

David's Interview 11-03-08

(4:36)

D: Now we should be careful in this book not to make it too negative. My dad, as he got Alzheimer's, got more negative than he was earlier in his life. I think it was just part of his Alzheimer's. In fact, when Hazen interviewed him, I kind of objected to it because Dad was well into his Alzheimer's. Also, that movie that was made, Dad was well into his Alzheimer's disease. They wouldn't let me be in the room. He would just say things that he normally wouldn't say. For instance, one thing that spawned my dad to really get after working hard through that holiday was on December 8th, or something like that, just a few days before this, Strong (it's in the Hazen thing too) thinks he's made some diamond, and they'll look at it and everything, and my dad was pretty sure it was just a natural stone because everybody was using (5:48) seeded Diamonds. And obviously Strong wasn't very enthusiastic about it because he just left for the holidays. Once my dad did it, Strong started to try and duplicate and had a whole team (6:10), Bovenkerk included, try and duplicate the first one. Meanwhile people were making diamonds on this approach as well. So it was just professional competition. I don't think there was any dishonesty there.

And really the whole basis for my dad's invention goes way back to his early (6:43) thinking at the U of U. His view that some diamonds were found in meteorites that were iron based and stuff. But, naturally since they were a team, they had to be helping each other out in some ways. They kind of all started with Bridgeman's ideas and then just improved on that. (7:23)

(7:51)

Now, I thought it was February 15th because it was my birthday.

J: The announcement was on February 15th, not 14th.

D: I'm pretty sure because it was my birthday, and we didn't have a birthday party (8:13). It went a little later. (8:28) Maybe they had a pre-announcement on the 14th, but I'm not aware of that. It would have been smart for them to do it on Valentine's Day.

(9:20) So you've noticed there's no animosity at this point. They negatives were later in his life when he got Alzheimer's.

So I think it would be fair, and we should say that when Hazen, later on in the thing, when he got interviewed, and when they decided to make the thing, he was quite ill with Alzheimer's, and they didn't know it, but I was busy trying to protect him, but he wasn't far enough out-of-it that you could do that.

J: (10:06) When do you think the Alzheimer's started to affect him?

D: Looking back now, I see indications of him starting to lose his memory and his capability definitely by 1990. And that's why he enjoyed the farm so much is it was more repetitive.

(11:10) Later on, when I started paying my dad royalties, that's when essentially Novatek took over what was his former business. So he starts doing business in 1957 as a consultant, then moves it into press building, then there's spin-offs like Megadiamond, etc... (11:36) Which is essentially what Novatek does. And I was the last one to actually pay him for some things. So I paid him royalties for several years once Novatek was started, and then we essentially started doing that he was doing. All of my work was just an outgrowth of his work. We weren't doing anything exactly like he did it anymore. They were totally new systems.

J: (12:10) Does the date apply to when you started Novatek?

D: Mine started as a consulting company in down-hole hammers. That was about 1975, before I joined Megadiamond. And then I joined Megadiamond, continued that on the side through the whole period. Then after I left Megadiamond, I went back to hammers (12:56) because I had a 5-year non-compete with Smith, that actually sponsored me. Then in 1990 when the non-compete was up, that's when I went back into diamond. (13:07) Before I left Megadiamond, that's when I was doing Netline.

J: So, before you left Megadiamond, you had something else going, which was Netline?

D: Well, I had a hammer project still going (13:21), but it was non-competitive. And I had Netline going on the side.

J: So, when did you get the Novatek title?

D: I don't think I adopted the Novatek name until 1990. I was going by Deep Hole Drilling, Netline, and DRH Design. DRH Design was probably my first company,

and then Deep Hole Drilling. But, I had, of course, worked for my dad's companies, and then I tried to go to work for Megadiamond. And then when my dad didn't want anything to do with it anymore then I went on the board and was involved with Duane and others and kicked Bill out, and that's how I got involved.

J: (14:47) And then I noticed your dad was the chairperson once Novatek was started. He's got his name on a business card. So at least by 1990, you had adopted his name.

D: Yeah, he was chairman of the company for years until he died.

(15:54) So it was only three years later he makes diamond on the tetrahedral press.

