



KARL ELLER

Honored as a Historymaker 2001
Partner with Stevie Eller
in Business and Philanthropy



The following is an oral history interview with Karl Eller (**KE**) conducted by Pam Stevenson (**PS**) for Historical League, Inc. and video-graphed by Bill Leverton on April 24, 2000 at Eller Media Office.

*Transcripts for website edited by members of Historical League, Inc.
Original tapes are in the collection of the Arizona Heritage Center Archives, an Historical Society Museum, Tempe, Arizona.*

PS: Congratulations on being honored as Historymaker, Mr. Eller. Please introduce yourself and give us your name, birth date, and where you were born. The first question is always the toughest, I always like for you to give me your full name so that we have that on the tape for posterity.

KE: Karl Eller.

PS: That's Karl with a "K".

KE: With a "K".

PS: Is there a history as to why it's spelled with a "K"?

KE: No, (laughs) I guess my mother and father named me with a "K".

PS: Tell me about where you were born and when you were born.

KE: I was born in June 20, 1928 in Chicago, Illinois. I had one brother and one sister. I was the youngest, my sister is 8 years older and my brother is 4 years older. My mother and father got divorced when I was a little kid and we moved to Arizona when I was about 4 or 5 years old, I can't remember exactly. Moved to Tucson, grew up in Tucson. My mother ran a boarding house right across the street from the University of Arizona. I became an Arizona Wildcat I think when at the age of 5 or 6 years (laughs) old probably.



PS: Why did your family come to Arizona?

KE: My sister had asthma and my mother got divorced and so she decided that she'd put us all in a car and drive out to Tucson, Arizona because that was the best place for asthmatics.

PS: That must have been, for that time period, for a woman to do that, a pretty brave thing.

KE: Yeah, very, very brave thing to do.

PS: What do you remember about those years and your mother...?

KE: Not much. Just that Tucson was a very small town. I can't remember exactly. Maybe in the 15-20,000 range. It was a great town to grow up in. We had one high school. I went to Sam Hughes Elementary Schools, Mansfield Junior High School and Tucson High School. And it was a great time to be a young, young kid in Tucson, Arizona. Tucson was a great town. It was a town where a lot of asthmatics, arthritics, TB, people came to Tucson to get better. It was a very small town, a time with no air conditioning (laughs). I remember we used to have to sleep out in a chicken coop with chicken wire. We'd take wet towels and put it over the chicken wire (laughs) to get some air, air conditioning in those days before air conditioning hit Arizona.

Some of the people I went to school with, the guys I went to school with were: Frank Borman was a classmate. A guy named Roman DeSanctis that ended up probably one of the most famous heart surgeons, cardiologists in the country at Boston Mass General. Roy Elson, who was the aide to Senator Hayden for many years. Numerous people in Tucson that we grew up with, but those were the kinda people I went to school with.

PS: Frank Borman...what was he like?

KE: Well, Frank was a very smart guy. He was probably the smartest guy in our class. We always called him Squarehead because he was like a bull in a China shop. He only saw black and white, he never saw gray areas. An interesting story about Frank is when we graduated high school about eight of us went to Phoenix to join the Army and as we were getting ready to go take our physicals and do our thing in Phoenix to join the Army. I think it was June of '46, Frank gets a call from our local Congressman, [Harold] Patten and he got an appointment to West Point, so he left and went to West Point and we all joined the Army and ended up in the Army for about 18 months. Back in 1946 and '47.

PS: Why did you decide to join the Army?

KE: Well, I don't know, we felt that none of us really knew what we wanted to do and we felt like it was easier to join the Army and get the GI Bill. In those days you could join the Army, enlist for 18 months and you'd get about 36 months of GI Bill, which would put you through four years of college (laughs). So, we all decided that's the way we were going to do it. Just chose the Army. That was it.

PS: Going back to when you first moved to Tucson, your mother had a boarding house?



KE: Yeah, she had a house at 1210 East Sixth Street that was about a block down from Mansfield Junior High School. And she took in boarders, mostly University students because my sister was going to the University and that's how we lived. We all worked. Delivered papers and sold magazines and did everything as a youngster, in order to help make everything work, so that's what you did back in those days to make everything happen.

PS: So you certainly weren't born with a silver spoon.

KE: No. No, no I was not.

PS: You say your sister was going to the University, was education important to your mother?

KE: I can't remember, I mean I think it was mostly the asthma and my sister wanted to go school, University was where she went to school.

PS: Was it stressed to you as you were growing up that you should go to the University? Or go to college?

KE: No. No, but I guess I was not a good student, but I was a better than average student. But I was an athlete. I played basketball and football for Tucson High School. And, ended up playing football at the University. But always really wanted to be in the advertising business and wanted to go to school and graduate and go on with my life.

PS: Going back to when you were a boy; what were your first impressions when you moved to Tucson. Do you remember what you thought about it?

KE: All I can remember was it was hot, kind of deserty looking. A real small town. This was my first impressions. As I said, it was hot. And I rode a bike everywhere, and when I became old enough to deliver papers, I used to get up at like 3:30 every morning of my life and I still get up at 3:30 in the morning (laughs) which is kinda dumb, but once you get into the habit of doing it. I used to deliver papers, I delivered papers for about five or six years before I stopped delivering papers. And so I was always doing that, so I, I guess, it was always very hot. You'd hardly ever wear a shirt, you just wear a pair of shorts. And, as I said, just slept outside, in a chicken coop trying to get some freedom from the hot weather.

PS: I'd think coming from the Midwest you would have thought that kind of strange as a boy coming to Tucson and suddenly sleeping outside.

KE: Yeah. Well, it wasn't strange except that, where we come from Chicago, but I was a little kid, so really I don't remember Chicago as much as I remember Tucson. (laughs)

PS: Were there any other chores that you did around the house as a boy besides delivering papers?

KE: Oh, yeah. We always helped out on everything, washing dishes, or doing things, helping out my



mother. Always, you know.

PS: How many student boarders did she usually have?

KE: She didn't have that many. She had usually somewhere around four. Four or five.

PS: Did seeing those students encourage you about wanting to go to the U of A?

KE: I grew up under the... I was a water boy at the University of Arizona football team in the '30s. I used to go over to the polo fields and shovel the manure out of the (laughs) place. I mean I did every kind of job that was ever known to man but I was always around the University. During the war when we were in high school, the Navy people trained there. I was always a University kid from day one. I went to the Knot Hole game, when we watched Arizona play football. So I just grew up under the University of Arizona.

PS: How did you get a job as the water boy?

KE: Well I used to hang around there and I knew some of the players and I was just a kid that was there and asked for the job and got it.

PS: Did you have any special neighbors that you remember as a boy?

KE: Yeah, there was a lot of kids that were older than I was. Neighbors like Linc Richmond, who became a great athlete at the University of Arizona. Fred Enke was another great athlete at the U of A. They were older than I was and people that we used to play sandlot basketball and sandlot football together. Just kids that you grow up, you know, in that area.

PS: Looks like sports were always important in your life

KE: I was a big fan of sports. I loved sports. So, it was part of my whole life.

PS: What were your favorite sports. You say you played sports in school.

KE: My favorite was football. I loved to play football. But I also played basketball and other sports, but football was my favorite.

PS: What position did you play?

KE: I was a half back, full back.

PS: No baseball?



KE: I played baseball, I played mostly softball. But I didn't play much baseball, not as much.

PS: Getting back to school, what were your favorite subjects in school?

KE: Well, believe it or not, it was math. Algebra and geometry. In college, as I said an average student, but when it came to something like statistics and math I was always very good at that. I've always been good at math.

PS: Any special events during high school that you can remember?

KE: Well, we played on the high school football team that won 33 straight games and probably the standout person in my life was my *football* coach, who is still alive. He's like 94 years. His name is Rollin Gridley. Once in a while I drop by and see him. He's in a rest home in Tucson. And he probably was the biggest influence on my life of any single person. He was a disciplinarian. He was a guy that taught integrity. Didn't teach integrity but just made you come through with integrity. He had great principles, how kids should grow up. He was my lifelong idol. He was an unbelievable individual. And he ended up becoming a principal. And I think they named a school after him down in Tucson. But he is probably the finest individual that I've been associated with.

PS: So, was he sort of a father figure to you?

KE: Yeah, I didn't have a father and I don't know if he was a father figure, but I looked up to him. He gave me an opportunity to play football, when I tried out for Tucson High School. And somehow he spotted something in me that I didn't even know I had. And he was able to develop that, from an intuition standpoint or something. But he gave me an opportunity and I took advantage of it and it was a great thing in my life.

