comparisons against the competition. His commercials, and Commodore's pricing, would soon bring Atari, Radio Shack, and even Apple to their knees.

It was a golden age for Commodore 64 advertising. Unfortunately, they would never recapture the same level of media saturation attained by Spencer.

The Commodore Curse: Part IV

After the departure of Chuck Peddle, Jack was uncertain if he had capable engineers to design his computers. These fears quickly dissipated when his East Coast engineers created the most successful Commodore product yet.

Unfortunately, the engineers felt strong dissatisfaction within Commodore. Bob Yannes still felt bitterness from the reneged bonus. "That was just something that stuck in everybody's craw," he says. "It was one of the points that helped me realize that being at Commodore wasn't likely to get me very far up the ladder of financial success."

Due to the success of the Commodore 64, the engineers expected a bonus for their work. Despite delivering an exceptional product, Jack was not happy with the engineering delays. "We were supposed to have it done in three months and it took us six," recalls Russell. "I don't even think any of us got a bonus for the C64 because it was late according to Jack."

No one needed a bonus more than Yannes. "My salary wasn't particularly high," he says. "They did give me a bonus for the VIC-20 concept, which was pretty nice, but I never got any kind of bonus for the Commodore 64 for all the extra work I put in. That was a little bit of a slap in the face."

Jack compensated Charles Winterble and Al Charpentier well, but they began wondering what to do after the C64 project. "We weren't dissatisfied," says Winterble. "Quite the contrary, we were all excited over the fact that now [the C64] was going to be sold, but our role was no longer as important as it was before. Our role was more like fixing production problems. Who wants to do that? We were a creative design team and we wanted to continue with the creative design stuff."

Both Winterble and especially Charpentier knew what they wanted to do next, but they no longer had the freedom they once enjoyed. "Jack wanted us to do a handheld CMOS computer," recalls Winterble. The engineers had no enthusiasm for the proposal. "There was nothing lined up that was going to be as exciting as what we were working on."

Charpentier's approach to engineering was fundamentally different from Jack's philosophy. "The real market to develop was the business

market," he says. "Jack always felt that low-end was more appealing. That's where he lived."

Charpentier approved of the low-end market, but he wanted to go after the high-end market where technological innovation occurred. However, Jack wanted an even cheaper computer like the Sinclair. "I wanted to take aim at Apple, but Jack saw it as a different market," says Charpentier. "He felt [a cheap computer] was going to be more appropriate. It was just a disagreement of where things should go." The disagreement between Jack and his engineers was eerily similar to the earlier disagreement with Chuck Peddle.

Charpentier put forward a plan for Commodore's next machine. "After the Commodore 64, my next proposal was a C80, if you will," reveals Charpentier. "A *Commodore 80* with 80 columns to compete head on with the Apple II. Jack Tramiel and I had many, many, many discussions on that."

As a video chip designer, Charpentier knew which features he wanted to add to the next VIC chip. "The next thing I was going to do was create variable sized sprite structures," he explains.

The Commodore 80 would be unable to connect to a standard television. "Since TV's can't do 80 columns, it would have had to have been a separate CRT monitor," says Charpentier. "It was going to use a higher speed floppy, an 80-column display, and up to 256K of RAM."

Charpentier would have attempted to make the computer backward compatible with the C64. "It probably would have been a sensible thing to do but it never got to see the light of day," he says.

Despite the recent success of his engineer's designs, Jack overruled him. "It was clear that Jack was going to be calling the shots," says Charpentier. "He did a reasonable job in his own company, but he didn't understand what was going to happen with the computer market. I knew that the [cheap computer] was the wrong choice. I tried to convince him otherwise, he didn't agree, and that was his shekels."

Charpentier believes Commodore was lacking top-level executives who knew about computers. "The only people that were computer users were the engineers and the geeks, and they weren't in management," he says.

Bob Yannes also felt management did not give the design team much respect for their past successes. "It was pretty clear that in the future, any products we did were going to be predefined for us by marketing," he says. "We wouldn't have any freedom to do what we wanted."