J: (16:26) By 1960 ???

D: Somebody sold the press ???

(17:23) McCartney Manufacturing made a press for my dad for several years. I got my first job at Ingersoll Rand as a referral. What happened was McCartney eventually got bought by Ingersoll Rand. My dad told the head of McCartney that I was looking for a job. He referred me to Ingersoll Rand Research, and that's how I got my first job.

(17:58) 1972, when I graduated, there weren't very many jobs out there, so I had to ...

(18:39) High-pressure Data Center, which is now htracyhall.org web-site. So that H. Tracy Hall is a continuation of that.

(19:21) It was probably before April that they approached. It says April 6, 1966 when it actually happened. They had probably started talking to him clear back in . . .

J: **It** was at least February.

D: Or December/January because it was at registration they talked to him.

(19:54) This says Mega Pressure Products and Research. Kind of like the three P's.

J: (20:03) Now, I'm a little confused about Megadiamond Industries, I know that started because the Jolas Brothers owned that. And then Megadiamond Corp—was it all because of the Megadiamond?

D: Megadiamond Industries—they needed a way to distribute Megadiamond, plus they needed some money and some sponsoring. So the Jolas Brothers picked up exclusive rights to distribute the diamonds.

J: Now are we talking about the Megadiamonds? Megadiamond Industries was around 1970 then because that's when the Megadiamond was introduced.

D: Or later even—probably not till 1972 that they came along.

J: So everything that started with the name “Megadiamond” was because of the Megadiamond. And the Megadiamond was introduced in September of 1970. (21:02) So probably everything Megadiamond was after that. It was MPPR until at least 1970.

D: September 24, 1970 was the big announcement. It was the day after (21:13) Donna died, and in that paper the announcement of Megadiamond and her picture. So that was definitely a memorial day. What they were essentially announcing was the results of all my dad's work in polycrystalline diamond, which started earlier. He did that essentially to save Megadiamond—Mega Pressure Products because they were not making it. That probably should have been kept in Provo Pressure Products. (21:57)

J: ??? to Mega. But he had royalties.

D: Yeah, he got royalties from it. But he didn't do the research. The research was not sponsored by Mega Pressure Products. They were doing grit, and then that became DBT later. (22:29) Well, ??? Tracy because they had all these little businesses. And then Mega Corp was essentially Duane and I and Doug Thompson and others working together to bring everything into one. Megadiamond Industries—getting those rights back—Supercut, Dion, DBT—getting all those companies into one so we could actually consolidate and function. And we eventually had to buy the building back from partners that were associated with Bill because the building had been refinanced and was in a partnership with . . . It was a big consolidation. (23:17)

D: So March, there's some Megadiamond (23:40)???. So those would be Mega Pressure Products. Megadiamond didn't come into existence till . . . September 24 is my mom and dad's wedding anniversary and that's what it was based around. That's why they did that. They didn't know Donna was going to pass away the day before.

(23:17) Then that scratched-in thing in the window was with a Megadiamond. And Donna was there with them when my dad scratched that into the window.

J: Is that on here, or are you just telling me that?

D: I'm just telling you that. So you see, he was announcing it to the family prior to announcing it to Bill and Duane and others. (24:44) And Donna was still alive. In fact, I don't think Donna and I were even married yet when that was happening. We had a long courtship. (24:54)

(28:15) Polycrystalline diamond has now grown to about a 500 million dollar market. But, it took a while to get \$140 million from there, so he was optimistic. Dad turned over stock to the family about that same time of the Megadiamond announcement. And Megadiamond was supposed to pay a 2% royalty on all sales. And then we had the issue that, well then they (28:58) pushed distribution of to the Diamond Industries. So that's where the real pump up in value came. So there was just a zillion arguments over the years on royalties were hard to get. (29:16)

Now, what's this Tracy and Louis?

J: (29:49) They had an agreement that they both signed.

D: So Louis was spinning off into something else, huh?

J: It was a stock agreement.

D: It may be what happened is Louis started buying stock from my dad. Because my dad was losing interest about that time. This was when I came back and started my own company, my deep-hole drilling (30:26) company, and that's when Dad started to turn it over to me.