PS: And you've stayed in touch with him all these years.

KE: Yeah, because, you know, just because I looked up to him.

PS: How does he feel about all the things you've accomplished?

KE: I think he feels absolutely good about it. I was one of those kids that did everything the way you're supposed to. I just was one of those, kind of kids that, I *did* things right and I tried to do things right and I was a guy that when I had a project or something I stuck to it and finished *it* and got it done. It was the same way I played football. I wasn't probably the best athlete on the team, but I usually hit, tackled the hardest and blocked the hardest and worked harder than anybody else and, somehow that was something



he brought out *in* me, that made *it* happen.

PS: So he probably always expected you to be successful then?

KE: I don't know about that. But, I think every time I go back, he's proud of what I've accomplished and it makes me feel proud that I have done it.

PS: When you joined the military, what did you do in the military?

KE: Well, I joined the military and went to basic training in Fort Bliss in El Paso, Texas. And then was sent to Japan. I was in the Occupation of Japan. Ended up being a driver for [Lt. Gen. Robert L.] Eichelberger, who was Eighth Army Commander, located in Yokohama. And I ended up driving him and sometimes driving General MacArthur when they were together. And getting the chance to look at what was happening in the Occupation of Japan back in 1946 and '47. So it was kind of an interesting year and a half that I was in Japan. And it was a great learning experience.

General Eichelberger, who was a great guy, happened to be a Fiji, which is a Phi Gamma Delta Fraternity and he always used to tell me, "Karl, when you to college, you ought to join the Fiji, which is a Phi Gamma Delta Fraternity and he always used to tell me, "Karl, when you to college, you ought to join the Phi Gams." Which I did, finally. And one time when I was playing football, I can't remember if it was my junior or senior year, somebody said there was a five-star general out to see you after the game was over. And General Eichelberger had come to Tucson to see a football game and was kind of a great moment for me. A very big (laughs) surprise.

PS: What do you remember about Japan during that period?

KE: Japan was leveled from Tokyo to Yokohama. The people were in absolute despair. They were hungry. The United States had put all this material and food and stuff on the docks. A big black market going on. It was horrible in those days. Everybody was hungry. General MacArthur decided to rebuild Japan and finally after many years, he came back. But the place was leveled when we were there. It was right after the war.

PS: What was it like being an American there at that time?

KE: Well, there was lots of American soldiers, we were all over Japan. There was many, many divisions that had up and down Japan. It was not a bad place to be but, I remember, I lived in a place called Shinagawa barracks there and there must have been earthquakes, maybe two-three a night. Shook- rattle your bed (laughs) shake up your stuff. (laughs) But it was interesting.



A lot of black market going on. Lotta stuff going on that was just not right. But that's the way it was in Japan. The people were so hungry, if you had a pile of canned foods with a canvas over it on the dock Japanese would come and take a can of peaches, maybe a number two can or a number two-and-a-half can of peaches and open it up and eat it in a matter of two seconds. They were unbelievable. They were just so hungry. I mean the place was really flattened, where we were. Now out in the country it was still all right. But, in Yokohama, Tokyo, the only building standing was the Palace and a hotel called the Imperial Hotel. It was the only thing standing. And the Ernie Pyle Theatre. So it was really, a very desolate country at that time. Compared to today.

PS: What about the animosity between the Japanese and the Americans?

KE: There wasn't that much animosity. I think they knew they were beaten. I remember when I drove to various places and I talked to the Japanese people, they were people. They're not a very creative people. They're more of a people that do things when you teach them how to do something, they do things well. But they don't create and do ideas themselves. So it was an interesting time.

PS: Have you been back since?

KE: Yeah I've been back many times. It's a lot different (laughs). A lot different

PS: When you go back, do you remember the first time you went?

KE: Yeah, sort of, we went over on a Liberty ship which is a troop ship and came back by ship. And it was 14 days over and 14 days back, bunks five high. It wasn't very much fun going over and coming back, but...It was a great experience in a life. I was assigned to a division and they shipped all these guys over and we were just part of a division, a quarter master corps.

PS: So the guys you went and signed up for the Army-

KE: Oh, they went different places, I think a couple of us went to Japan but we were in different divisions.

PS: What were your thoughts the first time you made that trip over. Fourteen days on a ship is a long time-

KE: Oh yeah, we all got sick and it was terrible. Don't want to do that again.

PS: So you were actually glad to see some land?

KE: Yeah, yeah.



PS: So, you served in the military for 18 months?

KE: Eighteen months.

PS: And, then when you came back?

KE: Went to school. Started the University of Arizona 1948 and graduated in '52.

PS: And what was your major?

KE: Marketing. Business Administration, marketing.

PS: Why did you want to go into that?

KE: Because I was always selling newspapers, I mean delivering newspapers, selling magazines door-to-door, I somehow got interested in advertising. And I've always wanted to be in the advertising business and...that's what I wanted to do. I loved advertising. And somehow or another got acquainted with it as I was growing up.

PS: What was the U of A like back in those years?

KE: Well, 5000 students. Great place to go to school. It was right after the war. We had a lot of veterans that were married. That were coming back out of the war, going to school. It was a pretty good time to go to the University.

Now we have 35,000 students and the place is so big you can't even find your way around. But the University of Arizona was great place to go school.

PS: What did you like best about it?

KE: Just, the kids, and the people, and just the idea of being there. I started being an entrepreneur way back then. I ended up joining the Phi Gam Fraternity.

My first real entrepreneurship was when I was sitting in a Humanities class which is a required Sophomore course. It was one of those courses that you have to sit through and it's hard, especially when you're playing sports. And I was sitting next to a young lady by the name of Mary Arena, her name was Mary Fennimore, then, and she took these great set of notes (laughs) and so at the end of the year I said to her, "You know, Mary, why don't we print these notes out, I'll figure a way to print them and we'll split it 50-50 if we make any money, we'll go 50-50. You type 'em up and I'll get 'em done."



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In those days, you didn't have computers or anything else, we had a mimeograph machine and stencils. So she typed all these notes up, there must have been 400 pages of notes on stencils and I went down and bought some yellow paper; and then I went down to the ROTC, where they had a mimeograph machine and I ran off stencils. It took me I don't know how many weeks. I ran these things off on yellow paper and then I went to the fraternity house all one summer and I laid all these pages over, around the table and by hand put them all together and I was really getting razzed by what I was doing. So comes the first of the year and I advertise in the Arizona Wildcat about these Humanity notes and put a \$4 price on it per semester, just saying thought it'd be worth it. Well, the first couple of weeks I must have sold maybe five or six sets of notes and I was getting very nervous. Finally one of the professors in one of the classes says, anybody has these yellow set of notes, you're going to fail the class if just read those notes. And, that did it, everybody started buying the notes and you know we sold I don't know how many sets the first year, like 400 sets the first year and we went on to do it for the next three or four years and when I graduated college I gave them to the Phi Gam House and they continued to sell them (laughs). But that was the first real experience of getting into being an entrepreneur.

PS: And your best advertising was the professor telling people not to buy them?

KE: Buy the notes. And that just reversed psychology worked. And, then having them on yellow paper because he said, "anybody that has these yellow set of notes..." And that, I guess everybody started saying, well, jeez, if he's worried about it, then we better buy them, so...started going and that was it. We continued it on for I think it went on for 10--12 years. Now notes are a part of college. They publish 'em and make 'em and everybody does 'em, I mean, book companies do it.

PS: A lot easier to do now.

KE: Yeah, but in those days it was tough, but it was fun. Then I did all kinds of things. I ended up kinda unionizing the House boys (laughs) in the Fraternity, every Sorority would have a house boy, they would show up at the right time. I did a lot of things. Parking places for football games and I sold ads for the, Arizona Wildcat and football program. I was always doing something.

PS: I read somewhere you sold Coca Colas?

KE: Yeah. Registration lines in those days were very long, so I used to get ice cold Coca Cola and other things and sell them to people (laughs) standing in line. I was one of those kids that seemed to have always something on my mind.

PS: Did you use that money to put yourself through school?



KE: Well, I got a scholarship, I got ROTC money. In fact I used the Humanity notes money to buy my wife an engagement ring.

PS: Why don't you tell me about meeting your wife.

