**About ACP Superstore and David Freeman**

How ACP Started "The Beginning "
Advanced Computer Products, Inc. (ACP) was founded by Dave Freeman in the summer of 1976. Initially working out of a PO Box and his car, then a garage, and in November of 1976 opened retail at 1310 E. Edinger in Santa Ana, California. The business was soley mail order selling Pong chips and a Pong Kit to hobbyists. Quickly other electronic components were added to serve the demand from hobbyists for a source for chips and processors not readily available to end-users or hobbyists. This was considered a gray market at that time so I used a pen name of David Mann to remain anonymous.

Early Work Experience and New Company
While working at Fairchild and National Semiconductor I experienced first hand the development of the basic monolithic integrated circuit into a microprocessor chip. In 1975 General Instruments developed an integrated video pong chip that minimized the number of parts required to build a video game. This sparked a massive video game war that included unlikely participants such as Ingersoll, Interstate Electronics and others that jumped into the fray. Everybody got involved in building Pong machines. Before GI started shipping the AY-3-8500 video game chip (Pong), I negotiated an order
25,000 pieces to support the hobbyist market via mail order. I convinced GI that this was a viable market that required extra support and they agreed to set aside enough chips to support our needs. I developed a video pong kit and started advertising in Popular Electronics and later in Byte. The kit was available for $39.95 and the response was overwhelming. After two months I had over $80,000 in the bank, still had a job with a semiconductor distributor, but started building and shipping pong kits at night. Then the unimaginable happened: GI reneged on my video pong chip orders! I had thousands of dollars of hobbyists money and no chips to complete the kits. The demand for the video pong chip was so high that GI took another step placing the chip on allocation and only shipping to five manufacturers worldwide. Many video game manufacturers invested big on getting this chip. Many went out of business or lost substantial cash due to their inability to get the chip. I contacted the manufacturers that were getting parts and came across a contact in the Philippines that was willing to sell me ships via the gray market for cash. The only problem was the parts would have the part number and date code
shaved off and the price would be a whopping $20 bucks each! 4-5 times the going price in the market. I arranged to meet this gentleman at Los Angeles Airport and purchased 1000 chips at a time for $20,000 cash and the parts were delivered in cigar boxes. He would then fly back to the Philippines. Fortunately, for me the parts were genuine and I was able to deliver the kits to our customers. This was the start of ACP. This was also the last time I would have a good night sleep.

Early Life in a Garage
I soon resigned from my position as Vice President of a semiconductor distributor and concentrated full-time on supporting the hobbyist market via mail order. I worked out of a garage that had one light socket that we octopused enough lines to power the equipment required to process and ship orders. My brother Tom joined me at this time and we were in business. We started adding more integrated circuits to our mail order ad such as the 8080 microprocessor and our mail order business continued to grow. Soon we increased the size of our Popular Electronics ad to a full page and added Byte magazine. This was a huge decision at the time as one page on Popular Electronics cost $3000. We decided to go for it and it worked. Our mail order business doubled each month for the next six months.

ACP Computer Retail is Born
I had a vision that the new personal computers just introduced into the market were going to be purchased from retail stores. I also believed that everyone would have a personal computer in their home. A vision not shared by many during this time. In November of 1976 we opened a retail store with 3000 sq.ft.of retail and warehousing at 1310 E. Edinger in Santa Ana, California. ACP(Advanced Microcomputer Products, Inc. eventually changed to Advanced Computer Products due to cease and desist order from Advanced Micro Devices (AMD)) was one of the first ten computer stores in the nation and still holds claim being the oldest operating independent computer retail location (sold in Dec/2004) on the planet. We quickly added computers to our offering and became dealers for Imsai, Apple, Processor Technology, TDL/Xitan, California Computer Systems, Smoke Signal Broadcasting and Vector Graphic. In the early days I recall trying to convince friends and business
clients that there would be a personal computer in every home in the USA. They were not convinced and I spent several years talking about how personal computers were going to change the world. In those days my early competitors in retail were “The Computer Store of Santa Monica”, owned and operated by Dick Heiser, The “Byte Shop of Orange”, owned and operated by John French and Hal Lashley (also George Tate of Ashton-Tate fame got his roots here. There also was “Byte Shop” of
Westminster. Owned by Marty Rezmer and their top salesman was Vern Raburn who later held top management positions with Microsoft, Lotus, Vulcan Venture Capital and now builds jet airplanes in Arizona.