The worst insult to the engineers came in the midst of financial success for Commodore. With his yearly performance review approaching, Yannes expected a raise for his efforts on the C64. "They were having such an enormous growth in their earnings and stock value," he recalls.

"When we were to have our reviews and get our salary increases, they announced that salaries would be frozen."

It was too astonishing for the young engineer to believe. The explanation was even more astonishing. "If they paid us more money, it would weaken the curve of the profit growth of the company, and they didn't want the financial analysts to see the curve leveling off," explains Yannes. "They wanted to keep it looking like it was going up and up."

Yannes is unsure who decided to freeze their salaries. "I wouldn't be surprised if it came from Jack," he says, but given Irving Gould's past obsession with the stock price, it seems more likely it came from him. Whether it was Jack or Irving, the shortsighted attempt to help the stock undoubtedly weakened the long-term prospects of the company.

The financial success of Commodore was due in no small part to the efforts of their engineers. Now, because of their astonishing success, the engineers received financial punishment. It was intolerable. "We were supposed to understand that? 'Oh yeah, that's great! No problem,'" says Yannes. "That helped motivate me to leave."

When Charpentier called Yannes in for his review, he presented a new opportunity. Charpentier said, "Here's the bad news: your salary is frozen. Here's the good news: I'm starting another company. You want to come join me?"

Yannes was ready to accept. "I think we all realized we were instrumental in the Commodore 64," he says. "We were the marketing team and the design team and everything. We really didn't have any outside influence over us and it was pretty much a home run. So we felt, 'Why are we doing this for someone else?'"

Winterble initiated the plan to leave Commodore. "I had an idea for a product and I talked to Al," begins Winterble. "Al and I joked over wine about the million-dollar idea. We talked about what we could do in the way of a product that we could do independently [of Commodore]."

With the Atari VCS still popular in 1982, Winterble conceived of a new product to expand the system. "We had an idea to turn that into a computer, called *My First Computer*," explains Winterble. "It was essentially a membrane keyboard that fit into the VCS slot and we put Basic in a little ROM. For $29.95 instead of buying a ROM cartridge, you buy a little computer. It was a great idea."

Winterble brought his idea to Atari. "All we had was this vague idea," says Winterble. He presented his idea to Atari CEO Ray Kassar, who agreed to purchase the product for a million dollars. Atari would develop the software themselves.

Charpentier barely hesitated when he left Commodore. "Once Jack had said he wanted to do the [cheap computer], I said I'm out of here,"

recalls Charpentier. "I felt very good about our decision. Opportunities were presenting themselves and it was a pretty exciting time back then."

Bob Yannes found it difficult to leave Commodore. "I actually had a lot of angst in leaving," he says. "I enjoyed working there. It was a lot of fun." Yannes eventually decided his opportunities were greater with Charpentier and Winterble. "We were gone in late August, early September of 1982," he recalls.

To avoid the wrath of Jack Tramiel, the engineers made their escape while Jack was away on a business trip. "We intentionally did it when he was in Japan," recalls Winterble. "One of the concerns was whether they would beat up on Yannes. We figured, 'We need some breathing room. Let's do it without people being able to jump all over us.'"

Winterble attempted to recruit other Commodore engineers. "They asked me to go along with them," recalls Russell. He was willing to go along. "They basically got their million dollars if they got that thing done," he says.

As Russell recalls, the plan called for the engineers to develop the hardware while Atari would deliver the computer software. Russell realized there was little need for a software engineer like himself. "I would have gone with them if I thought they needed me," he says.

Reluctantly, Russell declined the offer to join their startup, saying, "I'll come join you sometime in the future. Let me know when you're doing software." Despite the promise, he never joined.

Russell felt devastated at losing contact with his best friend. "You've got to realize, Bob Yannes and me were really good friends," he says. "We'd go out for lunch together practically every day." In total, five of the six key members of the C64 project joined Winterble, including production engineers David Ziembicki and Bruce Crockett.

The sudden departure of Al Charpentier left many of the VIC-II chip features undocumented. "We knew that eventually we would want to get more of that [information] out, but we ended up leaving before I could write the definitive manual on how to do some of the tricks," he says.