KE: Well, let's see, I met her in 1950 in Phoenix, Arizona after an Arizona State University- Arizona game. A couple of us were at a Village Drive Inn and my wife came in with a date, with another guy that from the University of Arizona that we all knew. And I don't know, met her at that time and we seemed to have some kind of a, you know, things happened right away and so I called her for a date within a couple of days and we've been going every since (laughs). It's 50 years ago.

PS: You said it was a U of A- ASU game; were you on the team?

KE: Yes. It was after the game. We were up here in Phoenix and, we went out to get a milk shake or something like that and, ran into her.

PS: So you finally did make the football team, then?

KE: Oh, yeah, I played at Arizona football team for four years.

PS: Tell me about how you got on the team.

KE: Well, I played in high school and then when I got out of high school I ended up getting a scholarship at the University of Arizona to play football.

PS: Even though you were away for that time in the military?

KE: Uh-huh.

PS: Were there any special games that you remember playing?

KE: Oh yeah (laughs) Lots of games I remember. We lost twice, once when I was a freshman and once when I was a sophomore to Michigan State. One, 67 to 6 and one 76 to nothing. And we got clobbered by Michigan State and I ended up, I was defensive safety. In those days you played both ways and I was defensive safety and I must a made, 90 percent of the tackles from behind in both those games. (laughs) Yeah, you remember a lot of those games.

PS: And, who did the U of A play in those days?



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KE: Oh, they played everybody. They played Michigan State, they played teams like New Mexico, Texas Western, Texas Tech, Kansas. We were border conference in those days. Colorado A&M, ASU, played Notre Dame one year and we played the Border Conference teams.

PS: You say you, you met your wife after the game. Was she a U of A student or ASU?

KE: She went to U of A. She came out from Paxton, Illinois and she had asthma and she came to Tucson to go to school and, that's where we met.

PS: Was it love at first sight?

KE: Yeah, I don't know, but we started going together so it was pretty close. I mean we started going together and we never stopped. We got married the day after we graduated school. So we've been married like 48 years.

PS: You both graduated the same year?

KE: Same year. Because she started when I was a freshmen, and I would have started two years earlier but I was in the Army for that time.

PS: And what was she studying?

KE: She was education. She became a teacher.

PS: That sounds like a busy, busy week. To have college graduation and a wedding.

KE: Yeah, it was very busy.

PS: What did you do after you got married?

KE: Well, the first job I had was the University of Arizona. I was an assistant graduate manager at the University for a few months. But I always wanted to get into advertising so I tried to apply for some advertising agencies and decided I wanted to stay in Tucson and Stevie got a job teaching. And I ended up answering a want ad in the Arizona Daily Star for a company called Foster & Kleiser Company which was a billboard company in Tucson and I ended up getting the job and started out as a lease man for Foster & Kleiser, first job in Tucson.

PS: What does a lease man do?



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KE: Goes out and leases space to put up billboards (laughs). Rents land to put up billboards. Interesting story kinda, you'd probably be interested in. There was Evo DeConcini, Dennis DeConcini's father, who used to be a judge, Supreme Court Judge. He was a big land owner in Tucson. So when I first started in the outdoor advertising business, I didn't really get much training, but I went down to the courthouse and looked at who owns all the land and tried to get the right zoning for where a sign can go and can't go. And so I start looking through this courthouse, who owns what property and I see Evo DeConcini about every other, every page, you know, every piece of land in (laughs) Tucson. So I said, I better go see the Judge and I went up to the old office, his little office in the Valley Bank Building on the corner of Congress and Stone in Tucson. I told the judge, who knew who I was and I started telling what I was doing and what I'd like to do with this property and everything like that and he said, "you know, Karl, I'll be happy to do it, but there's three things that you'll have to do. One, is I don't want to sign a lease; Number two is if I want the sign down and any time down there, I want it down in 30 days and three, I want the same amount of money you pay me for every sign. Where ever the location is."

Not knowing anything about really the business, just starting out, I called on my boss in Phoenix and said to him here's the deal. You know, I don't know enough about it, do you want to do the deal? And I said, you know if you want to be in the bill board business in Tucson, I think you should do this deal because, (laughs) he owns every piece of land. He went out and way back in the '30s and the '40s and bought land that was all section line land and ended up owning four comers on every piece out here practically every where around Tucson. So, the guy said "go ahead and do it." And so I went up to the Judge and shook his hand. We had a verbal commitment and that deal still stands today.

PS: Pretty amazing from 1952-53.

KE: Yeah.

PS: Did you think that when you got into advertising you would get into leasing land for billboards?

KE: No, but it was a start and then I ended up moving to Phoenix in a year, and then I ended up getting into sales end of it then I became sales manager in Phoenix and then I moved to San Francisco in 1955 or '56, can't remember exactly and then moved to Chicago in 1957; ended up running the Chicago office of Foster & Kleiser Company. That's how I got started.

PS: That's a pretty big responsibility. You were still young.

KE: Yeah, I was 26 years old or 27, I can't remember. Twenty-six. I left Foster & Kleiser in 1957 or '58 I can't remember exactly. I left Foster & Kleiser. I went to work for an advertising agency in Chicago called Needham, Lewis and Broadby and then from there in 1% 1, the end of '61 I get a call from John Kluge, who owned Foster & Kleiser Company, and wanted to know if I wanted to go back to Arizona. He was going to



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sell Phoenix and Tucson and I said, "gee, I would love to go back to Arizona" And I said, "how much are you going to sell it for?" And he said, (laughs) "Well, I got an offer for \$5 million from some other, but I'd rather sell it to you; and I'll give you 90 days if you can put a deal together." And I didn't know anything about how to put a deal together. Finally, to make a long story short, after not 90 days, but it took me about six months with some help from a lot people, I ended up buying the company in Phoenix, Tucson, Fresno and Bakersfield from Foster & Kleiser. In moving back to Phoenix in March 17, 1962, and been here ever since. But that's when I started Eller Outdoor Advertising originally.

PS: And, you had to put together a \$5 million deal together?

KE: Five million dollar, yeah.

PS: Was that your first big deal?

KE: First big deal and the first deal that I ever did. And I didn't know anything about putting financing, and putting it all together. Making a business plan. But I finally did get some help and got it done, and moved to Phoenix.

PS: How did you do that?

KE: It wasn't easy. Ended up getting some good investors and talking some banks into loaning me money at the time. And worked very hard at it, but learned from experience, I guess, just getting out there and doing it., But I did get it done.

PS: So when you came back there, then you had a big debt to pay, or?

KE: Right. A big debt, and I ended up working like mad for years and then 1968 I merged the outdoor advertising business that I had with Channel 12, KTAR Radio. The Lewis family, who was the owner of the radio and television Channel 12 and KTAR, was my boss at Needham, Lewis and Broadby Advertising Agency, so I knew the family. And, he, John Lewis was original partner with me when I bought the outdoor company. And, so in 1968 he decided to merge the two together and formed a company called, Combined Communications Corporation, which we then took public in 1969; and then grew that company into a multi-million dollar company where we were in the outdoor advertising, radio, television and the newspaper business. And in 1979, we merged with Gannett Company and the newspaper chain. So that was a long history. (laughs)

PS: ... in a nutshell.

KE: Ten years, yeah.



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PS: Why don't you go back and talk about those year when you first came back to Phoenix, you called it Eller Outdoor Advertising. How did you make that a success? What was it you did?

KE: Well, I don't know how I made it a success, but I had a passion for the billboard business. Always have had a passion for it. And so I took a sleepy kind of business that was not run very well and was able to energize it and hire some good people. And always been very creative and ended up just building the company into what it became. I worked (laughs) 24 hours a day and I, I was passionate about what I was doing and, I did a lot for the community. And I did a lot to make it work. I was an influence on trying to build the company. And then when we ended up merging into television and radio, we ended up with seven television stations and 14 radio stations and three newspapers; and outdoor advertising in about twenty some markets, 25 markets.

PS: You say you had a passion for the billboard business. That's not even a business that many people would even think about. What gives you a passion for that business?

KE: I don't know. I love creative aspects of it.. The idea of creating ads for people on billboards. And to see it work and make a company successful by using that medium.

PS: What's special about that medium?

KE: Well, it's consistent cost per thousand is very efficient. It's big. It's colorful, and it can get across a message in a very short period of time. And it has great attributes from a marketing standpoint, to build brands. So you sell the medium ...

PS: Do you actually get involved in designing...

KE: Yeah, I get involved in everything. I get involved in signing, designing, leasing. I mean it's my life. It's been my life for 50 years (laughs) so I do get involved, yes.

PS: Not just in where they are but what's on them and ...

