he introduced us to this investment banker. His name was Jimmy Settel or Settle, I don’t remember which. And, Jimmy was a principal with a company called Neuberger Loeb which was not nearly as “white shoe” as Clarke Dodge, but they knew how to get a deal done in a way that Clarke Dodge didn't. So we started working on an S1 probably in the summer of 1969, I don't remember the exact date. Barry Alperin was a securities lawyer who had worked with us from the beginning of the negotiation with Clarke Dodge. Barry was a young associate with a Wall Street law firm. It turns out that Barry's brother was and, to the best of my knowledge, still is married to Dick Orenstein's first wife's sister. That was the relationship. That was how we got to know Barry.

And so Barry and I started putting a prospectus together with Neuberger Loeb as our investment banker and S.D. Leidesdorf as our accountants, all struggling to get something done and we all had our hearts in the right place. We wound up getting the prospectus done, getting it filed, getting comments back, et cetera, et cetera, and eventually went public on January 8, 1970. We didn't know it at the time (I don't think anybody did) that the IPO window was slamming shut as we squeaked through it. There was one other technology IPO done a week later by another computer services company in Connecticut, I think in Fairfield, and there was not another IPO done for a number of years, certainly not for companies like ours. We got the money in the nick of time. We raised $3.5 million net. It was $3.5 million gross but there was something called a “green shoe” which was an over allotment of shares that the underwriter could sell. They sold all of the over allotment which was ten percent for $350,000 which was also the underwriting discount of $350,000, so we wound up with approximately $3.485 million net.

Grad: Did any of the original owners sell stock during that round?

Rievman: No, no. Nobody sold stock. This was all new issue.

Grad: And do you remember what percentage of the company became public?

Rievman: Well let's see. The IPO price was $14 a share. So, $3,850,000 divided by 14 is 275,000 shares.

Grad: And what was the total number of shares outstanding at that point in time?

Rievman: I recall that post IPO there were approximately 1,040,000 shares outstanding. The insiders owned 360,000, Dick Glazer 15,000, the public 275,000 and the private placement investors (Clarke Dodge, et al) the balance of 390,000

Grad: You said there was one story you wanted to tell about the due diligence performed by Neuberger Loeb for the IPO and that they asked a question about who was running the business of the business.

Rievman: Okay, that was much earlier. That was one of the due diligence meetings probably in the summer of 1969. Yes, it may have been sometime between June and September of 1969. Neuberger Loeb sent up several people to perform their due diligence and we were sitting around the room. I think that Robo, Dick Orenstein, Joe McCarthy and myself were the attendees. I'm not sure if there was anybody else there from the company but there were a couple of people from Neuberger Loeb. Jimmy Settel lived in Greenwich so that was an easy commute for him and one of his associates. During the meeting there was a question asked of Robo by this other guy, I think his name was Gross but I'm not sure, "Who runs the business of the business?" And Robo didn't know how to answer the question. I suspect that he didn't understand the question and he started talking about a guy named Eric Walstead, who had an MBA in business and Robo was probably attempting to impress these people with the depth of management or whatever. I don't know what was going on in his mind at that moment. Sometime later I happened to be standing in the men's room next to this guy and he said, "I was kind of surprised at Robo's answer to that question. I would have thought that it would have been you but that wasn't the way he answered it." I said, "He didn't understand your question."

Grad: You mentioned the "green shoe option" and that was how the underwriter got their fees.

Rievman: No, no. That wasn't how they got their fees. That was how they grossed up the offering. The offering documents were going to raise $3.5 million and we were going to pay ten percent of that to the underwriter and we would get $3,150,000. And, as it turned out, they were able to sell an over allotment option of ten percent and that, in effect, gave us the $3.485 million while they received 10% of the gross offering or$385,000.

Grad: So, by doing the IPO in 1969 it broke the escrow so that 20 percent of the shares came to the inside group?

Rievman: That's correct.

Grad: Another story you had mentioned before that I would like to have you tell is that the evening before the closing you said that one of the stock books couldn't be found.

Rievman: As I said, nobody did this deal by the book. Barry Alperin and I kept asking when they were going to do their due diligence. We said this all through the filing process and we never heard from them. They were relying on Leidesdorf. They were relying on Barry and on me, but that's not what a New York Stock Exchange firm is supposed to do. And finally, two days before the closing, after the stock had been sold, this must have been mid-January, we were summoned into New York City to a conference room and told to bring all of the corporate documents, the stock transfer books and whatever. I don't remember the details. And, there were several of us at the meeting, Robo, Dick Orenstein, Dick Bayles, myself and Barry. I don't think Jimmy Settel was there but his lawyer was certainly there. And the lawyer was reviewing documents and, as he reviewed documents, he handed them back to someone and they packed them up and we were being very careful to know who had what. But there were lots of papers and lots of documents and lo and behold the two Dicks and Robo were going to stay in New York City that night and go to some meeting and I would go back to Connecticut and come back in the morning. Long after they had left and I had no idea how to reach them, everything still seemed to be on track. I mean we were going to get the money the day after tomorrow and we needed it tomorrow. But the lawyer finally said, "You know I'm missing a stock book." And we said, "No, we think we've shown you everything." "No, I am absolutely certain that I have not seen stock book number such and such to such and such." And I said "I don't think I would have left it in the office. I'm positive those guys didn't take it with them, but I'll go back to the office and I'll go through everything and see if I can find that stock book."

I had no other choice. I did that. I didn't have dinner. I had a tennis game. In those days I could play tennis from 9:30 until 11:00 PM. Now I can't stay up past 9:00 PM. And, after a miserable tennis game, I went home, didn't sleep, got up early in the morning, went back into the city, and still couldn't find the stock book. It was no place. Without the stock book we were not going to get our money. It was very clear. There was no way to manufacture it. There was no way to copy it. It didn't exist. Finally, the two Dicks and Robo arrived at the meeting carrying briefcases of all of the papers that had been discarded. Barry and I tackled them, grabbed the briefcases, didn't say a word, just dumped the briefcases and, of course, there was the stock book.

Grad: So you were able to go with the closing the next day?

Rievman: Yes, I think the closing was the next day.

Financial Management Procedures

Grad: You had said that during the summer of 1969 you were concerned about the process for making financial commitments on locations and personnel. Were you involved in that process then?

Rievman: I don't remember.

Grad: This is 1969 before the IPO. You were running short on money obviously even with the extra money from Clarke Dodge and Glazer.

Rievman: Well, Yes, we were still burning cash but more significant we were making commitments to spend more money knowing that the IPO money was coming.

Grad: That's what you meant about spending the money before you had it?

Rievman: Well, we were making commitments. I had had some disagreements in the summer and fall of 1969 with the rate at which we were spending money, but this was overruled and we went on our merry way, which wasn't quite so merry.

Grad: Who had the right to make those commitments? Was that Robo and Dick Orenstein?

Rievman: Robo, Dick and Joe McCarthy as well. We were hiring salesmen and we had opened an office in Sunnyvale, California. The next logical office from Stamford, Connecticut was an office in Sunnyvale, California and then Boston, Massachusetts and then New York City. Those were the first four offices; and these created a naming nightmare because Computer Software Systems, which was the name of the company that Robo and Dick had started in Connecticut in 1967, was carried forward and we tried to use that name in New York. But New York State said, no, that name was taken. Actually we tried to use it in California first and California said, no, that name was taken and I thought that was okay because all of our customers knew us at that point in time as CSS. Our employees knew us as CSS. The logo was CSS. Computer Software Systems didn't have a lot of staying power except that that was the name of the public company. So, we formed a subsidiary in California called Pacific CSS. It was logical because we were in California and the Pacific Ocean was there and CSS was the logical name and so we had the parent Computer Software Systems and one subsidiary Pacific CSS.

Well, the next step was to open an office in New York City. Pacific CSS didn't seem to have an awful lot of meaning for a business in New York City and then we opened one in Boston almost simultaneously and this clearly didn't make any sense. So, I said, "Okay, let's solve this name problem once and for all." They wouldn't let us use CSS as initials anyplace, so we said, "Okay, let's stick a National in front of it and call it National CSS." And that was where the name came from.