J: That's 1975.

D: What Louis was doing was probably getting my dad to sell stock because he saw that my dad was losing interest and willing to just give the stock away, right?

J: That's why Bill was angry you talked your dad out of his shares and stuff.

D: Oh, he says I talked him out of it? No, my dad was just so sick of it, he gave them away.

J: (31:16) The information I got from Duane and Bill is so different . . . most of it's useless.

“Now Tracy never gave David his shares.”

D: Duane said that?

J: (31:50)???

D: Duane didn't ever want to admit that. He didn't ever want me to have much authority. But I was fully voting and everything. My dad wouldn't even show up. But then you got Bill saying that I pulled them out of my dad, right? (32:36)

J: Right.

D: But, see, without my support, Duane wouldn't have gotten anything because the Popes had more than he did because they had been buying from my dad, and so Duane was out of it totally, and so if I hadn't agreed with Duane and Doug Thompson, nothing would have happened. (32:59) The Popes would have owned the company and so it would have been ??? And it is true that Bill was willing to take on more risk than my dad was. He was the only manager in the group—the only true entrepreneur in the group. And the problem was I was an entrepreneur too when I came in, and so he had competition. (33:31) And I saw what he was doing, so I told my dad, “Just give it to me instead” or something. I'm sure that's what happened.

J: Bill did not like that.

D: Bill's also the one that didn't hire me, right? He hired his son instead. And Duane's the one that hired his brother instead of me, too. (34:00) So there's intrigue all the way through. And it's fine in the end because it created several businesses instead of just one.

When it came down to the shares actually being sold, then in the end, it was all in my dad's name. I knew the family wouldn't accept that, so it stayed in my dad's name. I had some shares through my dad, but then I went to the board and said, "Look, I'm not going to support the sale, and I'm the key guy unless you give me 10% of the shares. (35:00) Duane should have complained about that because he really hated that. So that's how I got my shares in the company.

J: (story about Tracy forgetting award ceremony because he is conducting a funeral)

D: (35:52) So this is where Bill pops a can of me "stirring things up."

J: I put it in there because it's something I have.

D: It ought to be in there. Because that's just part of the history of my dad. My dad would never stir things up, right?

J: Bill said, "Tracy was never angry." And what he meant was, "Dave comes along and Tracy was misled by his son."

D: But did Bill ever admit to him buying shares from my dad real cheap? (36:57)

J: No, . . . Bill's interview was . . . nothing important. . . (37:13)

D: (38:19) So, does he have an actual letter where he says that?

J: No, we just have a journal account where you said, "Something major happened today. Dad asked to come back and rejoin. I've been asking too for a while. So now his name is with us again."

D: (38:50) That was April 1980? That's rejoining Megadiamond.

J: April 1980. That's rejoining Megadiamond. Novatek was not around by then.

D: I get him to come back because he didn't want anything to do with the companies. That's why Louis was able to buy stocks so cheap from my dad was because he was just getting out.

J: (39:44) Louis and Tracy's Dion note—David says that was because Tracy was losing interest, and he was already selling out part of his shares.

D: He probably agreed to sell some shares to Dion.

J: It was a large amount. 10K or . . .

D: Right. And that little tiny amount gave them enough to control. Of course he didn't disclose that to my dad.

(40:29) What Louis and Bill saw was a chance to really take over control, and they needed to do that because there needed to be a boss. I mean the company needed leadership.

J: (41:24) Is "release" the wrong word? Or is it more like "left"?

D: "Resign"

(43:23) July 1975, when he was resigning from all his positions—just after that—I think I got back here in October 1975. So I wasn't the one stirring things up. Louis was. See what he's doing there? Dad's sick and tired of everything, right? Maybe because Duane and Bill were fighting all the time. He just couldn't take it. And plus, nothing was happening. They weren't making any money, and they were still paying taxes. And Louis and Brent were both in there as guys. (44:15)

So see, they're stirring things up in 1975 because I didn't get back here until October. And he's buying stock, and that stock is just enough to put him over the top in control. And then when I get here in October, Dad is so sick of it all, he just says, "Here, it's all yours." And Duane is technically correct in that it was never deeded to me. I just went down on the board and everything. I represented the family from then on. Duane is being this totally correct guy. (45:23)

J: (46:02) It's just a note you gave him that says, "Do this like this and it will probably be better in the long run with your royalties.