KE: Yeah. Not if it's done by national advertisers. But I do get involved, I do a lot of selling with national advertisers; local people.

PS: What are some of the successful billboard campaigns that you can recall that the company

KE: Well the most successful is the Volkswagen campaign of the '60s. When they were introducing the Beetle. That was probably one of the most successful campaigns of all time. Even though we can't



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advertise cigarettes nowadays, but Marlboro is probably one of the most successful stories of selling a brand going around, Chevrolet, Ford, lot of the big companies use outdoor advertising very well. A lot of local companies in those days, home builders, utility companies, you name it, banks...TV stations, radio stations, yeah.

PS: I can think of some billboards that have become almost like landmarks. Can you think of some of those?

KE: Yeah, the one, used to be the old Goodyear sign, out on Black Canyon and Thomas. It was a landmark billboard. We have one at Central and Indian School that Wells Fargo's on. We have one at Central and Thomas. I mean, there's lots of landmark billboards all over the country. 40th & Camelback is a landmark....Shamrock Milk.

PS: What do you think about people that don't like billboards?

KE: It's been going on for hundred years. It never changes, there's people that don't like television, don't like radio, don't like newspapers and don't like outdoor. I don't think it's that they don't like billboards so much as they don't like the commercial copy that's on billboards. But you know, we put so much public relations stuff up, which is very successful and drugs and all kinds of different things that we campaign on. But I think it's a very small minority and it's something we've been fighting for years. And we will probably continue fighting it for the next hundred years. But this company's been around a hundred years and still going strong. I'd like to tell a story of the *Houston Post* in Houston, Texas where a company had built a big three sided sign on the freeway across from the *Houston Post* and the *Houston Post* used to editorialize against billboards, because they didn't like the sign. And in 1970 or 80 something. The *Houston Post* went out of business, and that sign is still there. So I mean, I always tell the story that the business has been here a long time and it's still hanging in there.

PS: Do you see more cities though and different highways where they're banning billboards?

KE: Oh, it's been going on for a hundred years. We do not build in any residential area. We have spacing on highways. The Lady Bird Bill of 1968, it's been around and it's part of the landscape. We deal with it and you know, there's places you don't build and some places you can build, and it just depends on the area and commercial situation.

PS: Well, then you went beyond billboards and went into broadcasting, what made you decide to go into broadcasting?

KE: I always thought that having multi-media platforms where you can sell customers television and radio and outdoor; or television, radio and newspaper. You're in the advertising business, so you really



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have cross platforms to sell on and that's one of the things that I always felt that you could do. You know what the advertising business is about and you know whether the guy uses television to advertise his product or to use radio to advertise his product or to use outdoor to advertise his product. He's gotta advertise and so you might as well get your share of whatever you can. And the business does have some cross pollination even though you don't run them all the same, but it's just part of the marketing mix.

PS: So you saw that going into television and radio as more an advertising business not into getting into journalism

KE: No... mostly in advertising. right, right. Strictly an advertising business. Trying to solve solutions for our advertisers. Marketing problems that's really our cup of tea. If you have a problem, and you're trying to solve how you're going to sell a product, or you have a competitive problem that we can help you solve, that's our cup of tea.

PS: So when you were involved, particularly with the local station here in TV, did you get more involved in the entertainment and journalism part of things.

KE: No, no, no. No, I mean, I had my input in it, but individual people run their own operations. We're very decentralized and if you're the publisher of a newspaper, that's yours; if you're a general manager of a radio station, you run that station. Now if you don't make your numbers, you know, what the game plan is, then we change and get a new manager. So it's very simple.

PS: How was broadcasting different back in those day, in the sixties?

KE: Well, it was all network dominated television. You didn't have 57 channels like you do today. You had maybe three networks, maybe one independent station. If you weren't an ABC, or NBC or CBS affiliate, you really couldn't make any money in those days. So it's so much different. Everything was controlled by the network. You had your own local news programming; you had some of your local programming, but most of it was your network programming that you put on the air. So, it was altogether different game than it is today.

PS: Do you think, in some way, was it better back then?

KE: I don't know if it was better or not. It was probably more profitable. (laughs) Back in those days than it is today. But everything has grown so much since that time, it's a lot more people, lot more everything, so it's all relative.

PS: More places you can spend those advertising dollars too.



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KE: Right, TV and cable and Internet, I mean the business is so fractionalized today. And that's one of the aspects of having outdoor and radio, is that, both are out-of-home media. Eighty-six percent of the people listen to radio in their cars. So you talk about radio art outdoor as the out-of-home medium, it's a lot better today and a lot more powerful than it was years ago because the fractionalization of television, and newspapers are kinda on the downhill run because of less readers. So it's kind of an interesting change from years ago to today.

PS: Talk again about from the time that you formed Combined Communications, how that grew.

KE: Well, we grew, as I said, we went public. We were probably one of the first public media companies. We went public and we grew by acquisitions, and in ten years we had Combined Communications before we merged with Gannett. We grew from one television and one radio station and one outdoor company or two outdoor companies at the time, Phoenix and Tucson, to a company that was doing over four hundred million in sales and was a big company. We took it public in 1968.

PS: Why did you decide to do that?

KE: So we could have the ability to finance acquisitions and we couldn't do it without being public.

PS: So you ended up with how many stations?

KE: We ended up with seven TV stations, 14 radio stations, which was the maximum you could own in those days. Then we ended up with newspapers in Cincinnati, Oakland and in Nashville. And we ended up with, I don't know how many markets we were in, like 25, 30 outdoor markets, at the time.

PS: No limit on how many of those you could own at the time?

KE: No limit on that.

PS: How did the merger with Gannett come about?

KE: Well, it's an interesting story, we had one large shareholder that wanted to kinda maybe sell his stock. And then, we had an opportunity in those days, maybe we had a possibility of buying ABC, the network. And we decided that it would be better to join with a bigger company like a newspaper chain that didn't have any television, radio or outdoor advertising and so it just happened that we ended up a couple of offers from different companies. And we ended up making a deal with Gannett. And, it seemed like the best deal at the time.

PS: So you were actually thinking about buying ABC?

KE: Yes, that was our game plan, but we needed a strong partner to do it.



PS: Pretty ambitious.

KE: Well, I don't think it was ambitious. We were the largest ABC affiliates at that time, we knew that they were gonna try to sell it, and so it was a do-able deal if we could pull it off. But what happened is we merged with Gannett, and the guy that ran Gannett and I knew we couldn't get along together, so we only have to be one boss and he decided to start *USA Today* and invest their money in *USA Today* and we felt there was no sense in me staying around if that was going to be the game plan, so...

PS: And who was that.

KE: Al Neuharth.

PS: And so he wasn't interested in purchasing ABC?

KE: He was when we were making the deal, but as soon as he got away from it, he'd rather do the *USA Today*. So, that was his choice. And it turned out that he lost a lot of money on it. And we argued about it, but they lost a lot of money on *USA Today*, but today they're probably making very good money.

PS: And what's your relationship with him today?

KE: We weren't friendly when we left. I think we talk to each other today, but, you know, it's over with. It's a long time ago. Twenty years ago.

PS: So that merger didn't turn out quite the way you'd expected?

KE: No. No.

PS: So where did that kind of leave you?

KE: When I left them, I ended up I had a lot of local investments and things like that and then in 1980, very soon after that, I gotta a call from a guy called Herb Allen who was a big investment banker on Wall Street. And we got together and he owned a big hunk of Columbia Pictures, they were having some problems and so I made a deal with him to help run Columbia Pictures and see if we could get him outta some of the problems they had. And so I went to work for as President of Columbia Pictures. And we eventually merged the company with Coca Cola Company in 1982 and that was another pretty, a good (laughs) sized deal. And always thinking that I never wanted to move to Atlanta or do anything like, I always commuted from Phoenix. And so, after the merger was done I came back to Phoenix on a steady basis and in 1983, Fred Hervey [founder] of Circle K asked me to go on his board and I did. And I decided



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that it would be a good learning experience and so I was on his board for a couple of months and he came to me and said, "How would you like to run the company?" And so I looked it over and decided it might be a pretty good opportunity and, in July of 1983, I took over the Circle K Corporation and made an investment in it and ended up running Circle K.

PS: Sounds like you made a lot of changes from the late '70s to the early '80s. You went through a lot of different things. Maybe we could go back and talk about some of those. Columbia Pictures, what was it like to be a President or CEO of...

