

Chapter Five

Valentine's Cakes and a Pile of Dirty Laundry

*“When you’re young and starting out
in business, sometimes you just don’t know
where to draw the line.”*



WE ONLY LIVED YEAR-ROUND in Colorado for two years. After that, we spent summers at Fun Valley and spent the school year in Abilene. My family has continued to do that since 1959.

I graduated from Cooper High School in Abilene, Texas in 1963, and then it was time for college. I knew I wasn't cut out for the books, but I went anyway to North Texas State University in Denton, Texas.

I lasted about a year and a half before I left. I had no use for college, and college had no use for me. The best thing about college was my roommate, Andy Henson, the son of my Uncle “Shorty” Henson. Andy was a couple of years older than me and was probably my most influential mentor, after my parents. Andy had a wild imagination and always dreamed of making millions. Now he is a multimillionaire.

Some of the other guys I met in college didn't turn out so well. My

pledge brother in the Pi Kappa Alpha fraternity was Charles Watson. Charles was more or less an average wild fraternity guy when I knew him, but he later moved to California, hooked up with Charles Manson, and became known as Charles "Tex" Watson when he stood trial for the murders of Sharon Tate and the LaBianca family. He went to prison. I heard later that he turned to Jesus, became a minister and now lives with his wife and three kids in a mobile home on a California prison farm.

AFTER I LEFT COLLEGE, I moved back to Abilene for a while and started looking around for opportunities. I remembered how much I liked helping Daddy with his apartment complexes and so I figured I'd give real estate a try. I walked into a real estate office and met the owner, Don Sanderson. (That was not his real name, but the story is true.) He gave me an enthusiastic welcome.

"You wanna sell real estate? Great!"

"But don't I need a license or something?" I asked.

"Oh, don't worry about it," Sanderson winked. "We'll fix everything."

The phone rang, he told me to answer it, and I picked it up. I talked to a customer for a few minutes, hung up, shook hands with Sanderson and went home. Later that afternoon, Sanderson called me up. "Congratulations!" he boomed. "You just sold half a house." It was a split commission because it was my lead, but he sold the house. I didn't care about the split. I was in the real estate business. I wasn't even old enough to get my license, but that didn't bother Sanderson or anyone else in *that* office.

Old Sanderson was quite a character. The man would do absolutely anything to make a sale, and he had a lot of real estate to sell. This was during the cold war, and General Dynamics had set up a huge plant in Abilene to build nuclear missile silos. When the plant closed down in 1964 and 1965, the company moved out. Workers left with the company and abandoned whole neighborhoods. The FHA repossessed the homes. Sanderson was taking those repos and selling them as fast as we could, mostly to poor folks. We were selling three bedroom, one-and-a-half bath homes for \$6,750. Nothing down, and a \$100 deposit on the closing

costs of \$250. We would loan the buyers \$75 for the deposit if they could come up with \$25. Talk about a deal.

We used every trick in the book to sell those homes. Bait and switch newspaper ads. Hot box telephones. Sanderson was a great teacher and motivator and taught me a lot about closing the sale. “After you show ‘em, just get ‘em in the door and let me close ‘em,” Sanderson said.

One of the tricks he taught me was how to get customers back into the office after I’d shown them a house. When we got back into the office parking lot, instead of letting the clients drive away, I would grab a little kid and say, “Hey, come into the office and I’ll buy you a Coke.” The parents always followed the kid back into the office and BOOM, Sanderson and I would use heavy pressure to sell them a house before they knew what hit ‘em. We called this “bouncing ‘em off the wall.” Back then I was young, hungry and had no scruples. Sanderson had even fewer.

SELLING REAL ESTATE just wasn’t enough for me. I wanted to make big money fast. I had been fascinated by the mail ever since I sent off for wildlife photos as a kid. A buddy of mine and I came up with a great scheme. Abilene is a college town with three church colleges. My buddy Aaron Waldrop and I founded a group called the Young Christian Student Association. We were young, we were Christian and—according to Webster’s dictionary—the definition of an association is two or more people having something in common. So we justified our association in that way.

