

Three Companies Take Pieces of Tulsa, Okla.-Based Memorex Telex

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Nov. 3--The 400 employees of the **Memorex Telex** Technology Solution Center in Tulsa will report to three new employers Monday.

Frazer, Pa.-based DecisionOne Holdings Corp. will pay approximately \$30 million in cash for **Memorex Telex's** service operations.

Supporting and servicing computer networks accounts for roughly 60 to 70 percent of the company's U.S. operations and the majority of the work done at the Tulsa center, vice president and general manager Mark Davis said.

California computer companies Vanstar Corp. and Sutmyn Storage Corp. will split **Memorex Telex's** networking sales and storage sales businesses. Combined, the areas make up "a very small part" of the Tulsa employment, he said.

"There are still a lot of questions to be answered," Davis said. "But the employees look on it as very positive. At this point they have a future Monday morning."

The purchases were announced Friday after each won bids to take over portions of **Memorex Telex** in a Delaware U.S. **bankruptcy** court late Thursday.

Vanstar officials refused to comment on the acquisition Friday. Representatives for Sutmyn would not release how much they paid.

Flavio Santoni, Sutmyn's vice president of marketing, said the privately held company will be taking about 10 Tulsa employees.

The transition process will begin Monday, Davis said, with managers from each company expected to be on site. The sales will likely close within the next two weeks, pending regulatory approval. Any employment cuts or restructurings have not yet been decided, but Davis seemed optimistic. He said he did not know if or when the Vanstar and Sutmyn employees would have to relocate.

DecisionOne spokesman Bill Beaumont said Friday, "We haven't had a chance to go through all the details yet. This was just done last night." He would not comment further.

The new buyers did supply additional debtor-in-possession financing to keep the business running until the sales close, Beaumont said.

A DecisionOne statement said **Memorex Telex's** U.S. service operation generates more than \$100 million in annual revenues and provides service from 106 locations. DecisionOne is the largest independent provider of computer maintenance and technology support services in North America. The company supports more than 15,000 hardware products from over 1,000 equipment manufacturers.

"The customer and service base of **Memorex Telex** is an ideal fit for our business," said DecisionOne president Steven Felice. "They do what we do -- maintain computer hardware, support communications networks and operate help desks. They provide those services to the same markets we serve, in some cases even to the very same customers. In addition to expanding our customer base, this acquisition adds to the density of our marketplace, a critical component in operational efficiency and fast, accurate customer service."

DecisionOne chief executive Ken Draeger said, "Acquisitions are a key part of our growth strategy, and we are extremely pleased with this one." Beaumont said the company has completed more than 35 acquisitions in recent years.

The company will assume some of **Memorex Telex's** liabilities, he said, but that did not present a problem for DecisionOne's conservative balance sheet. Traders reacted coolly to Friday's announcement, however. DecisionOne's stock ended the day down at 14, with 178,300 shares trading hands on the Nasdaq exchange.