KE: President of Columbia Pictures. It was interesting, I was mainly involved in the business end of it, not the entertainment end. And I was really basically there to get them out of the problems that they'd gotten into. It was a business that I never really wanted to get into, but it was more of a challenge from the standpoint of trying get them out of the problems that they were having. And, from a financial standpoint, it was a good learning experience. I didn't want to be in the entertainment or the creative end of the movie business because it's too much egos and too much other stuff that's involved. But in the long run, it worked out very well, because we merged it with the Coca Cola Company and everybody made a lot of money and got everything worked out.

PS: We were talking about the years you spent with Columbia Pictures. It must have been a big change. You went from having very successful companies that got bigger and more successful to going to a company that had problems.

KE: Oh, no not much would change. It was a successful company it just had some problems that they had to lick, you know. There were people trying to take over the company, and we had to fight them off. And just different problems like that which was a big challenge. As long as you knew the investment situation, you knew the stock market problems. You know, marketing movie pictures is the same thing as selling, you do in advertising. It's like anything else, it all ties together., It's all the same business, really.

PS: So you saw the key to getting Columbia Picture out of their problems was in the marketing and advertising.

KE: Right. And then also the idea of getting somebody to buy the company which we finally got to do.

PS: Why don't you talk about that? How did you find somebody to buy it, or...

KE: Well, it's an interesting story. The marketing director of Coca Cola and I had grown up in the advertising business together. A guy named Ike Herbert. Ike and I used to meet once in a while and I'd say to him, why doesn't Coke get into the movie business? Entertaining, you know, the movie business is like entertaining. Coke is only in the entertainment business. You're getting somebody to drink that fizz water



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and entertain by going through the mouth or you entertain by the eyes. And, he said, "aw, we wouldn't want to be that business. They make too many X rated movies and all that kinda stuff." And, so a guy named Roberto Goizueta was named chairman and CEO of Coca Cola Company and he wanted to grow the company. Hired McKinsey to do a study on what businesses they should get in. And lo and behold, the number one business was entertainment business. Movie and entertainment business. So Ike calls me on the phone and says, "I think you and I and Roberto and Fay Vincent and Herb Allen, we oughta meet." We met in 1982 I guess. We met on Thanksgiving Day and within three months, January of 1983, we had made a deal and Coke bought Columbia (laughs). So it was an interesting time.

PS: How big a deal was that?

KE: That time was \$750 million deal.

PS: Now somewhere I saw that you were involved in Swenson's Ice Cream Company.

KE: Well, during my years when I was always doing these things, I had my own private investments. So I owned a little company called Swenson's Ice Cream. I owned a lot of real estate around Phoenix and so I was always involved in a lot of things. I was on a lot of boards. I was on the Eastern Airlines board, Ted Turner's board, Ted Turner and I were friends. Pabst Brewing Company, you know I was on Southwest Forest, Arizona Public Service. Yeah.

PS: So Swenson's Ice Cream was your company then too?

KE: Yeah, yeah, I owned that. It's still going. It's still going around

PS: You sold it though.

KE: Yeah, I sold it to, can't remember the- who owns it now. Frugenhaws or Frugen something. Some ice cream company owns them.

PS: How do you choose which companies you get involved with?

KE: Oh, I don't know, depends on, some people bring you the opportunities, you look at it from a financial standpoint and from a marketing standpoint. And see if you might want to get involved in it. You know, it just depends on what you want to do.

PS: Doesn't matter if you like movies or you like ice cream, or?

KE: No. It's all marketing. You're selling something to somebody.



PS: So after you, you were overseeing the merger between Columbia Pictures and Coca Cola, then where did your career take you then?

KE: That's to Circle K.

PS: How did that come about?

KE: Well, I, I think I told you already that I knew Fred Hervey. He asked me to go on his board, and then in about three months, he asked me to run the company and I decided to do it. And, so I ran Circle K.

PS: What was Circle K when you took it over?

KE: It was about 600 stores. I think we operated in about three or four states and when I left it was like 5000 stores in 20 states or something like that. And another 3000 stores in Japan and Hong Kong and England and around the world.

PS: So what year did you take it over?

KE: '83 and left in '90.

PS: How did it grow?

KE: Just by acquisitions. I mean the whole company, whole business was consolidating and I figured out that the convenience business was going to be in the gasoline business, and the gasoline business, or the oil companies was going to be in the convenience store business. So, the game plan was to build it up and sell it to an oil company, but our timing was wrong and we ended up going into bankruptcy in 1990 and then coming out of bankruptcy and it's thriving today.

PS: What went wrong that it went into bankruptcy?

KE: The market was bad. The oil market was in a very tough situation where we were competing against people like Arco. They were selling gasoline six cents cheaper than we could buy it. We just had no control over our supply, which we needed to have. And, then the financial markets were tumbling in those days and, we just got too leveraged. And, even though we were a public company, we just got too leveraged and 7-11, Circle K, Magic Market, they all had trouble; all went into bankruptcy. And we just had one of those times, where it was bad news. And so, when that happens you gotta bend with the times and try to figure out what to do.



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And so in '90, the guy that's the CEO always gets his head handed to him, so I was broke and everything was down the tubes. And I thought it was the end of the world when that happened. And at that same time, Phoenix was going through the RTC [Resolution Trust Corporation] real estate thing and all my real estate holding were in trouble. It was a tough time. I was advised by many of my lawyers and everything to take bankruptcy and I did not do it. Ended up working my way out of it and paying everybody back. So, it's a long story of a short history (laughs).

PS: Fill in some of the pieces, you said that Circle K was too leveraged. What does that mean?

KE: Too much debt. Too much money to make these acquisitions and we didn't have a chance to convert it into equity, cause the market was lousy. So we just had too much leverage.

PS: So did that tie in with the RTC and the savings and loan and the real estate market?

KE: Everything. Everything came tumbling down. Just like what's going the market might be going through right now. Things start going down psychologically everything caved. Tough times.

PS: So you left Circle K. Did you see those problems coming?

KE: Oh, yeah. I saw the problems coming two years ahead of time; three years ahead of time. Traveled for a year around the world visiting oil companies, oil countries, trying to get a partner. And the timing was just absolutely wrong, so. It all happened but it was like, four or five years later. All the world is timing. Believe me. Being in the right place at the right time.

PS: That was a tough time for you personally, then.

KE: Yeah, I was broke and I didn't know what I was going to do and keeping your head above water was tough. Had a lot of debts, but my integrity pulled me through. I talked to every banker, everybody that I owed money too, gave them an opportunity to make a deal with them that then and there, or stick with me and I'll try to work my way out of all this stuff. Some I negotiated getting out of, and some stuck with me and thank the Lord that things worked out.

PS: Was that first time that you had a business that didn't succeed?

KE: Yes, well, it's not the first time. I owned the Phoenix Roadrunners back in the '60s and we lost a small fortune on (laughs) that. We got in trouble but I paid it off. But what I'm saying, we lost a lot of money there. The Phoenix Roadrunners was not very successful. But business wise that was my first, you know, real loss. People, sometimes they think you're invincible because you had so many successes and all of a sudden you get knocked down and you learn a lot from failing. You don't learn a lot from successes; you



learn from your failures.

PS: What do you learn from your failures?

KE: You learn a lot. You learn how to be very cognizant of the marketplace. Be very cognizant of your leverage. And try to protect yourself from what the downside could be. So you do learn. I mean you learn that you can be taken down.

PS: Does it make you more cautious then?

KE: I'm sure it makes you more cautious; I don't know if it makes you more cautious, you know, once you're an entrepreneur and you decide you're going to take a risk. You take those risks, but you probably may be a little more calculating in the risk, a little bit more trying to protect yourself from the downside. And not going all the way. I think at times, I thought that I could do no wrong, and I maybe made some acquisitions that I should not have made at the time I did it with Circle K and that's a decision you have to come to. And, they could have worked out Everything could have been great, but it didn't. You can't control the outside market, but you can control the inside as much as you can.

PS: Although Circle K didn't work out, it sounds like personally, you say you were able to get out of it. You didn't have to declare bankruptcy personally.

KE: Yeah, I worked my way out of that. And, getting back in the billboard business was part of the deal (laughs).

PS: How did you decide to do that?