Anyway, in February, we copied down the names and addresses of all the parents of the college students from the student directories and mailed them a letter. We offered to deliver a Valentine’s cake on Valentine’s Day to each student as a gift from their parents, and we asked for two dollars. That was a pretty good deal. You know, forty cents bought a lot of flour and sugar in 1965.

The Valentine’s Day mailing drew a great response. We made \$300 bucks a piece selling Valentine’s Day cakes to the parents of those college kids.



AFTER THE VALENTINE'S DAY DEAL I was convinced that I was going to get rich. But there weren't enough holidays. So I thought and thought and I kept thinking that there had to be something else. Then it came to me: a "Who's Who" book for college students.

I was selling real estate, and all summer I worked on my letter. I made up an organization called Friends of Texas Students, and I named my publication *Spotlight On Campus*. I swear I can remember the pitch letter to this day, almost verbatim.

Dear Parents,

Your son or daughter (this was so crude you can't even believe it!) has been selected to be introduced in Spotlight on Campus 1965. Whereas the standards of admittance are based on creditable lines of achievement such as leadership, athletic skill, scholarship, civil and organizational leadership... To help defray the costs of shipping, you will send \$5 for your copy...

While I was buying the envelopes at a wholesale paper company, I met one of their employees who was handicapped and in some type of club for handicapped people, so I hired the members of the club to address, stuff, and stamp envelopes. At the bottom of my pitch letter it said, "*Our thanks to the handicapped.*"

The deal was appealing because if the kid was a good student, the parents wanted them to be in the book. And if the kid was a mediocre or poor student the parents wanted them to be included even more.

The response to *Spotlight on Campus* was like ninety-five percent. Orders just flooded in. Parents were sending pictures and writing samples and certificates—all kinds of stuff was coming in with the checks.

Man, I thought I had hit the jackpot! I bought a new Riviera, set up an office in my newly rented, fancy apartment with maps on the wall, and called friends to get student directories from all across the country. I even talked to Borden Duffel, our family CPA, about working for me full

time. I was a twenty-one year old kid who knew he was gonna be rich, rich, rich.

Then one day the phone rang at the real estate office where I was working.

“Mr. Henson, this is the postal inspector. We’d like you to come down to the post office and speak with us...”

I went down to the postal inspector’s office and sat down opposite the postal inspector and a U.S. Marshall. I was scared to death. The book wasn’t even published. All I had done was collect the money.

The postal inspector said, “Mr. Henson, how did you select all these people to be in your book?”

I was too terrified to answer. But I knew that my letter said “selection was based on creditable achievement such as...”

They asked me again. “How did you select these people?”

I gulped. “Out of the student directory.”

“Well,” the inspector continued. “Which ones did you select for scholarship and which ones for...”

I leaned back and looked at the inspector. “You know, sir, I’m the kind of guy who believes that there is a little bit of good in everybody. And all of these people have some good in them...”

The inspector said, “OK, Mr. Henson, you are facing the possibility of federal mail fraud. We don’t know if there is going to be an indictment...”

“Well,” I said, “am I being charged?”

“We’ll get back to you...”

A few weeks later, I got another call from the post office. “Mr. Henson, what are you doing on this book situation? Is it published?”

“I was going to ask you.”

“What?”

“Well, I mean if you are going to indict me, then I was planning on using this money for my lawyer.” I was shaking on the inside, but knew I had to keep calm.

“What about the people who have ordered books?”

“I’m not trying to cheat anybody. You’re the guys who are stopping me from doing the service I have sold.”

“We’re not stopping you.”

“Are you telling me that I’m under indictment and I can’t produce the book?”

“No, we’re not.”

“Then what are you telling me?”

“We’re telling you that there may be an indictment...”

“Fine. When I get inquiries about the books, I’m going to give them your name and have them call you.” I realized that if they hadn’t arrested me yet, I had some breathing room.