Grad: That's a good story. When COBOL became operational on the 360-67 did it have a significant effect on your marketing and revenues?

Rievman: Some time probably in the first quarter of 1969 they got COBOL up and running on the 360-67 under CP-67 CMS by which time had morphed its name into VP/CSS, changing the name from the IBM product. And COBOL on the machine became a major selling point because it was pure IBM COBOL available on a remote access, immediate response basis, which did not exist with any of the competitors. Lots of competitors were offering time-sharing service but they were all FORTRAN based. They were all scientific or engineering based. They were not commercial program development based.

Grad: So, the COBOL under VP/CSS was used for developing COBOL application programs?

Rievman: Yes.

Grad: That was a major use of the CSS machines?

Rievman: Exactly. Well, it changed the focus of who the customers could be because now people could use our services to develop commercial applications in COBOL and, keep in mind that our own billing system was still written in FORTRAN, so that the sales journal never tied. It was always off a few cents.

Grad: Because of the way FORTRAN does mathematics?

Rievman: It wasn't decimal arithmetic. When you added up all of the invoices they didn't add to the total in the summary by a few cents, because of rounding errors.

Grad: There was a point in time when you got loans on the receivables and you were able to convert it into a loan on work performed even if you hadn't billed it. Is this at the same period, or is this later?

Rievman: I think that was 1969 as well. We were running short of cash as we always were in those days and we went to a local banker who had come to call on us looking for business and he was surprised that he actually got some business and he introduced us to his boss and his boss said, "What can I do for you?" And we negotiated along and eventually we decided that we had the need for some money. And, remember I said that our wonderful customers weren't paying us all that promptly.

Grad: Yes, so you had a lot of receivables.

Rievman: I was able to borrow $100,000 against $120,000 of receivables with an 80 percent financing availability. We meandered along and thought we were going to do some interesting things and then horror of horrors we collected some money, reducing the receivables.

Grad: Now you had to pay off the loan.

Rievman: And I didn't have the cash. And I hadn't billed the next month's receivables yet. I mean I had unbilled work. There was billing in progress but that didn't help what was going on. So, I conceived the idea that I was owed for this billing in process. I just hadn't billed it yet for all of these blue chip companies that hadn't paid me the other money. So, I went back down to my friends at the bank and said, "I don't have $120,000 in receivables any longer but I've got $100,000 in unbilled receivables which more than makes up for the $20,000 that I collected. I want to keep the loan. And they said okay.

Grad: We were wondering whether anyone would have had a month-to-month or quarter by quarter record of the stock prices after the company went public.

Rievman: I don't have it. Although I do know that the stock did trade up a little bit immediately following the IPO and then went south. It didn't stay above $14 for very long. It went all the way south down to $3.75 in 1974.

Grad: I'll get those records because NCSS was a public company. You also mentioned that you actually worked on putting the prospectus itself together with the attorney and with the investment bank.

Rievman: Yes, basically the investment bank didn't have much to do with the S1. It was basically Barry and I.

Grad: Had you ever done that before?

Rievman: No, of course not. I was a babe in the woods and so was everybody else. Barry was a relatively junior associate at a very white shoe Jewish Wall Street law firm at a time when discrimination was a fact of life. I think Carlos Israel, one of the two named principals, had been a senior judge at one point in time, federal judge, if memory serves me.

Grad: And a number of the employees of the company along with some of the senior people were of Jewish background too?

Rievman: It was probably 40 to 50 percent Jewish at that point in time, Robo and Dick and Glazer and Feinleib and myself.

Grad: Joe McCarthy wasn't one of those.

Rievman: Joe McCarthy was not one of them, no.

Grad: Let me move ahead now. You've just raised $3.5 million and you're now at the beginning of 1970. What happens during 1970 from a financial standpoint?

Going into the 1970s

Rievman: We were still operating with a handwritten general ledger as I recall although we were attempting to move into a more automated environment. Hal Feinleib had become disenchanted with where he was in the company, and he came to work for me to help me get accounting systems working, get a general ledger working, get an accounts receivable system working and be able to effectively dun our blue chip customers and try to get paid on time. And we made serious but not absolute progress in the first six months of 1970.

Meanwhile, the company found new and interesting ways to spend money. NCSS opened a Providence Research Center at Brown University. Lord knows what, if anything, those people were doing other than that they were virulently anti-war at the time. I was sent to England to open a London office to take advantage of the time zone issues for load balancing. By this time the machine cost $100,000 a month or more and we had long since discovered that we couldn't bill 60 seconds a minute or 60 minutes an hour at 40 cents a second. It just didn't happen. It turned out that we could only bill about 35 to 40 percent of those seconds. So, since the business plan was based on $288,000 of monthly revenue and the machine cost $100,000 and 40 percent of $288,000 was barely more than $100,000 in rent for the machine, we were in deep trouble, except that I didn't know enough to ask; Robo and Dick apparently didn't tell me that they were going to sell something other than computer seconds because those charges were so insignificant why would anybody bother? After all, 40 cents a second was so much money compared with $5 an hour for connect time, $10 a month for storage, I mean those were insignificant numbers compared with 40 cents a second. Well it turns out that storage and connect time wound up being the other 65 percent of revenue. There was something else that wasn't even billed for which was IO access; those three items became about 65 percent of the revenue dollar. And lo and behold a machine, a 360-67 maxed out in real terms at approximately $300,000 revenue a month for a machine which cost about $120,000 a month fully configured. Those were the mathematics that made the business work, except that the machine was too expensive.

But IBM was the only game in town. We couldn't afford to buy the machine. We didn't want to buy the machine so we struggled to pay IBM its $120,000 a month for the first 67 and probably another one in California and another one in Stamford. I think there were three machines at that time and we were cooking along. We had some other offices that were actually revenue producing in contrast to the Providence Research Center. And things were struggling. We had $1 million in cash, but we were burning cash at about $400,000 a month; I was in California negotiating a space lease for a computer center in Los Angeles, which was the height of lunacy as it turned out. I came back from California having been out of the office for the first time in a couple of months for any length of time and realized that we were about to be out of business. This was the summer of 1970. Interest rates were at ten percent. No one had seen interest rates at ten percent. There was no money available. The stock market was in the doldrums. There was no debt available.

Grad: And my memory is that there was a recession going on at that period of time as well.

Rievman: There was a recession going on. Nothing was going well in the economy or elsewhere. We were at the height of the Vietnam War with all of those problems. Nobody liked anything that was going on in the world or in the financial markets. Keep in mind that the only forecasting tools that we had at that time was a four-function pocket calculator and an adding machine. Our financial records were not yet state of the art but I figured out that at the current burn rate and with the current cash in the bank that we would be out of business in three months.

Grad: This is in either late July or early August of 1970?

Rievman: Right, it was very late July or early August.

Grad: And just to give it a little bit more background here, you had mentioned in a previous conversation that while you had objected to the spending plans you had been overruled on that during the spring of 1970 and that the AR was increasing because customers were paying more slowly. And you also said that you were capitalizing the software at that point in time so that the P&L looked much better than the cash flow. Are those all accurate statements?

Rievman: Yes. Our cash flow was clearly worse than our income statement because our receivables were growing in part because the business was growing and in part because people were paying more slowly.

Grad: So now you have business close down issues. How were you then involved in deciding what needed to be done?

Saving the Business

Rievman: Well, having spent several days putting a case together I walked into Dick Orenstein's office early one morning but he wasn't there. His secretary, wife number two and three as it turned out but that was much later, was sitting outside his office. I said, "Where is he?" She said, "I don't know." I said, "I need to see him." She said, "For how long?" I said, "An indefinite amount of time." She said, "Well, when I hear from him, I'll let you know." I said, "Okay." I turned around and walked out. Dick's wife was having a miscarriage that morning, which I had no way of knowing. He wound up showing up for work later that day. The meeting lasted four days during which we rebuilt the business plan. Robo was on vacation and was not to be disturbed and I had no choice but to beat up on Dick and I said, "You know, either you're going to pay attention to me or I'm gone. I can't deal with the stress and aggravation of this any longer. This business cannot survive as is. We need to change the way in which we do business."