KE: Well, I guess when you get in trouble and you're down and out, and you really don't want to leave the world a failure, you try to look around and say, "what did I do wrong; and what can I do to get myself back and pay off all these debts?" And I always was very good at the billboard business. And it teaches you a lesson: always do something that you know best. Don't go into things that you don't know too well. I did not know the convenience store business that well. I mean it's a commodity, you haven't got control. At least in the billboard business you know if you get a good location, you can go out and sell it for "X" amount of money and that I could go out and sell it. I don't have to depend on somebody else to sell it. In Circle K you have to depend on 30,000 employees out there stealing from you, most of the time. You know what I mean, to run those stores and you don't know how they're being run. Billboard company you got a location, you know how (laughs). So I was riding around Phoenix and Phoenix being my old stomping grounds in the billboard business; I saw how bad Gannett was running the business here, so I started writing Gannett letters about would they sell me Phoenix. And, they would not do it and I kept after them. Persistent, that I was, and eventually, they said, okay they'd sell it to me when I offered them the



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right price. Didn't have any money, but I decided that if I could sell half of it to my competitor here that really was hurting Gannett, and keep half of it, it might work out. So what I did, is I sold half of it to Outdoor Systems, and kept the half that I wanted and in essence I got the half through making the deal.

So, I was able to use my ingenuity to start again. And once I started, then I ended up buying El Paso and then I ended up buying the Atlanta plant. And then in 1995, the Foster & Kleiser Company, which was sold to a company called Patrick [Media] Outdoor, which was controlled by General Electric Credit, was up for sale. And, so I decided that I'd go after it. See if I could buy it.

And so I got myself an investment partner, and to make a long story short, we won the bidding on Patrick Outdoor, so in August of 1995, I took my three little companies, merged it with Patrick Outdoors and took my name back as Eller Media Company and was back starting again to build a billboard company. And then in 1997, we were going to take the company public, to get some liquidity and Clear Channel, a radio company came down and made us an offer we couldn't turn down. So, in 1997, we became a part of Clear Channel and today, we're a big part of Clear Channel Communications.

PS: So just to clarify, (KE laughs) what is Eller Media Company today?

KE: Eller Media is the company that is in the outdoor advertising business, as a subsidiary of Clear Channel. We operate in about 45, United States markets. We're operating in 26 countries, or 36 countries around the world, and we're the billboard, out-of-home part of Clear Channel.

PS: And you're still based in Phoenix after all these years? Was that a decision that you made to stay based in Phoenix. You could be anywhere in the world.

KE: Yes. Never wanted to leave Phoenix (laughs).

PS: What is it you like about Phoenix?

KE: Oh, it's my home town. This is where my wife and my children are, we love being here. We're part of the community.

PS: So you managed to make your business based here even though it could be anywhere?

KE: Anywhere. Right.

PS: Why Phoenix instead of Tucson?

KE: Tucson is not a good business town. Never has been. It's a good town to grow up in, and a good town



to live in. But it's not a great business town. And business in Arizona is right here in Phoenix.

PS: What is your current role with Eller Media Company?

KE: Coming to an end? (laughs) Everybody wants to know that. I think pretty soon, someday.

PS: So, right now your title is...

KE: Chairman and CEO of Eller Media Company. I'm on the board of Clear Channel.

PS: But you're thinking about retiring?

KE: One of these days yes (laughs).

PS: And not starting a new company (laughs)?

KE: I don't think so. I hope not (laughs). I'm too old for that, I'll, I'll be 72. That's pretty old.

PS: Most people retire before that

KE: Not everyone.

PS: Somewhere I saw something about Red River Resources.

KE: Why that's my holding company. It's a private holding company that I've had all these years. You know, I've put all the Eller assets in that.

PS: That's still in existence? It's also been involved with oil, and cattle and?

KE: Well, we bought the John Wayne ranch back in 1980. So, we ran the cattle, cotton, raising Hereford bulls. We're now out of that. We were in the oil business. We had investments in different things, real estate.

PS: So it's just kind of a title. No cows.

KE: Yeah. Well, all the stock we own in Clear Channel is in Red River.

PS: Do you still own the, the John Wayne Ranch and stuff?



KE: No, we sold all that. It's all been sold.

PS: You mentioned some of the business boards that you've served on. Which ones of those boards have been most important to you?

KE: Well, they all were very good. I was on Eastern Airlines board. I was on the Arizona Public Service. I was on the Southwest Forest, which is no longer around. I was on Pabst Brewing Company. Turner Broadcasting...

PS: And you were in public broadcasting?

KE: I was on the Corporation of Public Broadcasting for about two years. That was an appointment of Ronald Reagan. It was an interesting two years. A meeting that would last, maybe 15 minutes in my time span took two days (laughs) to get done. So that was not a very happy time for me. I couldn't wait to get off of it.

I think it was Channel 45, or Channel 15, one or the other wanted to trade for Channel 8, you know the position. And pay the University millions of dollars, like 30-40 million dollars. And they wouldn't do it. University wouldn't do it. I could never figure out why, you know,

PS: So of all those boards, other than the PBS one that you didn't care for; are there any others that stand out in your mind?

KE: Well, Turner Broadcasting was great time. He and I grew up in the billboard business together and we were great friends and that was during the time he was building CNN and everything he was doing. It was a great experience. He's more of a visionary than anything I've ever seen. And the guy that talks off the cuff without any trouble. But it was an interesting time with him. He and I still get together once in a while. Fascinating guy. It's just off the wall, though. He's a manic-depressive and, you know, he's high and he's low; and he's been through three or four wives. (laughs) He's an interesting guy. But you gotta give him a lot of credit.

PS: I hear where he's buying a lot of ranches.

KE: He's probably the largest land owner in the world. He owns over a million, billion, 300 million acres of land, or something like that.

PS: What's your general philosophy of running a business?

KE: I'm really a very decentralized type guy. I try to pick the right people and let them run the



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businesses or run the operation. I'm hands on in certain areas from a financial standpoint and from a selling standpoint, but I let the managers run; incentivize them, pay 'em well, work on incentives for 'em. But it's a decentralized type of treatment

PS: You've talked a lot about your business, but we have talked as much about your family. We talked about meeting your wife, why don't you tell me a little about your family.

KE: Well, my family is, I've got two, a boy and a girl My boy used to be with me, but now he's on his own again. He's got four kids, just a wonderful young man. He's 43 I guess now, 44. He's donated money, he's got a daughter that's a diabetic; he's donated money to the University of Arizona and Brophy. He's, he's a very good kid.

My daughter's married, lives in L.A. She's got two little girls. I've got six grandchildren altogether. And she's married to a guy in the advertising business. He's the head of sales for Discovery Channel. The whole family has been in the (laughs) advertising business one way or another. Good family.

PS: Your son's not working with you right now?

KE: No, he's on his own. His office is right next door, but he does his own thing.

PS: I'm going to be interviewing your wife later, she's one of the Historymakers also, so I was wondering about what questions I should ask?

KE: Well, she's a very lively lady and she's got definite opinions. She's been a great partner for me. She's kinda of a leveling for me. Leveling person, you know. She brings me down to the ground every time I think I'm riding high (laughs). So she's terrific. But she's definitely got her own opinions and her own feelings about everything she does. Great teacher. She was a teacher. Supported me for five years out of college, you know you don't make much money in those days. So, it's been a partner, always with me, we've never been apart. And she's been a great help to me. Without her I don't know if I could have done it. I don't think I could have done it. She raised our kids. When I was working all the time, she raised the kids. Good, bad or indifferent, but that's what she did.

PS: Both of you have also been involved a lot in the community.

KE: Yes, we've done a lot for the community. I've started everything under the sun, you know. One of the originators of the Fiesta Bowl. I've done everything there is to be done around here. You know in those days.

PS: Tell me about when you were a boy. Was your family involved in community organizations back



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then?

KE: I don't remember. Well, my family, I just had my mother and she worked all, you know, she worked and everything. But I remember, even in high school, I think I ran the Red Cross drive, I did this. I mean, I always was kinda involved, whatever it was. I always thought it was good to be involved with public service. I think in high school is when I started.

PS: Were you ever in Scouts or any ...

KE: Oh, I was a Boy Scout and everything else, but I mean I think that's when it started, you know. You start doing things for the community. I remember picking cotton when I was in high school because they didn't have cotton pickers, you know, during the war. We'd always collect different things for the war drives. I think it probably started in high school with the war going on. With everybody trying to contribute to do something. That's where I think it started.

PS: In college were you involved with the fraternity.

KE: Yeah, fraternity and ...helped run the student council, I can't remember it all, I'm sure there was lot of community things. The Spring Fling, charities that we used to raise money for and...

PS: So as you got started with your business, what were some of the first community groups that you joined?