February was coming up, and I decided to try the Valentine’s cake deal again. I talked with a banker in Abilene. He was a colorful character who had done all kind of crazy business deals. I somehow managed to meet him and he clearly liked me and my inventive ideas. He owned a bank in Abilene and a car dealership in Eastland, Texas. He once had two hundred white Oldsmobiles, and sold them as “two-tone” cars, offering to paint the top or bottom any color a customer wanted. He also started a pirate radio station on a ship twelve miles off the coast of Haiti and advertised tobacco and other things because he was outside the twelve-mile limit. I was fascinated with his stories, and he was kind of a mentor to me.

I described the Valentine’s deal in Abilene, but I was careful not to mention the Who’s Who deal and my problems with the postal inspectors. I told him that I wanted to do the Valentine cake deal again, but this time at the huge University of Texas in Austin. He agreed to finance the deal for fifty percent of the profit, and I sent out letters to the parents of all the students at the University of Texas. Same letters, same hand addressed envelopes.

This was my first big mail-out (over twenty thousand pieces), and it’s hard to describe just how really exciting this was to me at the time. I guess I could say when I do a big mail-out, even to this day, the excitement is almost sexual. To me, when I make a large mail drop, it feels great. It’s kind of like a huge ejaculation.

Some time after Valentine’s Day, the banker gave me a call. “Dusty, I got a call from these postal inspectors and they want to see us...”

So we walk in there, and the banker was surprised when the inspectors knew me. The inspectors were even more surprised when they saw me walk in. When we got down to business, the postal inspector said that some of the cakes didn't get delivered down in Austin. The banker shook his head, "You mean I flew all the way over here to talk about some cakes that hadn't been delivered? Of course we'll refund the money."

I never did have to tell the banker about my earlier run-in with the postal inspector, as the authorities finally told me that they would not indict me unless I failed to deliver the book to the folks who had ordered it. So I published *Spotlight on Campus*.

Although I got out of the situation OK, my experience with the postal authorities scared the shit out of me. I changed forever after that experience. Since that time, I have always practiced and preached honesty—both in my business and in my personal life. No amount of money is worth the risk of going to jail. There are just too many ways of making a good living without having to break the law.

IN 1965, I joined the Texas National Guard Reserves. No one in my unit took their military training too seriously. One year we had a two-week summer training camp at Texas Tech University in Lubbock, Texas. The commanding officer gave us a speech and said that there were some things to work out—like laundry. Laundry. I did some quick math. There were 160 guys in this unit and each one needed a cleaned, pressed uniform every day. That was a lot of laundry and potentially a lot of money.

I went up to the CO and said, "Look, I'll take care of the laundry. I gotta guy that can do it." He said fine. Well, I didn't have anybody. I called James Richards, my cousin who was a student at Texas Tech, and I said, "Go find us somebody to do all this laundry. We got a chance here to make some good money."

Well, we found one old guy. I didn't like him much to start with, and we immediately started arguing about money and about how much he'd charge. Finally I said, "Look. We'll wash the stuff. All you do is just press it and we'll pay you for that."

So my cousin and I went to the laundromat. Man, we took up thirty machines. "Stuff those machines full," I told my cousin, "or we're gonna be here all night."

So we stuffed those old machines full of laundry. We had no idea what we were doing, but I'd already collected the money. And when the wash came out, it was awful. Big white soap stains all over everything. And this old guy who hated us anyway, I had already prepaid him. Well, that SOB just pressed up all the laundry, soap stains and all, and delivered it. Lucky for me, I blamed the guy who had done the pressing, and everyone thought it was a big joke.

IN 1966, I went through basic training at Fort Bliss in El Paso. In 1968, I moved to El Paso and sold real estate for Paul Barry, but mostly I began to venture across the border into Mexico. I spent most of my time partying and chasing girls, just like any other young man. But I began to trade and to help run the family resort in Colorado in the summer season. Soon after that I had the opportunity to open my first trading post.