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Detroit entrepreneur Moses Shepherd goes bust to boom with fuel supply, real estate

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Courtesy

Moses Shepherd is founder and CEO of Ace Petroleum

ACE PETROLEUM: Behind a nondescript cinder block and steel façade off McNichols Road on Detroit's west side, **Moses Shepherd, founder and CEO of Ace Petroleum**, squints at an old prison music catalog.

The plush private office, complete with a steam room and cigar lounge, is almost blinding with white marble floors and fancy fixtures throughout. Jazz music plays from speakers in the ceiling as Shepherd, 55, leans back in his leather chair.

"I try to run a stress-free environment in my office," he said. "I don't like anybody to be stressed about anything that goes on around here, you know. Everything that happens, it happens for a reason."

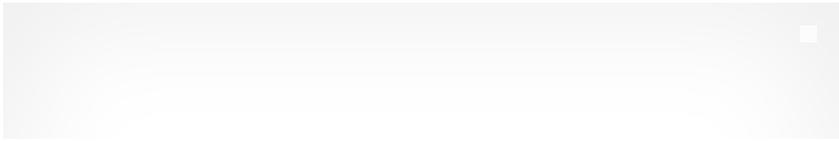
That's been Shepherd's mantra all along the roller-coaster journey of starting a successful business on his own, losing it all and building it back up even stronger.

At 19 years old, Shepherd took a job at a Sunoco gas station in Detroit and became a manager. He eventually launched The Music Company Inc., which supplied music cassettes and CDs to gas stations, before bringing the model to prisons in Michigan and throughout the country.

It was a successful business that collapsed with a bad investment. The failure taught him how to be better, and he would go on to amass a real estate portfolio of more than 1,000 rental units in the city and start one of the nation's largest minority-owned fuel suppliers. With a pipeline of new contracts, the \$20 million per year company is on pace to hit \$150 million in revenue in three years, Shepherd said.

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How did you get started as an entrepreneur?

I was born and raised in Detroit. Graduated from Western High School in Detroit. I grew up in the 12th and Clairmount area right there. So, I went to work for a company as a manager of a (Sunoco) convenience store on the east side of Detroit, and I was 19 years old, and I ended up becoming a manager. I ran the stores, made all of the stores profitable. I had about eight stores that I ran. And, you know, I just tried to learn as much as I possibly could. I worked 12 hours a day, six days a week for a salary of \$375. But it really wasn't the money at all, it was about what they taught me, so eventually I could write my own paycheck.

How long did you do that?

I did that for three years, and then I ended up leaving, and I started my own company. I started a music distribution company where I was supplying music to gas stations across the city, which ended up going, actually, nationwide. Quite a few convenience stores. I supplied all of the stores on the Ohio Turnpike with music. So, I grew that business into a pretty profitable business. During that time, I decided to expand my business. I had three record stores — one in Pontiac, one in Detroit and one in Inkster. So, as the market turned, I decided to shutter the stores, and I had an idea to start selling music and electronics to prison inmates. And I started with one prison in 1996, and by 2000, I was supplying 3,500 prisons across the country. ... So, this was my product that I had manufactured in China and shipped over here. And they were transparent, so the inmate couldn't hide any contraband.

What happened to the music business?

I had this business up and running, and it was going very well, OK. There was a guy that copied my display for the gas stations. When he did that, I was upset. Now that was 10 years prior. So, by the time I got enough money, I wanted to basically go and try to put this guy out of business for what he did. OK, being vindictive. A smart businessman should never be vindictive. Shrewd, but not vindictive. So, I had a million dollars of my own money, and I decided to hold off on this prison business where it was extremely profitable and get back into the rack distribution business where I made maybe \$1 a unit, where I was making \$10 of profit on a CD. OK, so it goes to show where my mindset was, right ... And when I did that, I went out of business. It was a flop. So, I lost that business, and I lost the prison distribution business.

So after losing everything, how'd you climb out of that hole?

My investment was gone, so I'm sitting at my house — my house was in foreclosure — and I couldn't afford to do anything. So, what I did was, I started reading real estate books. I couldn't buy the books, so I had to sit in the bookstore and read the books. My credit was marginal enough to be able to buy a house and fix it up. OK, so my books told me that I can buy this house for \$50,000. My book said (list) the house for \$65,000, and I can pull \$15,000 back at the closing. I started buying more houses, and then I ended up with a couple hundred houses over in between the University District, Bagley and Grandmont-Rosedale Park, OK. I had so many houses that I actually controlled what the rents were. As 2008 came, when the market tanked, I started buying the entire neighborhood. So anytime a house went on the market I would buy it ... and I decided to, you know, continue to buy.

How did you come full circle back into the fuel business?

Well, you know, I try to always recognize lucrative opportunities, and I understand the fuel business, and I have some good people in the field I used to work for. The Atlas Oil family, they've been great friends. I launched Ace Petroleum in 2017... So, when I started Ace Petroleum, I knew that it would be a success because there's a need for minority fuel suppliers — you really don't have any. We're a local fuel supplier with a national footprint. I supply Cassens (Transport Co.). That was my first account. ... We had the [contract last year with the city of Detroit](#), which actually picked up a lot

of momentum for us, but then COVID hit, so it kind of shut down any kind of negotiations with anyone. I did sign NDAs (non-disclosure agreements), so there's a lot I can't say about new business.

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