KE: Well, I was a Thunderbird, I joined the Rotary Club... Salvation Army, I remember we used to go down every year and serve dinner at Christmas for the Salvation Army. This was way back when in those days, we went down to the Elks Club or something on Washington Street and they'd feed all these people. I think it was Christmas and our kids and us would go down there and serve and do various chores.

PS: Why did you do that?

KE: I don't know, I guess we felt it was part of our living here. I was always involved in sports, you know, owned the Roadrunners; started the Phoenix Suns. Original owner of the Suns, brought the Cardinals here.

PS: Could we take those things one at a time? (laughs) How did you get involved with the Roadrunners?

KE: Oh, I don't know, they needed somebody to get 'em started and I thought that hockey would be good for the community. So we got a group together and brought the Roadrunners here. And, that's how we did



that.

Basketball team was the same way. I was in the television business, radio business. I thought it would be good for programming. And so that's why we tried to get the Suns here.

Cardinals, I tried to own a football NFL team. Back in those days we were trying to get a new franchise and we just couldn't swing it. Finally, the Cardinals decided to move and so we were the prime movers in getting the Cardinals to move here, and then we got all the boxes done in the stadium. So, I mean I've always been involved in sports from day one.

PS: Which came first the Roadrunners or the Suns?

KE: Suns.

PS: What did it entail to get the NBA to have a franchise here.

KE: Well, we had a good friend, a guy named Dick Bloch. One of the kids I went to school with, had a good friend on the Boston Celtics and when they were starting to expand, they decided Phoenix might be a good market to go to, and so we ended up getting the franchise. We had a pick right there. Phoenix awarded NBA franchise.

PS: What year was that?

KE: I think in 1968, January 23, '68 wasn't it? And we started in the Fall of '68 to play basketball.

PS: So that was pretty fast once you got it here... what did you need to get a, get an NBA-

KE: Well, first thing we needed a general manager and I hired Jerry Colangelo.(laughs) That was the first thing we did. (laughs)

PS: How did you find him?

KE: He found us. He called me on the phone and said he wanted to come out and visit with me. And he was the assistant business manager for the Chicago Bulls. Young guy came out and visited me and it was, took me about 20 minutes to figure out that he was our guy. Called my other two partners and said we'd better hire this guy (laughs). We did. And he was the one that got it going and you know, you have to go draft players. Get the whole organization put together.

PS: What was it about him that impressed you so much.



KE: I don't know. His integrity stuck out all over him. Integrity, his youth, his knowledge of the game. Just when you meet somebody, he just hits it off with you. He was the guy.

PS: And how old was he then?

KE: Twenty-seven, I think. Assistant business manager of the Bulls.

PS: What made him come to you?

KE: Cause he wanted get into the league on a bigger basis. And he knew that a new franchise is where he wanted to be and so he took a gamble and it paid off.

PS: What was it like to negotiate then with the NBA-

KE: Well, we had 2000 fans when they first started out. Nobody wanted to come to the game. So it wasn't all rosy at first, you know. Everybody was very nervous. The interest I had was because of television, I could control the television/radio. In those days, it was just starting, you know. Today, it's a necessity but that's my interest in it.

PS: So you saw it as an advertising opportunity, is that what you-

KE: Sure. It's a marketing opportunity.

PS: What was that first year like?

KE: Oh, God it was wild. By the time we hired people and drafted players and got a coach and a team together. It was wild. It was a wild time.

PS: What was your role in all that?

KE: I was just helping Jerry make decisions.

PS: Were you an investor; and owner?

KE: I was an owner. Yeah, part owner. There was three of us: Dick Bloch, Don Pitt and myself.

PS: And why was it basketball that you thought was so important to bring here?



KE: We didn't think it was important. We just had the opportunity to get the franchise, so we got it. (laughs)

PS: What do you think was the key that made the Suns successful?

KE: I think Jerry Colangelo's ability to put a great team together and do some great marketing and get some good players and good coaching and got it going.

PS: Are you still involved with the Suns?

KE: No, but I did represent Arizona Public Service who owned like 53 percent of it for a long time. But now, I'm kinda retired from everything on that.

PS: You started to tell me about the first year?

KE: The first year we had like 2000 people sitting in the stands and we thought that we weren't going to get very far, but as the team kinda took hold. Can't remember what the next year was, but everything seemed to started to take off from there. But the first year was very, very slow.

PS: What was the first time that you really knew it was going to be successful?

KE: Oh, I think we knew it was going to be successful from day one, but it just was going to take some time.

PS: After the Suns, then you tried to bring the hockey.

KE: Hockey was available so we purchased, a group of us purchased the hockey team.

PS: Was that a different group?

KE: Yes, altogether different group.

PS: And, what was different about hockey as opposed to basketball?

KE: Oh, just a different game and, we thought it would go over here, but then again, it was minor league hockey. It wasn't major league hockey.

PS: Why do you think it didn't succeed?



KE: Because we couldn't get enough fans, we ended up getting about 4,000, 5,000 solid fans. We just couldn't get enough interest in minor league hockey. And major league hockey is too expensive. I mean you can't make money at major league hockey. Look what the Coyotes are doing, it's a tough road to haul.

PS: Do you think it's partly cause Phoenix doesn't have any ice to play hockey?

KE: No, it's just a tough sport to make money at. And I did it mainly because I was hoping that eventually we'd get an NFL football team. And I just wanted sports to be part of our community. And the more we were in, the more we had a chance of getting the NFL.

PS: So then you also got involved with the Fiesta Bowl?

KE: Yeah, started the Fiesta Bowl... 1972 I believe it was.

PS: Shortly after the Suns? How did the Fiesta Bowl start?

KE: Well, I can't remember exactly but, I think the president of ASU thought it would be a good idea to have a Fiesta Bowl game because his team was not getting into bowl games. So he put out the challenge to the community and so, six or seven of us met originally and decided to go after a bowl game. And, we ended up starting the Fiesta Bowl.

PS: Who was the president then?

KE: Uh, [G. Homer] Durham I think.

PS: Do you remember who the six or seven of you were?

KE: Oh, I can remember all of them, I think. I can give you all their names: There was, George Taylor; the guy that ran Camelback Inn, Jack Stewart; George Isabel, Don Meyer, Don DuPont, Jim Meyer, what was the guy, I can't think of his name right now. And myself.

KE: We had to make presentations to the NCAA, we had to get community support. We had to do everything to get it finally to a point where everybody thought it was feasible. You had to get it sanctioned by the NCAA and that's hard to do. Took us two years I think or three years to get it sanctioned.

PS: Tell me about how that grew over the years then.

KE: Oh, it just, unbelievable. It started from a very small concern and then it started building that into what it is today, one of the great bowl games in... we always wanted to pattern ourselves after the Rose



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Bowl because the Rose Bowl was the granddaddy of all bowl games. And so we worked very hard and got the community involved and it's been a great, very big success. To what it is today.

PS: Seems like it's still run by a lot of volunteers-

KE: Oh, yeah. Hundred percent run by volunteers and big deal. I mean it's a big thing today, a big project.

PS: Are you still involved with it?

KE: Yeah, I'm still honorary, you know, honorary whatever. Emeritus whatever (laughs)

PS: Was that influential in getting ASU and U of A then into the PAC 10?

KE: In fact I was responsible for getting the ASU and U of A into the PAC 10. Very influential. Well, I was on one of our trips, when we go scouting teams. I was over at the SC game playing somebody. And we went to a brunch that was put on by the president of SC. And we had our yellow jackets on so he comes me up against a branch and says, "you know, I'd sure like to get ASU and Arizona into the PAC 10." And I said, "yeah, that would be great." And he said, "could you handle the public relations end? If I handle the college end, getting the college." And I said, "you know I think I could handle that." So we went to work and he ended up getting ASU and Arizona into the PAC 10 from a educational standpoint and I got the political process going so that the Universities would want to go into the PAC 10 from a sports angle. We had a lot of problems with ASU at that time. Arizona was very willing to go into it. But Arizona State didn't want to do it. They thought the competition would be too tough, and finally, we talked them into it. And that's how Arizona and Arizona State got into the PAC 10. All from a brunch.

PS: Tell me about getting the Cardinals here.

KE: Well, the Cardinals, were looking around for a place to move and they were looking at different areas to go to. And we got wind of it, and so Keith Turley and I were the main people that put together a flying force to get Bill Bidwell to come to Phoenix. And we were the ones who negotiated the stadium deal with ASU and ended up building boxes at ASU and doing all the things, getting the community behind the Cardinals. And the Cardinals moved here in, 1980-something, I don't know. Eighty-eight or something.