My Life with Apple
Early in 1977 I got a telephone call from Gene Carter, National Sales Manager for National Semiconductor, inviting me to come up to Silicon Valley for a visit. Gene proceeded to pick my brain about the personal computer revolution. His interests were particularly in Apple Computer. I told him it was for real and he immediately joined Apple as one of its first managers along with Mike Markkula and Phil Roybal. Phil had joined National as the result of my arranging an interview for him. Mike Scott, Steve Jobs and Steve Wozniak were already at Apple. I then became one of Apples first dealers. ACP grew its Apple
sales to over 5 million per year and actually set-up a series of technology centers for the Greater LA Schools to train teachers. Still an independent we were one of the top Apple resellers in the country. Other Apple dealers in the Southern California area included: Wabash Computer, Priority One and Computique. Apple quickly let their early success go to heir heads and started changing the policies and procedures for resellers. Apple tried to control the entire market and
forced many resellers to unfortunately exit the retail computer business. Apple management became more and more concerned about dealers selling their computers via mail order. My good friend, Gene Carter, who I helped his decision making process to join Apple and become a mega-millionaire, sent all Apple dealers a new contract. This contract would add the condition that Apple had the right to change the contract with only 10 days notice. Within days a new contact was sent out giving all dealers 10 days to be out of the mail order business. All Apple sales would require a “face-to-face” meeting with the end customer! ACP had just distributed its new mail order catalog with a 12 page Apple-only color insert. This represented a major capital commitment on the part of ACP. We basically bet our business on future Apple business we would get from the new catalog. Unfair, that is an under statement! ACP joined with five other dealers such as Olympic Sales to sue Apple for its mail order ban based on the Robinson-Patman fair trade agreement. Unfortunately for us Ronald
Regan was in power and big business was protected by his administration and we lost in a summary judgment. (About this time we received a call from the White House and they ordered 15 memory upgrade kits via mail order…….(we gave them open account and received payment in 180 days!). All of the other mail order companies involved in the Apple lawsuit went bankrupt. ACP survived but lost millions of dollars as a result of the Apple decision. Fair to say ACP was not the only one to become a victim of the arrogant, self-serving decisions to be made by Apple in the future. Ironically, Apple is now a big player in the mail order business and at the time of the lawsuit Apple had a small software mail order business as well. Trying to adhere to Apple's policies of prohibiting sales of computers outside our approved Zip codes and face-to-face meetings, I recollect calling Apple one day to see if we could handle an order for 20 Apple II computers for an education center in Katmandu, Nepal. They approved this transaction and ACP was the first to introduce computers to Nepal. I never
understood this decision and never will. In 1986 we ceased to offer Apple products in view of their desire to only sell to major chains such as Businessland, Sears, Computerland and others. The personal computer had become big business.

Operating a Computer Retail Store
Operating a computer retail store in the early days from 1976-1980 was a real test for any businessman. Cash flow was generated by selling computers for cash (usually cash in advance)……problem was in those days all manufacturers demanded cash in advance for computer purchases. Credit lines were non-existent! Distributors were also not yet founded. Imsai, one of the first personal computer manufacturers, would make us send cash in advance plus order significantly more computers than we needed. Our salesman was Bill Lohse, who went on the be the publisher of PC Magazine and executive for Ziff Davis. My opinion is that Bill Millard, infamous founder of Imsai and Computerland (now living in Saipan) started early gathering cash for his sudden exit from the USA! The toughest decision we made on a weekly basis was how much cash to send computer manufacturers and will they go out of business before they complete our advance orders.

Market Driven by Computer Shows
In 1977 ACP participated in the first West Coast Computer Faire, founded by Jim Warren. This became the foremost showcase for new personal computer products and we were part of all of them. Apple introduced their Apple II at this show and wowed the computer hobbyists with their live demo of “Breakout”. Mike Scott personally handled the demos!

ACP also participated in the world’s second computer show held in Trenton, New Jersey (the first was held in Atlantic City a short-time earlier). Computer Shows became very popular through 1979 as we traveled to Boston (Wayne Green’s Shows), Toronto, Philadelphia, New York, Houston and many other venues to show our products. The key show and the most significant show however, continued to be the West Coast
Computer Faire in San Francisco.

In 1977 the first Comdex show was held in a back room at the MGM Grand Hotel in Las Vegas. I was there and it consisted of about 50 booths and who would of imagined that Sheldon Alderson would turn Comdex into the success that it has enjoyed over the years! Until its recent demise however.

