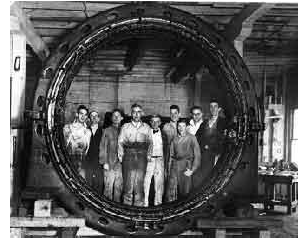




# “The Beginning”

By Jack Lawson



It was 1926. Thomas Edison was still working in his shop in Menlo Park; movies (still silent) featured Rudolph Valentino, Clara Bow, Charlie Chaplin, and William S. Hart; the country was driving the Model T and dancing the Charleston. The world was eight years past "The War to End All Wars", and Adolph Hitler was still only in charge of a small group of bullies and hoodlums. The tungsten filament lamp was still an innovation; "talkies" wouldn't be introduced for another year; and a young, vibrant nation was building a new world for itself using abundant, inexpensive power as electrification began its inexorable march across the American landscape. It was 1926, and four men came together to realize an idea; a vision that became a reality in Raleigh, NC, with the founding of Electrical Equipment Company.

Born in Albany, GA, in 1894, John Milton Cutliff had earned his bachelor's degree in electrical engineering at Georgia Tech and enjoyed a brief stint at General Electric plants in Schenectady and Philadelphia before joining the Army Signal Corps, serving in France beginning in 1918. Returning to GE at the end of the war, an intense entrepreneurial spirit led him to the Florida real estate boom (and bust) of the early 1920s. Soon, though, he found himself in North Carolina searching for a way to use his training and technical ability in the expanding electrical industry.

Obviously, a business needed capital to get started properly, and Mr. Cutliff's first contact was with a longtime friend he thought would help fill that requirement, Norwood Wilson of Hopewell, VA. The two of them discussed the formation of a partnership for the founding of a motor repair shop in Danville, VA; and Mr. Cutliff began looking for a suitable location there while Mr. Wilson, who had some government and other contacts in Virginia, began to investigate the business potential for their venture.

At the same time, Herman Eugene Wood and Daniel R. Ponton, Sr. were also discussing the possibility of opening a motor repair shop, probably somewhere in the Greensboro or High Point, NC, area where they were then living. Mr. Wood was born in 1889 in High Point. Contracting a severe case of measles at age 10, he was forced to leave school for a year and never returned, going to work instead at Staley's Silk Mill in High Point while still only 11 years old. Times were difficult for many hardworking people around the turn of the century, but this turn of events in young Master Wood's life served him well over the years. It was at Staley's that he was first introduced to the fascinating world of motors and machinery-how they operated and what made them run.

Dan Ponton was born in Nelson County, VA, in 1892 and later attended the Case School of Electrical Engineering in Detroit. By the time World War II broke out, Mr. Ponton had married his sweetheart. Interestingly enough, they had only seen each other three times. They first met on a train ride where she was accompanied by her mother and soon began a correspondence. A few months later their second meeting came when she was invited to meet Ponton's family in Virginia. Soon afterward, they were married. The young lady was Miss Bertha Wood; and her new husband and Herman C. Wood, her brother, soon became close friends. Eventually, they would become business partners.

When the United States found itself involuntarily embroiled in World War I, Mr. Wood wasn't accepted for service because of a lung problem, while Mr. Ponton missed seeing action in Europe because he had two children. Both families moved to Detroit where Mr. Wood worked in a munitions factory and Mr. Ponton worked in an automotive factory helping to build military trucks and tanks, both determined to do their part for the war effort.

After the war, both families returned to North Carolina. Mr. Wood attended night classes at State College in Raleigh, and he and Mr. Ponton began to dream about opening their own shop.

No one is absolutely sure just how these two men met Messrs. Cutliff and Wilson. Apparently, Messrs. Cutliff and Wood both worked for a time at Charlotte Electric (later Southern Electric) in Greensboro. Mr. Ponton was then working for Walker Electric and was, at the time they first put their plans together, installing elevators in the Jefferson Life Insurance Building in Greensboro. With his background in electrical engineering and Mr. Wilson's financial resources, Mr. Cutliff needed men with the practical experience and ability to run the shop operation. Mr. Wood and Mr. Ponton had strong experience in these areas but needed the knowledge and resources that were being made available through Mr. Cutliff and Mr. Wilson. Suffice it to say, then, that each realized that the combination of knowledge and skills they possessed made them stronger as a team than they would have been separately. Their vision was taking shape.

