

EXCERPT from

*NETNOIR: Our First Five Years*

*The Four Founders*

*Malcolm CasSelle: Co-Founder and NetNoir Chief Operating Officer and Chief Technology Officer 1994-1999; currently on Board of Directors*

*When did you start to become interested in technology?*

I had my first computer when I was around 13. The thing that I liked about it was that you could do so many things with it. You could play games, write programs, and make pictures, you could write. And I love to write. It was so versatile compared to the typewriter.

*How did you and David come to found a company like NetNoir?*

When I was in graduate school at Stanford, I remember I took David by the computer science department. I remember we discussed things like the Internet, CD-ROMs, things that might be useful to him in particular in regards to entertainment, which was his field.

*Do any moments in particular stand out about your early NetNoir days?*

David and I were starting up the company and basically we were broke. We had quit our jobs. We shook hands with AOL, but we were still negotiating the terms of our contract with AOL...we knew that we had to get moving in order to get a jump on what we were trying to do, so that we could be the first, we didn't have much time on our hands to much around. We had asked AOL for an advance on our financing and for it to be rolled over into our equity...and they agreed to send us a check for \$30,000.

Well, the first thing they did was FedEx the check to me in San Francisco. Mind you, I was in San Francisco and David was in Los Angeles. However, the check was made out to both Malcolm CasSelle and David Ellington. But of course at the time we did not even have a joint account together. We weren't even in the same city. David would have to come up to San Francisco or I would have to go down to Los Angeles/

We had no money. So, I borrowed money from a friend to get a one-way ticket to Los Angeles. We drove to Beverly Hills where David had a bank account at the Bank of America and tried to deposit and cash the check. We needed access to this money. They took the check and said, "I'm sorry sir, we can't cash a check for this amount. However, since you have been such a good customer, we can advance you \$1000. It will take two weeks to clear..."

We said "No, you don't understand. We need this check now!" So the teller walks away and comes back and then says, well okay, even though you don't have two cents in your account to your name, we will advance you \$5000! But then, the teller goes away and comes back and says, "I'm sorry, but there's insufficient funds."

We couldn't believe it. AOL gave us a rubber check! Here I am in Los Angeles on my one-way ticket, and we have this piece of paper for this check with all these zeros, and its useless!

(laughing). So we call the AOL office and it turns out that the person we did the deal with, Ted Leonsis, is out on vacation. And so we explain the story to his assistant, and she ends up calling him on this mobile phone in Florida where he's on a boat. And we said, "Ted, they just told us there are insufficient funds in this account." There was a long pause and then he screams, "What do they mean there's insufficient funds! There is \$60 million in that account! Okay, I'll call you back." (laughing) And it ends out working out okay. I got back up to San Francisco and we get the money.

*What concerns might people address about technology and their business survival?*

If we go back in time, we can make a comparison with a buggy whip company. If you were a buggy whip company a long time ago, and your whole premise was only to make buggy whips and all of a sudden a horseless carriage comes along, if you still try to make buggy whips you would inevitably disappear. You have to be willing to adapt. People who will forfeit change in order to stay in a certain mode will not succeed in this New Economy. You have to be able to change one mindset for another. Age doesn't matter...you have to have a new way of looking or experiencing the economy and technology. If you do this, you have the opportunity. Often young people don't even think about it now, adjusting to technology because they've grown up with it. It's simply status quo. It's what they know...

*Any words of wisdom for the aspiring technology entrepreneur?*

The most important aspect is to remember that history repeats itself. I think Lee Iacocca once said it best when he reminded people that at the turn of the century there were a couple hundred car (U.S.) companies...now there are only three. The entrepreneur has to realize that they are a small component of a very large business proposition. You have to understand where you fit in, in order to be successful.

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