We laid off 35 percent of the workforce, closed the entire Providence Research Center and dismissed a number of other people. There was only one of the people in my decimated department because this was the only way we were going to figure out how to get out of the mess that we were in. The office manager who worked for me at the time and was on vacation that week had hired a receptionist who had started that morning. I walked out of my office and said something to another secretary and said, "Will you please go sit at the receptionist desk for a few minutes and ask the receptionist to come in to see me?" She came in to see me and I fired her. I said, "You haven't done anything wrong. This has nothing to do with you. This is just a function of what's going on. We never should have hired you. I'm very sorry." We paid her severance pay and she was gone.

Grad: So 35 percent of the employees are gone. What other things did you do to reduce the costs?

Rievman: Yes, we succeeded in significantly cutting the labor costs but we did not reduce the costs under the revenue line. They were still too high. We were still spending too much money. We couldn't let any more people go. We couldn't reduce the hardware configuration. We were in a spot. But by this time the technological innovation in the world bailed us out. Memorex started selling disk drives that were compatible with the IBM disk drives. Telex was selling tape drives that replaced the IBM tape drives. And most important of all, National Semiconductor had developed some memory for the 360/67 computer. We were paying IBM $10,000 a month for 256K. National Semi was selling 256K for $100,000. That was an 80 percent reduction from the IBM purchase price. We still couldn't afford to buy it but Itel, a leasing company, agreed to lease ten of these boxes to us, 2.5 Meg of memory, which had cost approximately $1 Million to purchase, a huge discount from the IBM price. It must have been lease payments of $20,000 or $25,000 a month versus $100,000 a month. We wound up struggling to replace all of that equipment. Those changes together with a Bob Degan innovation made the difference. IBM had a 30-day cancellation notice on all leased equipment and Bob Degan started writing them a letter canceling all of our equipment every day, so we effectively had one day cancellation once we got 30 days out.

Grad: And how did that help you?

Rievman: Well, it helped by making our fixed cost a variable cost. We found a lower cost alternative and we replaced an IBM box. We found a lower cost alternative and we replaced another IBM box.

Grad: So you were able to reduce your equipment costs considerably by using the IBM compatible peripherals?

Rievman: Exactly. And that combined with reduced labor cost and careful forecasting and everything else that took place at that point in time, we wound up putting together a rather significant transition. As I remember the numbers, and I won't swear to them, for the year ended February, 1970, the year before the IPO for the most part, the company lost $600,000. I think it may have been profitable for a month or two in December and/or January but we never closed the books for those months. In the quarter ended May, 1970, the company lost an additional $600,000. You know I may be off in the tens of thousands of dollars, but those are ballpark numbers. In the quarter ended August, 1970, which was the turnaround quarter, we did not impact that quarter. We only just made it a little bit worse. The company lost $1.250 million . So, we had lost $1,850,000 since the $3.5 million IPO, and we were down to $1 million in cash, burning cash at $400,000 a month. It doesn't take much mathematical knowledge to figure out what was going to happen. In the quarter which ended November of 1970, the company made $24,000, a net change of almost $1,300,000 from the previous quarter.

Other Financial Stories

Grad: There were three things I wanted to cover to close up that period: The lost check to IBM; borrowing from Union Trust to meet payroll; and the second round of layoffs.

Rievman: The second round of layoffs was relatively insignificant, just a few more people we had missed on the first one. Probably ten people or so--just fine tuning what we had done earlier.

Grad: Now the lost check and the borrowing from Union Trust.

Rievman: We must have paid off Union Trust at some point after the IPO but while we were struggling to find other financing alternatives in the summer and early fall of 1970, our accountants had put us in touch with a factoring company to factor our receivables and they sent up a far right auditor to investigate us and he loved us because Joe McCarthy, our sales vice president, had the same name as his idol, Joe McCarthy, the late Senator from Wisconsin. This guy just loved us and we wined him and dined him and did everything we could to persuade him that we were a good credit risk for his company and he recommended us highly. The only problem was that his management said no. We set up a meeting in New York City with the senior guy and he said, "We think you're a good risk. That's why we said no. We agree with our auditor. He made the right recommendation. But if we're right, you'll need us for about three months and then you'll pay off the loan and you'll go away and we'll never get our return on investment back. We'll get our money back but that's not the reason we're in business. If we're wrong, and we don't think we are, but if we're wrong, we won't collect our receivables and then we're really in trouble."

At the same time, I was talking to the only bank that we had a relationship with, Union Trust, and I was visiting with the guy that I had been talking with for a couple of years now on a weekly basis just keeping him up to date. And he was nice enough to meet with me for a half hour or an hour once a week to go through our issues. Then one day I got a phone call from his secretary telling me that his mother-in-law had passed away and I said, "Gee, I'm very sorry." I had a meeting with him that morning and she said, "I'm canceling the meeting." I said, "Of course, no problem. Give him my condolences and ask him to call me when he is back at work whenever that happens to be." Three hours later I get a call from his boss. "In going through Dave's diary today I noticed that he had a meeting scheduled with you and he's obviously not in today." I said, "I know." He said, "Is there anything you want to talk to me about?" "No, nothing, this was just a routine status meeting, not a care in the world, not a problem. I'll talk to Dave when he's back. Everything is fine." He said, "Great, okay. That's good. Talk to you whenever." That phone call was the reason that Union Trust was always CSS's lead bank. Big New York banks couldn't figure out why. It was that phone call. I think that they had decided that if we couldn't meet payroll, they would be there. They never told me this. But they had decided that if I came into the bank one day and said, "I can't meet payroll today," they were going to lend us the payroll money. They were going to do something. I don't know what. They were going to do something to make sure that we didn't go out of business. They believed our story. We never called them on it.

Grad: But they were ready to support you if you needed it.

Rievman: They were ready to support us when nobody else would, when the factoring company said "We think you're right. We know you're right. You're wrong for our business."

Grad: Let's finish up with that lost check.

Rievman: This must have been Memorial Day weekend of 1971. We were no longer in financial duress. We had developed a relationship with IBM where I always paid them after three o'clock on the last Friday of the month following the month for which the bill was due, which kept us current and I paid them by having the salesman come visit us after three o'clock when the banks were closed to pick up the check. And IBM was happy to do that as well. And one day the salesman shows up. It was Memorial Day weekend. It was the Friday before Memorial Day. It was a hot day and the salesman comes in at about one o'clock and I said, "It's not after 3:00. I'm not going to give you the check until then." I said, "Go away and come back in a couple of hours." I knew I had the money. I wasn't concerned. It wasn't an issue. And the salesman comes back about 3:30 or 4:00 and he had spent the intervening hours at the local pub getting himself relatively well lubricated. And he comes in and he picks up the check and out he goes and he gets in his car with a $300,000 or so check. And he's got it in his inside jacket pocket and it's a hot day and he rolls down the windows. This was before cars had air-conditioning for the most part and he drives up on I-95 in Stamford and apparently thinks, "I'm just not happy with this check in my inside jacket pocket," and takes the check out of his pocket. But the wind takes the check and off it goes out the window.

Grad: So, did he get another check from you or how did you resolve that?

Rievman: Now it was time to play games with IBM. I don't know anything about this. He's crawling around in the weeds along I-95, can't find it. His boss' boss, the district manager, comes driving along, sees him in the weeds, pulls over and asks, "What happened? What's the problem?" He tells him the story. I got to work on Tuesday and I get a call from the IBM branch manager, Hugh Saxton, telling me the story. He said, "We need you to put a stop payment on the check and reissue it." I said, "Stop payment is not a problem in the world, reissue, oh-oh, another story. How do I know that somebody else won't present that check? I mean you don't know where it is. I don't know where it is. It could be some bum could pick it up and endorse it." "Well how would they endorse IBM?" "Not my problem. I'll tell you what I'll put a stop payment on the check. You can indemnify me should the check reappear." We jerked their chain for about three or four weeks before we would finally issue another check.

Growing the Company: Organization and Finances

Grad: Now, after going public, you then start 1970 with $3.5 million of additional money in hand. Did you have any debt at that point that you had to pay off?

Rievman: No, all of the debt got resolved. After the first three quarters of 1970, and from that point on, the company never again lost money in any operating quarter all through the rest of its existence. Basically, once the company got on an even track, it stayed that way forever, and there was never any need for new capital in the company, other than a scattered amount of stock option exercises, until much, much later in the company's existence.

