

Cray keeps computer world in dark on new firm SRC

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Seymour Cray was never a man to take no for an answer.

Last month, the 70-year-old announced he was back in business with SRC Computers Inc., barely a year after Cray Computer Corp. was liquidated to pay off creditors.

What Cray — who last night remained in critical and unstable condition after a car accident in Colorado Springs Sunday — intended is somewhat of a mystery. About all that's known about the new company is that it has five employees. Calls to the company yesterday were not returned.

Cray suffered head, neck and chest injuries in the accident and remained in the intensive-care unit last night at Penrose Hospital, spokeswoman Kate Brewster said. Cray's dark green Jeep Cherokee rolled three times at about 3 p.m. Sunday after it was struck by another car as Cray attempted to merge with the southbound flow of traffic on Interstate 25 from northbound Academy Boulevard.

Just what SRC Computers — based in Colorado Springs, as was Cray Computer — makes is up for grabs. Cray said in an interview last month, "We think we'll build



Cray

computers, but who knows what kind or how."

It was a pretty spectacular comeback for a man whose life's work had gone down in bankruptcy and liquidation just a year

ago.

Cray Computer Corp., the company Seymour Cray founded in Colorado Springs in 1989, filed for Chapter 11 bankruptcy in March 1995 after it failed to raise \$20 million from outside investors. Four months later, the board voted to liquidate its assets to pay \$18 million owed to creditors.

It effectively ended the dream of building an ever-faster supercomputer. Despite spending more than \$300 million on research and devel-

CRAY CHRONOLOGY

- **1972:** Seymour Cray launches Cray Research Inc. in Eagan, Minn.
- **1976:** Eagan is credited with inventing the first supercomputer. Throughout the 1980s, Cray supercomputers help the Defense Department create sophisticated weapons systems and save the oil industry millions of dollars.
- **November 1989:** Cray leaves Cray Research to found Cray Computer Corp. in Colorado Springs. Cray Research invests about \$92.6 million in the new company, which will investigate ways to build computers using super-fast gallium arsenide chips.
- **December 1991:** Lawrence Livermore National Laboratory cancels a \$30 million contract with Cray Computer for a Cray-3 after the computer fails to pass benchmark tests. Cray's stock plummets, and employees of Cray and Livermore are later charged with insider trading.
- **May 1993:** The first Cray-3 supercomputer finally becomes operational, and is installed at the National Center for Atmospheric Research in Boulder. NCAR doesn't pay for the machine.
- **June 1994:** Faced with imminent bankruptcy, Cray gets a \$17.5 million loan from Congress Financial Corp. enabling it to continue operating. The loan is secured by a senior interest on all of Cray's assets, which are valued at \$24.7 million.
- **February 1995:** Cray reports losses of \$37.6 million in 1994, down from \$47.9 million in 1993. Cray also says it expects founder Seymour Cray and other top executives to be charged with insider trading concerning stock transactions made between September 1990 and January 1992.
- **March 1995:** Cray Computer files for Chapter 11 bankruptcy and fires most of its 300 employees.
- **July 1995:** Cray Computer's board votes to liquidate the company to pay its creditors. Quantum Corp. and M/A Com Inc. lease its 168,000 square feet of manufacturing space, generating \$8.79 million over two years to repay creditors.
- **August 1996:** Seymour Cray announces he's back in business with SRC Computers Inc., but he won't say exactly what the company will produce.

found a buyer for its super-fast computer, the Cray-3.

Supercomputers — computers based on extraordinarily powerful chips capable of performing hundreds of millions of tasks every second — were products of the Cold War, and Seymour Cray built more than one company around the technology.

The first, Control Data Corp., was founded in 1957, but Cray moved on when it became too large and launched Cray Research Inc. in 1972 in Eagan, Minn. It is credited with inventing the first supercomputer in 1976.

Cray Research was synonymous with supercomputing in the 1980s, with the Cray-1 and Cray-2 supercomputers, machines that helped the Defense Department create sophisticated weapons systems and saved the oil industry millions of dollars in drilling expenses by building geographic models that predicted mineral deposits.

Cray Computer was spun off from the parent in 1989 specifically to develop the Cray-3 supercomputer, based on super-fast gallium arsenide chips. It was billed as the world's fastest computer, capable of 16 billion calculations a second, but the company never found a buyer for one of the computers.

The end of the Cold War didn't kill supercomputers, although the ready flow of cash for machines that cost upward of \$30 million slowed to a dribble. Advances in computing technology also was a problem, in particular the advent of parallel processing, which parcels out calculations to hundreds or even thousands of slower but far less expensive computer chips.

The shift to parallel processing left more than one company in its wake.

And in February of this year, Cray Research sold most of its shares to Silicon Graphics Inc.