Let’s Build It
In 1977 ACP developed one of the first 4K memory boards for the Altair, Imsai and other S-100 bus computers. Our card solved the instability and quality problems other 4K cards had and our sales took off. We then added other S-100 cards. We then developed the Z-80 Softcard for the Apple and a 256K memory card. We negotiated an OEM agreement with Microsoft and built over 250,000 of each card sold under the Microsoft name. Our manufacturing business became so big we spun it off under Vista Computer and added more upgrade cards for the Apple and the IBM PC when introduced in 1981.

The World’s First Computer Superstore
In 1981 ACP opened two new stores, one in Tustin the other in San Jose, California. Our San Jose store was named ACP Technology Center and it was the first “Computer Superstore” in the country. Our objective was to open Computer Superstores in 12 major cities within a two-hour plane ride from Santa Ana. We hired industry executive, Tom Anthony to rollout, obtain financing and secure authorizations for our expansion program. We invested over one million dollars in opening this store. ACP Technology Center was an instant success and we then tried to obtain authorizations from Apple and IBM to sell their computers. The general concept of computer retail at that time was to have a store on every corner a la Computerland. IBM was really focused on getting an IBM medallion placed at every corner of the country. A Computer Superstore did not fit their model and we were too early to market with our concept. Six-months later Businessland convinced IBM that the way to go was computer superstores and IBM bit on it hook, line and sinker. The rest is history. In fact IBM became so selective and restrictive as far as their computer resellers that the price of an IBM computer store medallion soared to over $150,000 for one location.

First Computer TV Show
In 1982 we produced the first TV show for personal computers on channel 48 in San Jose. "The Computer Show" was hosted by our store manager, Manny Lucero and featured special guests and new product introductions for the first 30 minutes and the remainder of the show took call-ins from the viewers. Guests included Steve Wozniak, a real supporter of the show and the store even though his brother has his own computer store in Cupertino, Steve Jobs, Philippe Khan, Paul Terrell and others. The show continued for two years and we were forced to go off the air as the costs increased dramatically and it
was difficult to get marketing funds from manufacturers at that time to support a TV show.

Collecting PC’s
I always new there was something special about the genesis of the personal computer revolution. I started early collecting PC’s and remain an avid collector today. The PC Museum has over 1000 computers at the present time and our objective to someday create a venue where this memorabilia can be displayed to the public. Our website is located at www.thepcmuseum.net.

Donations
If you have anything to donate please let us know as we still have some computers that we do not have. Our short list of computers we need includes: Sphere, Ithaca, Byt-8, PolyMorphic Systems, Heathkit H8, Cromemco, TDL/Xitan, Smoke Signal Broadcasting and Apple I. We also need any memorabilia, photos that we can get related to the history of personal computers. If you have historical information about the systems we have online we invite to submit the information
to share with our website users.

Adieu
It has been a special 29 years for me. Just surviving the unpredictable changes in the personal computer field, which has been a roller coaster ride, it is simply amazing that we are still here today. The memories we have of the industry people we met and worked with has made it all worthwhile. Our customers have also given us many rewards from their continued support and the friendship we have enjoyed over the years. I am sleeping a little bit better these days!

David and Barbara Freeman
Founder and CEO of Advanced Computer Products, Inc.
Dave attended Long Beach State and University of Southern California.
Has Bachelor’s Degree in Electrical Engineering. Married to
Barbara who has multiple degrees in Archaeology and Art History from
UCLA and University of Southern California.
Formerly with the LA County Museum of Art and currently teaching at Cal State Dominquez Hills.

Freeman Family
Two sons, Morgan, living in New York where he works as movie director and writer. Morgan is a graduate from UC Santa Barbara, Sorbonne in Paris and NYU Film School. Morgan won the prestigious best director and best film awards from the Sundance Film Festival in 1997. He is presently in post production on his 5th independent feature film titled "Just Like the Son".
Zac lives in Chicago with his wife Paige and new baby Max. Received Law Degree from Northwestern Law School and recently completed clerkship with an Illinois Federal District judge. Paige is an executive with grownetwork.com. Both are graduates of Princeton University. Now works for a law firm in Chicago. Zac served with the Peace Corps for two years in Togo, West Africa and also worked for Human Rights Watch in New York.

*posted by dcfree*