Grad: So that turnaround that you did in the third quarter of 1970 stuck. It really made the company work correctly.

Rievman: Yes. We always had an increasing revenue line – we just needed to pull our expenses down under the revenue line and everything would work out just fine.

Grad: Okay. Let me skip ahead. I'd like you to briefly go over what the different titles were that you had and different jobs that you had, while you were at CSS and then National CSS over the years, who you reported to, and who you had reporting to you.

Rievman: Well, after Bob Bernard, Dick Orenstein became CEO and I continued to report to him.

Grad: Were you the CFO at that time?

Rievman: No, my title was Treasurer. And then, some several years later, the title changed to Vice President of Finance. I was always Chief Financial Officer from beginning to end. And then I became a director of the company probably sometime in 1975, is my guess. I think it was 1975. It may have been 1976. I don't really remember the exact dates.

Grad: Who did you have reporting to you in the financial area?

Rievman: Well, I had a controller reporting to me, credit, personnel until sometime after we hired in-house counsel, and then I transferred personnel to him. Legal reported to me for a year or two, and I had facilities reporting to me, I had internal data processing, billing, and MIS, and stuff like that.

Grad: So you had a wide range of responsibilities, beside the direct financial responsibilities.

Rievman: Yes, Yes. I had responsibility for legal interfacing before we hired in-house counsel.

Grad: Who was the in-house counsel?

Rievman: Les Srager. I continued to have responsibility for securities for all matters, and tax law matters, despite Les's being there. He handled contractual matters and HR, with some interface on the securities.

Grad: During that period, who were you using as your outside auditors?

Rievman: Well, it was Leidesdorf until late in the 1970s, when they merged with Ernst and Whinney, which is now Ernst and Young.

Grad: So even though you were a public company, you did not use one of the big seven or big eight accounting firms during that period of time?

Rievman: No. Leidesdorf was a major independent accounting firm, and then subsequently they merged with Ernst and Whinney, in the late 1970s.

Grad: Was NCSS an over-the-counter stock during this period of time?

Rievman: Well, probably in 1976, or thereabouts, we listed on the American Stock Exchange.

Grad: Prior to that, though, it was over-the-counter?

Rievman: Yes. We were over-the-counter until then, and then for greater visibility, and as the company was doing better and better, we decided to list on the American Stock Exchange. We didn't qualify for the New York Stock Exchange, because we didn't have enough shareholders.

Grad: At the time that National CSS was acquired by Dun & Bradstreet were you still the VP of Finance?

Rievman: I was the VP of Finance until Dun & Bradstreet acquired the company, at which point my title remained the same, but my job function switched from Chief Financial Officer to Divisional Controller.

Grad: And you stayed with Dun & Bradstreet how long?

Rievman: Let's say the transaction was initiated in March of 1979. They probably closed in May or June of 1979. I left CSS around January 1st of 1981.

Grad: So for about a year and a half you stayed on after the acquisition?

Rievman: A year and a half, yes.

Acquisition Activities

Grad: Now, one of the other things you had started to talk about at one point, was that at the end of 1974, there was a significant problem with the stock price, and the company growth rate slackened. Can you discuss that?

Rievman: Well, it wasn't a significant problem with the stock itself, but the stock price continued to go south all through the early 1970s into 1974, when the stock market, in general, pretty much bottomed out as I recall. Our stock dropped to about $3.75. This would be before split, from the original $14 IPO price, and the company was not doing as well as it had previously. It was still profitable and it was still growing, although not as rapidly. That was about the time that Bob Weissman succeeded Dick Orenstein as CEO. I had hired Bob about a year and a half before that to broaden our corporate development activity.

Grad: Was he reporting to you at that point?

Rievman: Yes, he was reporting to me, and then I had a problem in the Accounting Department, and Bob effectively took responsibility for managing the Accounting Department. In that time frame, we did get two small acquisitions done. One was TBS and another wholly owned subsidiary of it, which was called RTW. It was probably a mistake that we made at that time. We probably should have gone after United Data Centers, which wanted to be acquired. Bernie Goldstein wanted us to buy his company, but we had invested in this TBS transaction before that and Bernie then sold United Data Centers to Tymshare. Bernie and Al Eisenstadt were the principals in United Data Centers. I had known Al before I had started with CSS; I had met him on the tennis courts in Westport, CT at one time. He was summering in Westport and we found a kindred relationship as it turned out. I didn't know Bernie at the time but then as we went through some of the early CSS issues, Al and I became reacquainted with each other, and I met Bernie through that connection

Grad: So, the stock has been going downward. How was the company's growth rate? Had it slowed down at that point in time as well?

The NCSS Board

Rievman: It slowed down a bit. I don't have any of the detailed records, but my recollection is that the company was doing okay, but not as spectacularly as it had done earlier. There were two potential candidates for CEO at that time. Not me. That wasn't my forte; it wasn't what I wanted to do. They were Bob Weisman and Dave Fehr. Dave was running the marketing activities, and I think he may have also been running operations at that point, and I believe that between Dave and me, we managed the entire company, or virtually the entire company. But Weissman wound up getting the nod from the Board of Directors, which thought that he was the better man for the job, I guess. I certainly thought he was, and so overnight, I went from him reporting to me to me reporting to him, which was not an ego problem and not an operational problem.

Grad: Did Bob Bernard play a role in the selection process?

Rievman: Well, Bob Bernard was pushing for some changes in the CEO area. I don't want to go into a lot of detail on that, but Bob was pushing. Bob was no longer a Director or an employee, and he wasn't consulting to the company any longer.

Grad: But he was a significant stockholder, though?

Rievman: I don't think he had much of a relationship with the Board, but he obviously started talking to one or more of the Board members about his concerns, and, in any event, that's what took place. So, sometime on or about January 1st of 1975, Weissman became CEO.

Grad: The Board had made a decision, though, that Dick Orenstein needed to be replaced as CEO. Did Dick stay with the company at that point, or did he leave?

Rievman: I think that Dick stayed around for a couple of months.

Grad: My note here says that you mentioned that Dick Orenstein then went to Switzerland?

Rievman: Yes. Sometime later that year he talked the company into paying his tuition to an offshore Harvard Business School program in Switzerland. You'd have to ask Dick the details, since I don't know. I don't know specifically what went on, although I do know that he met one person, a Frenchman, whose name escapes me, who played a role later on in helping National CSS form a subsidiary in France where there was some French governmental opposition to seeing French data flow across telephone wires to the United States.

Grad: At one point you mentioned that Ken Bridgewater, who had been one of the initial partners with Robo and with Dick Orenstein, had later become the largest stockholder in the company. Can you tell us more about that? What happened?

Rievman: Ken never sold any stock. Dick sold some, Robo sold some, and Ken, by reason of never having sold any stock, became the largest stockholder. He left the company early on, probably in 1970 is my guess and decided to enroll in Wharton School at the University of Pennsylvania and get himself an MBA. I think that he did a little bit of consulting to CSS, to help him pay his tuition. He wound up going to work for Xerox as a Financial Analyst, I think and he was with Xerox for several years. At one point he sold a thousand shares of CSS stock, so that he could buy himself a Mercedes. I think that was the only stock he ever sold.

Grad: So Ken was never, after that, active in the management of the company. And even though he was a large shareholder, he wasn't trying to wield any influence in the company.

Rievman: No. He had no interest in participating in the management of the company. Xerox would have had a problem with him having any involvement with a company that was in some way potentially somewhat competitive. Xerox apparently said, "Make your choice. Be totally disinterested or be gone." This is hearsay as much as anything.

Grad: Although you weren't on the Board during the first 6 or 7 years, you must have known all the Board members from the beginning. Can you talk about some of the people who were on the Board, and what their roles were?

Rievman: Initially, the outside Directors were Carnot Evans at Clarke Dodge and Bob O'Connor. And Dick Orenstein and Robo were inside Board members.

Grad: Was there a significant change later on, in the 1970s, or when you went public?