The former Commodore engineers worked modestly at first. "After we got out we worked out of my basement and we worked with no money," says Winterble.

Soon after forming *Peripheral Visions*, the former Commodore engineers heard from Jack's lawyers. "Jack hears we're doing something and he wants to know what it is, and he sues us," recalls Winterble. "We've got papers coming in and it's like, 'Well, for what?' 'For stealing trade secrets.' 'Well, what exactly did we steal?'" The lawsuit did not even specify the supposed trade secrets. It was obvious Jack did not know anything about their project.

Winterble made an agreement with the Commodore lawyers to disclose the details of the project. "If we told him what we were working on, if it was not anything that Commodore was working on, they would drop the lawsuit," explains Winterble. "So we said cool. We told them what we were working on. He said, 'Sorry, that's my product. You can't have it. I'm going to sue you anyway.'"

The lawsuit made little sense to Winterble. "We didn't work on it at [Commodore] or anything like that," he says.

Although Jack may not have had legal justification to sue Winterble, he had good reasons to be angry. Winterble, who was one of Jack's trusted inner circle, quite obviously looted some of his best engineers from Commodore. Furthermore, the engineers went straight to their primary competitor, Atari. "There was a little revenge in there because he was mad, and I know he was mad about this," admits Winterble. "He was probably pissed at me because we executed this while he was not there."

The seemingly frivolous lawsuit disappointed Winterble. "We helped Commodore, and our reward is this?" he says. "It just hurt our feelings. I mean, you are allowed to leave a company! Slavery was outlawed long ago, so why should we be punished for something we had a right to do."

During meetings with their lawyers, Jack let his ex-Commodore engineers know exactly how he felt about them siding with Atari. "If you left, you were a traitor and Jack could be very vengeful even to the detriment of his company," says Yannes. "I have a vivid memory of him sitting across the discovery table from us and growling how 'this troika had betrayed him'. If I had still been employed by him, I would have been frightened, but it was almost comical. It reminded me of Nikita Khrushchev banging his shoe at the UN."

Robert Russell found himself in an awkward position, torn between his loyalty to Commodore and his former coworkers. "I heard that [Jack] wasn't happy and that there were some lawsuits they were trying to pursue," says Russell. "I kept my head down about that whole thing because they were personal friends of mine."

The case should have been simple to decide but in 1982, law courts were unfamiliar with technology issues. "If anyone was knowledgeable about technology it wouldn't have lasted a second," says Winterble. "In other words, if this had been filed out in California where you had people who were used to dealing with technology issues everyday, it was a non-issue. The difficulty was that we had to educate a court system and that's an expensive proposition for a couple of little guys."

Surprisingly, managers at Commodore helped Winterble prove that Commodore never had an Atari VCS computer project. "Their management, Elton Suthard and a few other people, said that's baloney,"

recalls Winterble. "We had their deposition saying this was never worked on. Their people were agreeing with us."

Commodore lawyers even tried to claim that the Atari VCS project was infringing on intellectual property merely because the keyboard contained a 6502 processor. "We designed a product that used the 6502 and Commodore owns the 6502, therefore we're infringing on them," laughs Winterble. "The 6502 is sold publicly to anyone who wants it. The data sheets are available to anyone in the world who wants to design with it. This is a good explanation that takes about five minutes; it takes three years in court."

Winterble eventually won, but it had the desired effect of slowing down Peripheral Visions. "By the time we educated the court system and worked our way through, it cost us about $300,000," he reveals.

Despite the harsh treatment from Jack Tramiel, the engineers still valued their time with the company. "I enjoyed it a lot," says Charpentier. "Jack was tough to work for but in the engineering area he really gave the engineers a lot of freedom to be creative. I had a lot of fun there."

Charpentier still values the lessons he learned from Jack. "He was a hard charging guy who I learned a lot from," he says. "I learned a lot of things not to do. I certainly wouldn't want to emulate the way he did some things but in terms of building a company, it was a good training ground for me."

Charles Winterble has equal praise for his former boss. "Even today, I look back at Jack Tramiel and I thank him," says Winterble. "I learned a lot from him. It's unfortunate the terms we separated weren't the best in the world, but it was a great experience."