PS: You think they're going to stay around?

KE: Well, they're going to put the stadium on the ballot I think the odds are that the people will vote for it. I don't think they like Bidwell as a owner because I think he's got no charisma, but I think they don't want to lose the Cardinals. I think they'd rather have them here than not here. And so, I think the odds are they might get a stadium. ·



PS: Have you been involved with the Governor's stadium task force?

KE: No. I've got my hands full. I do not do anything like that anymore. I've been doing too much of that in my lifetime. It's not in my uppermost mind right now. (laughs).

PS: Weren't you part of the Phoenix 40 at one time?

KE: Yeah, I was the original, in with the Phoenix 40.

PS: Tell me what was the Phoenix 40?

KE: Well, just a group of guys that Pulliam, at that time got together, and Frank Snell, and decided to do some good for the community and got 40 of us together and that was started.

PS: What were some of the things that the Phoenix 40 accomplished?

KE: Oh, boy. I can't remember all the things that back in those days what we did. But we tried to get freeways, we tried to get good city government, anything that was good for the community. Tried to get Tucson and Phoenix more together, which we failed at (laughs). But anything that was good like that.

They helped in getting the Cardinals, I mean, we all pulled together, things like that. Anything that was really good for the community, we tried to support.

PS: You talked about getting Phoenix and Tucson together. It seems like although you're pretty much, we think of you as a Phoenix person, you're involved with the University of Arizona.

KE: Always U of A.

PS: Why?

KE: Why? Because I went to school there (laughs); that's why? It's simple. Don't ask my wife that question. She'll give you one helluva an answer in a hurry. There's no comparison in her mind between ASU and Arizona. There's only one school in the State of Arizona (laughs)

PS: Tell me about some of the ways that you've been involved with the U of A.

KE: Well, I've been involved in Alumni groups, involved in supporting athletic teams, involved in supporting the school. I was chairman of their last fund drive. I'm chairman of the new fund drive.



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Business School, I started the entrepreneurial program 16 years ago down there. Donated to the college. I've lectured down there...

PS: Entrepreneurial center, is that the Karl Eller thing Center? What's the goal of the Karl Eller Center? Why did you start that?

KE: The goal was mainly to try to teach young guys, you can't teach them to be an entrepreneur, but you can show them how to make a business plan, how put together an idea; how you get financing. All the things that I didn't know when I went to school. Some real life deals. And it's been a very big success down there. It's hard to get into the school. They only take like fiJ-70 students a year. It's a great learning experience. And it's been very successful. They teach kids, how to put business plans together. Then we have we have business plans competition; all kinds of scholarships. People going into business down there. They got a great success story. It's been very well done.

PS: And, are you still involved personally working with them?

KE: I go down there. Like I was down there Friday and we announced the Executive of the Year Award which was done by a guy named Richard Kossosovich, (sp?) CEO of Wells Fargo Bank. We've been doing this for 17 years, where we have people go down there and get the award. It's a very prestigious award. And in the afternoon we judge the finals of the business plans competition for the entrepreneurial area. It's a lot of involvement.

PS: Then you just recently made a million dollar contribution?

KE: No, it's about 20 million.

PS: How did you decide to do that?

KE: Because I could (laughs). I'm glad I could. If I couldn't have done it, I wouldn't have done it But I could do it, so I did it. I wanted to do something for the University. They've been good to me and I did it.

PS: It's very generous...

KE: Yeah, and I'll probably give more as time goes on. **PS:** You say you've head up some of their fund drives?

KE: I've headed up the last fund drive where we raised like 300 million I believe or 400 ... Now we're about to announce a billion dollar drive. I'm, I'm one of the chairmen of that.

PS: Do you see your contribution as an example for others?



KE: Sure.

PS: What has the University meant to you over the years?

KE: It's been everything. In me, it's my whole life. It was something that I would never been here today if I didn't go to the University. It's been something that, I'd been loyal to 'em and I think, it's great for young people. And if can help young people out, make a better life for themselves, you know I'm doing something with the good of humanity, instead of just being in business, you know. .

PS: Speaking of that, what other non-profit boards or groups do you support or have been on their boards?

KE: Oh, gosh, you name it, hundreds of them.

PS: Are there some that stand out though.

KE: Well, United Fund, I ran the United Fund Drive. I was on the Salvation Army; YMCA, Boys Club

PS: Do you have advice for young people that are just starting their careers in business? What advice do you give them?

KE: Well, I have a little integrity statement I usually give them, my advice is: just learn how to fail. You don't learn by your successes; you learn by your failures.

And then there's a statement that I have, uh, you want to hear it? It's on the wall at the University but this is ... I'll read it to you. It says...

"Let me leave you with one principal that has guided me through the tough times and the good times: When you're looking at the characteristics on how to build your personal life, first comes integrity, second motivation, third, capacity, fourth, understanding, fifth, knowledge and last and least, experience. Without integrity, motivation is dangerous. Without motivation, capacity is impotent. Without capacity, understanding is limited. Without understanding, knowledge is meaningless. Without knowledge, experience is blind.

"Experience is easy to provide and quickly put to good use by people with all other qualities. Make absolute integrity the compass that guides you in everything you do and surround yourself only with people of flawless integrity."

And then there's another statement I usually sometimes do:



Education is a social process. Education is growth. Education is not preparation for life; education is life itself. It's what I believe in.

PS: When you tell people that you learn from your failures, are they usually surprised to hear that?

KE: Some of them are mostly surprised because you know, it's like when you go through school, the biggest thing that kids face is they're afraid to fail. And they don't want to fail. And it makes them usually nervous and uptight. Cause they don't want to fail. They get, they fail, they don't realize they'd be much better off because they really understand that then they could regroup and do a better job, you know.

PS: That's something you learned later in life, isn't it?

KE: I learned it early. I had failures in my lifetime (laughs) Oh, maybe they weren't the magnitude as the Circle K, but I learned very fast about failing.

PS: Any of the early ones that you wanted to mention?

KE: Oh, just little things not big things. Nothing like Circle K.

PS: One other question I've been asking everyone is about how you've seen Arizona or Phoenix change in your lifetime.

KE: Well, you know I've seen it grow so big and, you know where you used to go to a get together, know anybody. So, I mean the change has been of the magnitude that, there's so many more people here and so many more, so much bigger and everything has grown to a point. Whether it's good or bad ...I can't give you that answer, but it's just so much bigger. Three million people. Used to be 500,000 people. Carefree was desert. Today you go from here to Carefree, it's nothing but homes and businesses and hotels and everything else, so. It's a different world.

The business community's different. I don't feel any different. I feel it's great. What can you, you can't stop growth. And you just have to keep moving on.

PS: You miss seeing some of the desert and those sort of things?

KE: No, I don't have that time. But I don't miss. I sometimes wish it wasn't as big as it was, but I'm not the one to control that. I'm not gonna say, I'm here you can't move here. I'm not one of those kind.

PS: Did you think though as you were growing up or starting your businesses that Phoenix would become



as big as it is?

KE: Yeah, if you look back on the Internet and see all the articles that are written that I talk about... I did predict that we'd be big, way back before sports, I predicted that we'd be a major league sports town. And we'd have everything under sun here in Phoenix. And I predicted that we would grow to be an enormous place. Yeah, I did have a feeling that we were going to be a big town. But that wasn't really a big prediction because you saw what was happening in the country. And you knew Phoenix eventually was gonna be part of that. Great place to live. Great climate, so people would come down here. And they do.

PS: People used to think it was too hot.

KE: Yeah, you get used to that.

PS: Uh, anything that I didn't ask you about that-

KE: No, I can go on for two days doing this. You there are so many stories. I mean business stories you know that I could tell and things that happened in Phoenix.

PS: I'm going to be interviewing Jerry Colangelo at the end of May. What should I be asking him.

KE: He's Christian, you know. He's very big in the Christian faith and he's a magnanimous guy, he's done a fantastic job in building sports teams, he's been very community minded.

PS: Did you think when you hired him as general manager that he would stay here and become the owner?

KE: I don't think that I thought that exactly. But I thought he'd be a big success. And once I saw him operate, it didn't take me long to figure out ...he's a solid individual. You'll find him very, very serious. You know, he's very serious. Sometimes too serious, but he's great. I mean, he's got one thing in mind and he's done a great job. And he works at it.

PS: Okay. Great. That's all I have then. We're about out of tape.