Rievman: Well, then they started looking for other outside Directors. At some point Fred Johnston joined the Board. He was a Stamford resident, whose pride of accomplishment was that he knew everybody, everybody in the world, so to speak. He came from a wealthy family but I don't know a great deal about his background. At some point later on, he introduced another guy, Tom Singer, who, at that time was Executive Vice President of Gillette, a major step upwards in the prestige of the Board at that point in time. Carnot Evans had long since departed. I think Bob O'Connor departed at some point, once Johnston Tom Singer, joined.

Grad: Who was on the Board when you came on?

Rievman: Well, Johnston was probably gone at that point. Let's see, at that point it was Tom Singer, it was Dave Winer, an entrepreneurial guy, who was running a perfume bottle manufacturing business. There was a guy named George Evanoff, who was an Executive Vice President of RCA and probably in the process of leaving RCA at that time, and, if memory serves me, he became a senior guy, I don't remember how senior, at Max Factor, in California, and that pretty much led to his disappearing from the Board. Yes, there was Winer, Singer, Evanoff, and Dick Orenstein. I am trying to remember who else was on the Board, if anyone. Then there was Weissman, Fehr, and myself, and that might have been the Board. There was also a professor at the University of Michigan, (I think his name was Bernie Galler). That may have been the seven man Board.

Grad: Was that the Board that was in place when the decision was made to be acquired?

The NCSS 3200

Rievman: Yes. I believe it was those people plus Bernie Goldstein. I don't think that there was anyone else. Now, I could be mistaken. In 1978, a couple of things happened. In 1977, I'm guessing, Weissman and Fehr decided that we needed to go into the hardware business. They saw the handwriting on the wall of what was happening to the telephone pipe at 300 baud, and felt that some of the larger customers were going to want more immediate computing power on their doorstep, as opposed to hundreds or thousands of miles away. Thus was born the NCSS 3200. The only problem with it was I said, "We can't afford it," a familiar refrain from me, and the answer was, "We can't not afford it. We've got all this money in the bank, why can't we afford it?" I said, "Because we don't have the earning power to carry that level of investment although we have the cash." The ballpark number for the venture was $3.5 million. I said that there was no way that we could take a $3.5 million earnings hit. Our stock price would go back into the tank, and we would become prey to all kinds of unsavory potential takeover people. Weissman and Fehr's answer was, "No, we're going to do it. You figure out how to afford it."

So I went off and sulked for a while. Being very honest, I said, "This doesn't make any sense. We can't risk the company on this new venture." But anyway, I came up with a concept of creating an off balance sheet, off income statement, financing vehicle for this business, only I did it the right way, unlike Enron. I went out and raised $3.5 million of equity in a partnership tax shelter format, a $100,000 bite of the apple for each of 35 people in a private placement, which funded the startup of the NCSS 3200. It was a brilliant plan, if I do say so myself. The financing plan was even more brilliant than the business plan, as it turned out. What we had done was that CSS had adopted the operating system VP/CSS and the 4GL Nomad to run on the NCSS 3200. The machine was crafted to run that operating system and language. because sometime in 1978, as we were getting the product ready to go to market, But the only problem was that sometime in mid 1978, IBM announced the IBM 4300 line, which was effectively a carbon copy of NCSS 3200. IBM had a little more clout in the market than we did.

Grad: What happened next?

A New Look at Acquisitions

Rievman: Sometime in 1978, probably in early to mid 1978, Bernie Goldstein apparently decided to leave Tymshare, where he was a significant shareholder, an executive and a Board member, but you would have to ask Bernie for more details about that. Anyway, he approached Weissman, and Weissman said, "Sure, we'll hire you," and Bernie said, "Well, I want to be a Director and I want to be Chairman of the Board." Since Dick Orenstein was then Chairman of the Board, Weissman asked, "Dick, will you resign as Chairman in favor of Bernie, if Bernie joins us as Chairman, and runs an acquisition program for us?" And Dick said, "Yes, but I want to become Chairman of the Executive Committee of the Board," and that was accomplished. So, Bernie joined as Chairman, and I said, "How are we going to run an acquisition program if we don't have a war chest?" We had our stock, which was doing okay. The stock was probably in the low 30's, maybe high 30's, a far cry from the price of several years earlier, but that gain had to do with the company's performance, with the company meeting its announced targets and paying a lot of attention to Wall Street. We had developed a following, and things were going reasonably well. Our investment bankers, Neuberger Loeb, had long since disappeared from the scene. Jimmy Settel had asked somebody he knew on Wall Street if he would keep on eye on us, since he would not be able to any longer. That guy was at Payne Webber, a step or two up from Neuberger Loeb. His name was George Riordan; I don't know what's happened to George. I haven't talked to him in several years. He was, when last heard from, living in California, but at that time he was in New York.

Grad: Now, what was your cash position at this point, in 1978?

Rievman: Oh, we probably had $15 or $20 million. We had more than enough operating cash, but not enough to run an acquisition program.

Grad: So what did you do?

Rievman: In consultation with George Riordan, we decided that we would do a $25 million convertible debenture offering to list on the American Stock Exchange, and we went to work on that. At that time we were probably using Ernst and Whinney as an accounting firm. Barry Alperin, our securities lawyer, had long since become a partner at an uptown firm. At the same time Bernie had found a potential company to be acquired called Zytron, which was a micrographics company on the west coast doing about $25 million a year in revenues and it was profitable. We were closing that transaction as the debenture offering went effective in probably in the fall of 1978.

Grad: Did that actually go through?

Rievman: Yes, we acquired that company. The exciting part about Zytron, in addition to its micrographics business, was that they had a subsidiary called Zytron Data Systems, which had a minicomputer solution to the requirement for nuclear power plants to catalogue every single piece of paper ever associated with a nuclear power plant, and were able to retrieve it rapidly, in case there was a problem, and it was a growing business, and it was doing real well, and we saw all kinds of database applications for that with CSS's technology. The timing was not wonderful there, either, but as we closed the debenture offering, we also closed the Zytron acquisition.

Grad: Do you remember what you paid for the company?

Rievman: It was a stock transaction.

Grad: So even though you had the cash from the convertible debenture, you did not use that for that purchase?

Rievman: No, we still had the $25 million from the convertible debenture offering. Then Bernie Goldstein went to work to find another acquisition and he found Turnkey Systems, right down the street in Norwalk, Connecticut. That transaction had just closed, immediately prior to the Dun & Bradstreet negotiations.

Grad: So, the deal was closed with TSI. Were those the only two significant acquisitions that you made during that later time period: Zytron and TSI?

Rievman: Yes.

Grad: Now, there had been a couple of earlier ones that did not go well. You mentioned their names briefly before.

Rievman: TBS and RTW. TBS was a traditional New York City-based service bureau running 360/40s or thereabouts. RTW provided software solutions for the apparel industry. Neither one lived up to its expectations.

Grad: I gather those were not successful from a financial standpoint. Is that a correct statement?

Rievman: Well, none of the acquisitions were really significantly successful, as I recall. Of course, what you will undoubtedly remember was that in March of 1979 Three Mile Island happened, and that was the end of the nuclear power industry in the United States to this date and Zytron Data Systems never sold another system.

Grad: Yes, that's a key piece of information. It may have been a very good acquisition, but something happened externally that caused it to fail.

Rievman: Totally external to anything that anybody could have foreseen.

Grad: One other thing you had mentioned was that there had been discussions about a merger of National CSS with Tymshare, and how that got lost. Can you tell that story?

Rievman: Before Bernie Goldstein joined CSS, he had negotiated a merger deal with NCSS; it was going to be a stock transaction and it made all kinds of sense.

Grad: Who was going to acquire whom?

Rievman: Tymshare was going to acquire CSS. Tymshare was larger than CSS at that point, but not by a lot, but it was Tymshare's stock that was going to be the currency. And, as I recall, there was an agreement on the transaction, but the only problem was that Tymshare's financial systems were not as effective as CSS's systems, and Tymshare reported earnings which surprised Wall Street and the stock went to hell in a wheelbarrow, and the deal died.

Grad: So it wasn't a matter of not wanting to make the deal. It was simply that the stock price then became not attractive enough for the deal to go through.

Rievman: That's correct. After that, Bernie apparently decided to leave Tymshare and said, "I get the deal of a lifetime, and you know, we can't get it done because you're not on top of your numbers," and that's when he decided to join National CSS.