D: I was probably at Megadiamond by then. All the hassling at Megadiamond happened between October of 1977 and about a year and a half later.

J: (46:40) That's when you changed everything and converted it to . . .

D: (46:44) Mega Corp and Supercut was merged and everything got merged and everybody became shareholders. Mega Corp, and then later on to settle up with Bill and bought him out.

(47:37) See, I didn't really come in until 1977-78, somewhere in there. I was probably involved in Megadiamond (MPPR) by 1978. That's probably when Bill said I started messing things up. And in 1980, I finally get him (Tracy) to get involved again. I'm involved with Megadiamond by the 25th anniversary because you've got the *Herald* thing and I think that's my dad and I together there.

J: Is that the picture of the pile of . . .

D: Diamond grit.

J: It looks like a sand pile?

D: (49:25) You see, Megadiamond isn't paying royalties to my dad, that's why we had the arbitration.

J: What happened? Nobody's getting royalties.

D: No, that's why I started paying him later, because nobody else would. So he got a settlement from them eventually. And this is where the ??? come. Then he sets up chairs and stuff like that.

J: (50:24) These are the things that are going to be in an appendix.

D: That's good. What I would do is I'd make an appointment with Tracy and have him go through it too. (50:40) ??? just a few copies and then get all the stuff organized. And then what you probably should do is have, with the writer, at least a monthly meeting with **me** where you'd get him down here, and the three of us together so that we'd make progress. He's got to have it done in three or four months?

J: The one that I'm worried about is (51:08) **Elaina**. There's going to have to be a lot of contact with her over the next little while. I actually think her section is bigger. I think she has more responsibility than the professional section.

D: Probably not.

J: (51:29) You would like it that way ???

D: Well, no. The professional section should be the biggest. What you've got to do is you've got to show some of the stuff he was doing as research director and letters from others - (51:44) pictures and stuff from his BYU work. Even his mission has some professional context with DeBeers. (52:03) The professional section should be the longest. Just because pictures you could put in even if it's not as much writing.

So what's Elaina doing?

J: Elaina has some of Tracy's life—personal section.

D: I'm saying his personal section in combination with professional should be the longest. That's right. That's a big section.

J: Ancestors is done. . . . It's time to move on.

D: (53:07) Writers are that way. Give them a ??? So you say, "You're done," and then you purposely give them a couple of weeks to do another revision draft. The problem is they're perfectionists and they don't want to write a book that's bad. So you have to give them a few ??? in order to . . . because you want to be able to use them in a future time, and they're all part of this, and that's just part of management.

J: We're going to get it back to them sooner or later because your sister said she saw many things that weren't right to her.

D: ??? said that because she's a perfectionist too. (53:55) And that's why it takes a manager like yourself to get it back. So you have to give them a deadline and another deadline, and another deadline, but you know the final deadline, right?

J: We're at it. The way I expect things to go with Elaina is I'll be pushing her all the way.

D: Have you given her a good outline of the personal section?

J: No. what I told her is, "You don't have the personal stuff yet." But she's working on it because she has Ida's book. And there's all kinds of sources.

D: The problem is you've got to keep the **artist** going a little bit all the time otherwise you'd lose them.

J: She's finding stuff to write on. And the main stuff—she's about a week away from getting it.

D: You've got to keep them employed, otherwise they'll starve and have to move on to something else. So it's a real management headache to keep them employed productively. So, you're trying to get everything to the printer by May?

J: You wanted it on July 24th, right?

D: Yeah. It's got to be passed out to everybody.

J: That means I need to have the actual books printed by June 10th, a month and a half previous to have time to get the quality **binds** back. (55:51) But for this project, I need two months because it's big. So that pushes me to April. April 10th it needs to be to the printer.

D: Do yourself a reverse time line, and then show everybody your deadlines so they know. And then have multiple deadlines: first draft, second draft, third draft. .

J: (56:49) Allen Keith will be printing this project at Press Media . . .