The search for an appropriate location in Danville proved to be in vain, however. Nothing could be found that was both suitable and affordable. Luckily, an expanded search turned up a good location in an unexpected place-Raleigh, NC. The chosen facility on West Davie Street was barely affordable, but the size was right and it was close to a railroad siding-particularly important in those days when rail was still the primary means for moving freight. Before the year was out, the founders had moved into the 408 West Davie Street facility with Raleigh telephone #21. Holding its first corporate directors meeting in November 1926, Carolina Electrical Equipment Company had begun.

In addition to motor repair and rewind services, a brochure printed at the time lists an entire inventory as fewer than 75 GE renewal parts line items plus a number of unspecified generators and 34 rebuilt motors, ranging from a 1/4 HP, 1200 rpm Wagner motor to a 150 HP, 600 rpm GE. By the end of the decade, facilities were occupied at 408-410 West Davie Street and emerging communications technology had required a telephone number change to four digits-3385. By this time the Company's first employee, Tyree T. Thomas, had been hired; and in 1927 he, too, became an officer and director.

Through the long hours and worries of a start-up venture such as this, these men made it work; and in spite of hard times, pay cuts and personal sacrifice, a tradition of customer service was founded with the Company. Coupled with the phenomenal growth of the electrical industry, enough success came their way to contemplate the exploitation of an untapped opportunity. The Company had found a good source of motor repair business in the tobacco industry, and the men realized that the tobacco processing companies in Richmond would be less affected by the economic hard times than virtually any other industry. In addition, Mr. Thomas had begun to develop some business in the paper mills in both Franklin and West Point, VA, both most easily accessible from Richmond. So, in spite of the crash of 1929 and the economic nightmare of the Great Depression, the Company, having been re-dubbed Electrical Equipment Company in May 1929, opened its second location on South Fifth Street in Richmond, VA, in 1930.

Mr. Wood, who moved his family to Richmond in June 1930, opened the Richmond Plant. He recognized the importance of his tobacco customers and was always sure to smoke the right brand of cigarettes when working on site at one of the tobacco processing plants. His daughter, Francis Wood Rogers, who now resides in Tappahannock, VA, remembers the years of hard work and dedication by her father, as well as some of the more unpleasant realities of Depression life in Virginia. "... The move was a traumatic one for my family, leaving the known to face the unknown. Because of hard times and the scarcity of jobs, people from North Carolina were not welcomed in Virginia. They were more often greeted with hostility and resentment... Even I, a [child], met it. There were children in the neighborhood whose parents would not allow them to play with me because I was from North Carolina... [But] the company was my father's dream child and its success was his goal, so it was an essential and important part of all our lives."

By 1931 Mr. Thomas, too, was in Richmond, working with Mr. Wood to make this new venture a success as assistant manager responsible for "Sales and correspondence." Mr. Wood continued working at his passion and ran

the Richmond shop. At this time two new men, H. I. Lamb and Thomas Ray Duncan, took advantage of an investment opportunity and joined the Company. By 1932 "Hi" Lamb had become a Richmond Outside Salesman and Mr. Duncan took over administrative duties in Raleigh, allowing both Mr. Cutliff and Howard B. Upton to handle sales in North Carolina. In 1935 Mr. Duncan opened a third plant for the Company at 624 Ellis Street in Augusta, GA.

The year 1935 brought additional change to the young company with another significant event. One of the founders and then President, Norwood Wilson, decided to leave the Company and was bought out by Mr. Cutliff. No one is sure why he left so early in the Company's life; but as a predominantly silent partner, his departure had little effect on the daily operation of the Company.

With Mr. Wood's tireless efforts in the shop and Mr. Thomas' sales success, it appears that the Richmond Plant soon saw sufficient growth to need new facilities. A fire at the Fifth Street location underscored this need; and by 1941, the Company was preparing to move into a new location a 9-13 West Main Street near the Jefferson Hotel. At this point, too, the corporate minutes show that "it was decided that every effort should be exerted to line up a manufacturer to represent on a jobber basis. In this connection it was suggested that some thought be given to the feasibility of forming a sales organization separate from the service part of the Company." The seed of Electrical Equipment Company's present form had been planted.