Acquisition by Dun & Bradstreet

Grad: In Bernie Goldstein's oral history transcript he describes that essentially he had been brought in to Tymshare to do acquisitions, but that they weren't managing the stock in such a way that he could carry out the acquisition program effectively. There are some other areas I want to cover. One of the most important ones is that you have special knowledge of the acquisition of National CSS by Dun & Bradstreet. I'd like to have you talk through how that was done, what happened at the closing, the pricing of the deal. Did Dun & Bradstreet approach you? Did you approach them? How did the whole thing come about?

Rievman: I believe that D&B had gone after Tymshare. And Tymshare said, "No," or Tom O'Rourke said, "No." Years later – long after I had left CSS, Tom and I got drunk one night at an Alex. Brown investment seminar at the Aquarium in Baltimore. I still remember this. We spent the evening talking about what might have been. So I do know this independently of Bernie, based on my recollection of that evening. Tom was probably long gone from Tymshare also at that point.

Grad: They had been sold to McDonald Automation I think it was. I think that Bob Weissman has said in his oral history that he had heard about the D&B discussions with Tymshare, and they felt that D&B might be coming to talk with National CSS at some point in time. So how do you get involved? How does that get started?

Rievman: Well, there was a guy that I had used as an acquisition consultant several years before I hired Weissman, probably in 1971 or 1972. His name was Al Harris. I don't remember how I found him. He lived in Wilton, as I recall, and we ran a couple of early transactions into the ground. There was one good one that he had found, actually, which was BBN, although we couldn't ever get it to work, but that company was the founder of the ARPA network, later known as the Internet, but that's what makes horse races. Whether we could have done that deal or not, I don't know, but it was certainly-- in 20/20 hindsight-- it was certainly one of the more interesting situations. We might have owned the Internet.

Grad: They were a very major consulting firm, and two recent issues of the IEEE Annals had been devoted to the history of BBN where there must have 15 or 16 articles by different people in the company about the full history of the company from its beginning, literally up to the present. They've done a magnificent job. If you ever want to read about the company and all the things they did, it's a fascinating story. You were talking about Al Harris. How does he get into the act?

Rievman: Al Harris knew Dave Thomas, who was the CFO of Dun & Bradstreet, and somehow or other, Al came in to talk to Weissman one day and pitched Dun & Bradstreet to Weissman in 1979.

Grad: So was Harris working as a finder?

Rievman: Harris was working as a finder for Dun & Bradstreet, I believe.

Grad: For D&B. He approaches Weissman, not Goldstein?

Rievman: Yes, and Weissman went into New York to talk to D&B. I was aware of it. I mean, there were no secrets at that point in time among senior management. I was aware of it; Bernie was aware of it; Fehr was aware of it, I'm sure. The Board pretty much knew what was going on. I was scheduled to go to Chicago a couple of days before that to be on a financial television program. I was in New York meeting with Barry Alperin and with George Riordan, and we discussed whether it was appropriate for me to go to Chicago or not, considering what I knew, but there was no conclusive deal and if I cancelled my appearance there would be more talk than otherwise.

So I went. The interview was not particularly successful, but the stock started to move; I was back in Connecticut and Alan Brigish, who was working for us and was probably at Zytron on something, called me and said, "Why is the stock up?" I said, "I don't know. I was in Chicago yesterday on this television program." I wasn't going to tell anybody what I knew might be happening, because the question was, was it happening or not? And Weissman went into New York. I guess it was exactly March 23rd and it was a Friday, and lo and behold, D&B wanted to do a deal, and I needed to pull some information together for them on Saturday, which I would do later. Meanwhile, they asked me on Friday how many shares we had outstanding, fully diluted, and I gave them a number off the top of my head. I said, "I've got to check it." On Saturday, I went through all of my calculations, and in fact I had left out the option awards to the TSI people, which had just happened. And I hadn't updated my spreadsheets for it yet. I called the junior investment banker at Morgan Stanley, who was working on the transaction on Saturday afternoon, and I said, "The number of shares that I gave people on Friday was incorrect. I had forgotten that I had not updated my spreadsheets for the Turnkey Systems option awards. The correct number is so and so." That was on Saturday. On Sunday, Weissman, Goldstein, Fehr, Srager and I went to a meeting at Morgan Stanley to negotiate the transaction.

Grad: Morgan Stanley was D&B's representative, or yours?

Rievman: Morgan Stanley was representing D&B, and was apparently on the phone with them.

Grad: Did you have an investment banker representing you at that point?

Rievman: No, I don't think we had anybody there. But we knew what we were doing. We had no problem talking to them. I mean, we had Bernie, we had Weissman, and we had Rievman.

Grad: You had plenty of muscle and plenty of knowledge.

Rievman: Plenty of muscle. Yes, I mean, we were in good shape; we knew what we were doing. Morgan Stanley put a price on the table, and a per share price, and about 10 o'clock that night, we were back in the car driving to Connecticut with an agreement that we would meet again on Monday morning, March 26th, because Weissman had told D&B that either we were going to close the transaction before the market opened on Monday, or we were going to announce that there was no transaction, because we didn't know who was buying the stock. And we didn't know what was happening, and we didn't like what was happening from an ethical point of view. So now, as we're driving home, I'm saying, "The numbers don't work." I multiplied out the numbers that we were talking about, and the numbers per share don't add up to the total consideration. What was wrong? The number of shares was wrong. They were using the number of shares that I had given them on Friday, not the correct number that I gave them on Saturday; so they were saying that the price that they would pay was $48 per share, but the aggregate consideration that they were going to pay came out to $46.50.

We told one person at the company what was happening who was going to be at the office on Monday: Peter Lessler who was associate counsel. We told him to tell everybody that a meeting had come up, or something, and effectively dodge any questions, and Peter was reliable and trustworthy, and he was an attorney, etcetera. Bur his wife had a baby that morning and he never got to work. So the secretaries figured out what was going on.

We're sitting in New York, and we present this issue to our Board, and the price was supposed to be $48, but it was only $46.50, and now what do we do? And it gets to be 10 o'clock, and the AMEX is opening, and we call the AMEX, and tell them that they can't open the stock, and they're scurrying around, trying to find out how to verify who we are, where we are, and so on and so forth. No cell phones, no nothing, but we couldn't let the stock trade because we didn't like what had happened on Friday. We certainly didn't like what might happen on Monday, and we had no control. So we presented the issue. Weissman called Duke Drake, the CEO of D&B, and said, "Here's the problem. The Board approved $48, but it doesn't approve the price at $46.50, so what are you going to do?" and it took all day for D&B to decide what they were going to do.

Grad: And what did they finally do?

Rievman: They paid $48.

Grad: So you got the difference in the price, because it was the correct number of shares.

Rievman: Yes, we got the $48.

Grad: What was your stock trading at, at that point? Do you remember?

Rievman: $36, $37, something like that.

Working for D&B

Grad: So it was about a 33 percent premium over your trading price. You stayed on at D&B for about a year and a half, or so, after the acquisition.

Rievman: Right.

Grad: What did you do at D&B at that point in time?

Rievman: I stayed at CSS. I was busy defending the NCSS 3200 project, which after all was my financing baby, and which wasn't doing well, and which D&B hated. D&B, at that time, owned only monopolies. They owned the Yellow Pages. They owned the credit reports. They owned Moody's. They owned TV stations, and now they found themselves owning a computer services company with lots of competition and a hardware business with physical inventories, which they hated.

Grad: So what happened to the NCSS 3200?

Rievman: Well, the 3200 should have been put out of its misery probably a year before I finally gave up defending it, because the computer really never worked right. Although we sold a few, it really didn't work out. But the position that I'd been put in by Dun & Bradstreet, and by my management and everybody else, was that we were trying to make this thing work, but it never did. We finally shut it down, I don't remember exactly when.

Grad: When it was part of D&B?

Rievman: Oh, yes. It was long after the D&B acquisition.

Grad: D&B acquires National CSS. What happens? Bob Weissman goes with the company, but Bernie Goldstein does not. Is that correct?