In 1941, too, with Mr. Upton the newly appointed Manager in Raleigh, the Company opted to purchase a lot on Hillsborough and Pogue Streets in Raleigh and erect a building on the site "not to exceed \$32,000 maximum complete." This facility was home to the Raleigh Plant until moving into its present facility in 1984. One of the special features of this new location was its use of fluorescent lamps. Having just been invented in 1938, very few businesses anywhere were then using this modern form of lighting. Travelers on U.S. Route 1 had to pass right by the Raleigh Plant, and it is said that many would stop at night and actually get out of their cars to have a look.

Technological innovations were not the Company's only area of leadership. In fact, by 1943 the Company entered into a position of innovation in its employee benefits plan with the adoption of a resolution to "work out" a pension plan. Upon adoption in 1946, this pension benefit, extended to all employees, became one of the earliest plans of its type. Also in 1946 the Company was saddened to lose Herman Wood, Corporate Vice President, Manager of the Richmond Shop and one of its Founding Directors, who passed away on August 8.

By 1951 the Company had grown dramatically and expansion was again under consideration. Approval was given to open a location in Laurinburg, NC; and Howard Upton and H.A. Gill, Jr. were charged with the responsibility for opening that new shop. Also in 1951 approval was given for the Augusta, GA, Plant to move into a new facility on Greene Street, where they were located until April, 2007. Rent on the 23,000-square-foot Augusta facility, occupied in 1953, was set at \$550 per month.

Also by 1954, the management system for the Company was basically set in place with a Manager and Assistant Manager in each of the early locations, maintaining a high degree of autonomy within their own jurisdiction while coordinating energies where appropriate through a President's overall leadership and joint participation in a Board of Directors. This independence was a source of strength for each "Operation" as the four divisions, based on the four original locations, were known. It encouraged consistency and unity where needed while allowing for quick response and the recognition of local market idiosyncrasies. The Management Team at that time, still including two of the original founders, was:

J. M. CUTLIFF	General Manager and President
D. R. PONTON	Vice President-Raleigh Shop Manager
H. B. UPTON	Manager, Raleigh and Laurinburg
W. T. BECTON	Assistant Manager, Raleigh
T. T. THOMAS	Manager, Richmond
J. R. SHEARON	Assistant Manager, Richmond

T. R. DUNCAN	Manager, Augusta
F. E. COOK	Assistant Manager, Augusta
H. A. GILL, JR.	Local Manager, Laurinburg

In December 1956, Mr. Cutliff presided over his last Directors Meeting as President and General Manager, passing away at Duke Hospital in early 1957 after 31 years of service to his company. At a meeting presided over by Mr. Ponton as Vice President and Chairman, it was decided that Mr. Cutliff would be succeeded as president by Tyree Thomas, long known as "the first employee of Electrical Equipment Company".

By 1963, with Dan Ponton's death, the founders were gone and the day-to-day management reigns had been picked up by the first of a growing group of managers who were not family members or descendants of the four original founders. These men continue to uphold the traditions of strong, controlled growth, fiscal responsibility and unparalleled service to our many loyal customers... a vision begun over 80 years ago... a vision that will prosper for many more years into our future.

Up until 2000 each Region handled virtually every business process at that level including all accounts payable, invoice processing, inventory control, credit/collections, etc. That year, however, began a transition to the current structure. In October 2004, the Regional structure was replaced by one focused on the five corporate departments and the Regions no longer exist as they did in the early days of the company. Today, the company is led by President and CEO, T. Jackson (Jack) Lawson. and three sales regions exist. The Northern Region holds the Rockwell Automation (Allen-Bradley) appointment, while the Central and Southern Regions represent other automation suppliers including Siemens.

The Company's President and CEO, T. Jackson (Jack) Lawson, started with the company in 1983 in an administrative management role. He served as Assistant Manager of the Virginia Region from 1991 - 1993 and became a Director and Corporate Assistant Vice President in January 1992. He became Corporate Vice President in January 1993, and Manager of the Virginia Region upon Richard Hedgepeth's retirement at the end of Fiscal Year 1993. He was elected President in January, 2001. His office is located in Richmond, VA.