Rievman: Yes, Bernie left immediately after the transaction. I, the idiot that I was with 20/20 hindsight, should have marketed my resume. Instead I said, "I'm going to help Weissman do what Weissman wants to do." Weissman wanted to be CEO of Dun & Bradstreet, I believed, but I didn't want to be at Dun & Bradstreet. I didn't want to work there. I had no interest in it.

Grad: But you did hang in there?

Rievman: Well, I hung on for a year. I had serious money coming and I had some serious tax issues. We negotiated a three-year employment contract. And I didn't want that employment contract, but everybody said, "Sign the contract. We need you to sign it. D&B needs you to sign it," so I signed the contract. That was the summer of 1979. During the summer of 1980 I was on a major vacation. We had spent a week cruising the Nile, and the phones didn't work in Egypt worth a damn. This was at the time when Israel and Egypt were just beginning to have a relationship. We then got to Israel, and we're staying at the King David hotel, and I remember that the phone worked. I called the office and it was late at night in Israel, but it was the middle of the day in the States. My secretary said, "Bob wants to talk to you." I get on the phone with Weissman, and he tells me that he is negotiating a severance agreement for my employment contract. I said, "Wonderful. I want severance, but I don't want my employment to terminate until January 1 of 1981. I want to push it into another year." Bob said, "We'll negotiate it on that basis," and I was delighted. When I came back I spent the next several months effectively doing nothing but helping Dave Fehr and Dave Thomas, the CFO of Dun & Bradstreet, come up with a divisional controller to take my place. I was going to look outside for a replacement, but they didn't want to do that.

Grad: They wanted someone from inside the company?

Rievman: Yes, they wanted somebody from inside the company.

After D&B

Grad: After you left D&B, did you stay involved in the industry?

Rievman: As I was leaving, Bernie Goldstein, who had already left, had been asked about the NCSS 3200 financing by some people at Anacomp; they had a copy of my financing document for the 3200 from an investment banker at Shearson, a neighbor of mine in Westport, who had asked me for it, and I said, "Sure, why not." Anacomp wanted to do a similar transaction for some international banking software and had asked Bernie to do it. Bernie said, "No, I'm too involved with Broadview Associates." He had joined Gil Mintz. He called me and said, "Can you do this?" I said, "Yes, why not?"

So I started a consulting practice on January 1, 1981. My first client was Anacomp. Actually it was before January 1 that I was involved, because they closed their financing transaction in 1980 and I was the general partner of the partnership, and I remember signing documents; I was in Vail skiing and I took a day off from skiing to sign the documents. At that time you could deliver a FedEx document to the airport in Denver to one of the coach carriers, one of the shuttle carriers, that run shuttles between Stapleton Airport and Vail, and they would deliver it to me in Vail. That was how FedEx worked in those days. And I got the documents and I sent them back the same way, and we got this transaction closed, and I started consulting to all of the CSS alumni who had left, helping them raise money and do all kinds of financing transactions, some of which worked, some of which didn't work.

Grad: Yes. Were you involved with Harold Feinleib afterward?

Rievman: Harold was running a company in Westport. I had conversations with him, but I don't think I did any work for him.

Grad: So you continued to stay involved in the area for quite a while afterwards.

Rievman: Yes. I continued to go to ADAPSO meetings.

Grad: One thing I was going to ask you, do you have a biography of yourself--a CV or anything of that sort that you could email me?

Rievman: Yes, I can email you a detailed resume.

Grad: I'll add that to the file and attach it to the record of this interview and then we will put the transcript and the other material in the file as part of the National CSS file on the IT Corporate Histories Project. And I thank you so much for your courtesy and time, Alan.

Rievman: My pleasure, Burt.

<u>Questions Submitted to Alan Rievman:</u>

These are the questions that were submitted to Alan Rievman on May 3, 2005 and were used as the basis for the interview conducted above:

1. Tell the story of how you first knew Bob Bernard (Robo) and then disconnected and reconnected and describe your own background prior to joining CSS. Include a description of the accounting work that you were doing for CSS before you were an employee.

2. Tell about how you helped Robo and Ken Bridgewater and Dick Orenstein put together a Business Plan for Computer Software Systems to get funding from Clarke Dodge through the relationship with Bob O'Connor.

3. Describe the initial stock ownership and how it evolved over time. Describe the escrow arrangement.

4. Describe the analysis that was done to determine the revenue potential based on 40 cents per second leading to $288 K per month assuming that every second was sellable during a 10 hour day.

5. Describe the cost structure including the rental of $50K per month to IBM plus the added equipment that was needed and its cost. Describe charging for Connect time and for Storage space and how they became significant revenue sources.

6. Describe how the billing amounts were determined including the program that Dick Orenstein wrote in FORTRAN. Describe hiring a bookkeeper.

7. Describe the realization that all seconds weren't billable and the cost of the additional IBM equipment and what this did to the cost structure.

8. Describe the additional funds received from Clarke Dodge and the money received from Dick Glazer which he may have borrowed from a Teamsters Union Local.

9. Describe the search for an investment banker and the selection process.

10. Identify when COBOL became operation on the 360/67 and what effect that had on marketing and revenues.

11. What was the process in the summer of 1969 for approving financial commitments on locations and personnel?

12. Describe the "due diligence" performed by Neuberger, Loeb for the IPO. The question they asked about who runs the business of the business.

13. Talk about the IPO itself and the fortuitous timing. Do you have a month by month or quarter by quarter record of the stock prices for NCSS when it was public? Talk about your putting together the Prospectus with the attorney and the Investment Bank.

14. Describe how you were able to get a loan on receivables and then convert it into a loan on work performed even if not yet billed.

15. Discuss the "green shoe" option that the brokers had. Describe how the timing of the IPO enabled management to "break the escrow."

16. Describe what happened the evening before the closing when one of the stock books couldn't be found and what happened the next morning.

17. Describe the financial performance quarter by quarter for 1970 and the reason for the heavy losses.

18. Describe your objections to the spending plan in the spring of 1970 and the concerns about the high (and increasing) AR and the capitalizing of software which made the cash flow much worse than the P&L.

19. Describe what you did on your trip to California in 7/70 when you ran the cash projections and what you then communicated to management (and how) in 8/70. Why was it difficult to get fresh cash?

20. Describe how the issues were faced and who was involved in deciding what people needed to be laid off. Describe what you were able to do to reduce the hardware costs working with Bob Degan on the Memorex disk drives and ITEL memory and the use of the 30 day removal notices to IBM. Also what happened with the "lost" check to IBM?

21. Describe how you would have been able to borrow from Union Bank to meet payroll.

22. When did the second round of layoffs occur and what triggered them?

23. Describe the various titles and assignments you had at CSS and NCSS over the years and who you reported to and who you had reporting to you.

24. Describe what happened at the end of 1974 when the stock had tanked and the growth rate had slackened. Can you describe the process by which Bob Weissman was selected to become the new president?

25. Describe Ken Bridgewater's role in the company and the fact that he ended up becoming the largest stockholder over time.

26. Describe some of the Board members and the roles that they played over time.

27. Describe the principal acquisitions, how they came about, who sponsored and negotiated them and how they turned out.

28. Describe the potential merger of NCSS with Tymshare and how that was lost.

29. Describe the convertible debenture offering and what its purpose was.

30. Describe the NCSS 3200 and how that worked out. Describe the financing plan that you worked out to avoid taking a hit on the profits.

31. Describe the role that you played in the acquisition by D&B. Talk about the stock options, the recalculation and the final showdown on whether to allow D&B to adjust their offering price because of the additional number of shares.

32. What work did you do at D&B after the acquisition?

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Expert in complex corporate financings and investment strategies including IPOs, private placements, debt and equity financings, joint ventures, acquisitions, alliances and other corporate development initiatives in the U.S. and abroad. Extensive venture capital financing and roadshow experience.

PROFESSIONAL EXPERIENCE

OWNER, AAA Petro April 2000- Present

Broker of Crude Oil, Diesel and Jet Fuel & precious metals

SENIOR VICE PRESIDENT, FINANCE

Davis Financial Group, Denver, Colorado 1997 to April 2000

Joined this Investment Bank/Merchant Bank to pursue equity and debt funding for startups, real estate ventures and mature businesses; acquire practices for startup physician practice management company; pursued many business consolidation strategies and locate acquirers for clients.

CONTROLLER 1996 to 1997

Metromedia Fiber Network, Inc. New York, New York

Recruited to troubled start-up telecommunications company with $218,000 in 1996 revenues at a $10 million operating loss. Challenged to create a formal financial and accounting infrastructure, develop business plan, and position organization for strong and profitable growth.

- Instrumental in raising $34 million in new capital;
- Resolved creditor defaults;
- Managed successful completion of 9-month and year-end audit engagement by a big 5 accounting firm.
- Positioned company for a $135 million IPO managed by Salomon Brothers Inc., DLJ & Deutsche Morgan Grenfell

VICE PRESIDENT OF FINANCE 1994 to 1996

The Flagship Group, Inc. (Venture-controlled holding company), Denver, Colorado

Dual responsibility as VP of Finance for The Flagship Group (Revenues $7 Million) and as CFO for its two software operating companies. Functioned as both senior financial and senior operating officer of all three organizations, leading through an aggressive turnaround, restructuring and return to profitability. Directed financial, management reporting, MIS, production and human resources. Led a staff of 13 professionals and support personnel.

Effective April 1996 promoted and assumed additional responsibility as General Manager for one operating company. Held full P&L, strategic planning, sales/marketing, operating, financial and administrative responsibility for the organization.

- Achieved/surpassed all turnaround objectives. Pioneered innovative strategies to fund technology acquisition.
- Directed internal reorganization and process redesign initiatives impacting all core-operating functions throughout all three businesses. Maximized strong financial and operating performance.
- Orchestrated start-up of new subsidiary to reduce the impact of a complex royalty agreement.
- Drafted, negotiated and administered internal software license agreements, VAR agreements and third party license agreements.
- Functioned as Chief Operating Officer supervising general managers of the two operating subsidiaries.
- Replaced independent auditors, following first audit after joining Flagship thereby, reducing the cost by 50% and improving service.
- Created new subsidiary to reduce the impact of an onerous royalty agreement.
- Worked on shareholder liquidity issues, accomplishing a partial redemption and pursued efforts to accomplish a management buyout.
- Trustee of employee benefit plans (including 401K); changed administrator to improve service; renegotiated medical insurance to minimize cost increases, etc.
- Discovered and corrected a repetitive billing error that increased operating earnings by 30%.

- Reorganized the accounting departments of all three entities.
- Instrumental in reorganization of American Fundware's management team.
- Groomed a new manager for American Fundware's Client Services Department.
- Found innovative ways to finance hundreds of thousands dollars of new computer and telephone equipment.
- Drafted and negotiated software license agreements, VAR agreements and third party license agreements.
- Discovered, prosecuted and managed recovery of an embezzlement which occurred prior to my employment.
- As general manager, reorganized the Pro-Mation operation, creating a focus that led to its sale.

FINANCIAL CONSULTANT 1989 to 1994

Efpar, Inc./Vail Commodities, Inc., Westport, Connecticut & Vail, Colorado

Founded and operated an independent company specializing in the development, marketing and implementation of trading systems for sale worldwide. Directed the entire business venture, all marketing and business development functions, sales presentations and negotiations, systems implementation and support, and all accounting, budgeting and financial affairs.

VICE PRESIDENT OF FINANCE 1988 to 1989

Intelligent Business Systems, Inc., Milford, Connecticut

Recruited as senior financial executive for a "stalled" start-up software company developing artificial intelligence applications. Challenged to create the corporation's first formal accounting and finance organization as the foundation to transition into full-scale operations. Managed finance, accounting, credit, budgeting, banking, investor relations, human resources and administration. Guided CEO in development of strategic business and marketing plans.

- Authored business plan and led road show VC presentations.
- Created complex model of company's operations together with business plan for use in venture financing.
- Extensive negotiations selling the business plan to venture capitalists.
- Managed creation and filing of company's application for a U. S. patent.
- Managed outside attorneys and auditors.
- Settled numerous lawsuits filed against company prior to my arrival.
- Managed all financial and administrative activities including accounting, credit, banking, human resources, etc.

TRADER 1985 to 1988

Westport Commodities Group, Inc. Westport Connecticut

Top-performing commodities trader. Achieved a 496% return on investment in commodity markets. Placed #4 nationwide in the 1987 U.S. Trading Championships.

MANAGEMENT CONSULTANT, Westport Connecticut 1981 to 1985

Independent consultant in the software, technology, CAD/CAM, medical products, transportation, distribution and electro-optical manufacturing industries. Guided CEOs, CFOs and other senior executives in the management of R&D and bank financings, private equity placements and software license agreements. Broad-based experience with start-up, turnaround and high-growth ventures.

- Raised many millions of $ in financings to fund software start-up venture, transportation consulting and software company, and several other high-tech ventures.
- Piloted successful turnaround of an insolvent electro-optical manufacturer, wrote new business plan, raised millions in venture capital financing and restored the company to profitability in six months.
- Negotiated with a software distributor's European affiliates to settle operational disputes in Switzerland, Holland, Italy, France and the UK.
- Created business plan and negotiated venture capital financing for a transportation consulting and software company.
- Managed turnaround of a medical products company.
- Structured complex tax advantaged financings for several clients including:
- as general partner of a partnership creating a banking software application for a software company.
- a medical products company.
- a CAD-CAM hardware & software Company.

CHIEF FINANCIAL OFFICER 1969 to 1980

National CSS, Inc., Wilton, Connecticut (AMEX listed $150 million software & computer services company)

Member of 3-person senior management team leading CSS through a period of accelerated growth. Credited with leading the company into a profitable $150 million corporation subsequently acquired by Dun & Bradstreet in 1979 (for 30 times shareholders paid in capital). As CFO, directed all financial and accounting functions, financial and management reporting, SEC accounting, investor relations, treasury, auditing, real estate, tax and MIS operations. Managed staff of 100.

- Authored the first business plan and negotiated VC funding to launch start-up.
- Prepared documentation, negotiated and executed additional private placements, a successful IPO, a $25 million public convertible bond, more than $25 million in acquisitions, over $50 million in bank borrowing and leasing transactions, software

license agreements and several joint venture agreements (U.S., Canada and Europe)

- Was CFO of this computer services and software company from the "beginning" (a gleam in the founder's eye) to the "End" (the company's acquisition by Dun & Bradstreet).
- Managed and negotiated additional private placement financings.
- Created the prospectus for the initial public offering ("IPO") and managed the investment banking relationship.
- Managed all SEC accounting and legal compliance.
- Initiated major cost control project that turned company from a life threatening loss to profits in the next quarter and for many years thereafter.
- Managed relationships with security analysts and other members of the investment community.
- Managed the acquisition program - analysis, negotiations, audit, and securities law issues.
- Created and managed the accounting, financial analysis, credit, MIS, real estate, and tax departments.
- Managed the interface with outside accountants, attorneys and investment bankers pursuing the approach of "don't tell me we can't do it, tell me how we can do it!"
- Negotiated the sale of the company to Dun & Bradstreet at a price in excess of 30 times shareholders' paid in capital.
- Created, implemented and sold a unique project financing which insulated company from the risks of a new venture.
- Managed significant bank borrowing and leasing transactions.
- Led expansion efforts to Canada and Europe. Extensive European relationships with joint venturers and outside professionals in the UK, France, Germany and Canada.
- Substantial real and personal property lease negotiations.
- Created, managed, implemented and sold a public convertible bond offering which significantly increased company's cash reserves.
- Hired and trained a number of key people who have gone on to major roles in American business, including the CEO of Dun & Bradstreet.
- Negotiated several significant software licensing agreements that maximized revenues while minimizing royalty costs.
- Developed and implemented budgeting and forecasting systems which permitted the company to be in control of it's operations and avoid surprising "Wall Street" with unpredictable results.

NOTE: Early in CSS' life, launched an aggressive cost reduction that transitioned the company from a significant quarterly loss to profitability in next quarter. Downsized by 30%.

EDUCATION:

BS - Business Administration, University of Connecticut
Graduate Courses, Stanford University & University of Chicago
CPA, State of Connecticut ("Gold Medalist at first sitting")