



# INTERCOM

A Magazine for Memorex Employees  
Vol. 10 No. 10/December 1973  
U.S. Edition

Happy Holidays

THE COMPUTER HISTORY MUSEUM



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**\$1 Billion In Damages Asked**

# Memorex Files Complaints Against IBM Charging Antitrust Violations; Request Damages And Relief

Memorex Corporation and several of its subsidiaries filed complaints in U. S. District Court in San Francisco against International Business Machines Corporation.

The complaints claim respective damages, before tripling as required by antitrust laws, in the amount of \$750 million for Memorex Corporation, \$100 million for ILC Peripherals Leasing Corporation, and \$200 million for the foreign subsidiaries.

The complaints charge violations of the antitrust laws by IBM, including a monopoly of the market for peripheral products for use with IBM computers. In addition to claiming facts of violation similar to those found to be unlawful in the decision against IBM in

litigation brought by Telex, the three Memorex complaints charge a longstanding course of anticompetitive conduct by IBM, including harassment and marketing practices in domestic and international markets designed to eliminate competition by Memorex and its subsidiaries, IBM's actions to impair Memorex's ability to acquire capital, an unlawful patent cross-licensing agreement which IBM forced Memorex to execute in 1969, and an unlawful California state court action brought by IBM in 1970 for alleged misappropriation of trade secrets which IBM and Memorex settled in 1972 with prejudice against IBM's claims and without any payment of damages by either party.

In a separate claim for relief, the complaints charge that IBM has monopolized the market for leases of computer peripheral products through the use of nonpayment standard form lease agreements. The complaints charge that IBM's monopolistic position and resultant monopolist profits have enabled IBM to impose as the industry standard the IBM form of nonpayout lease under which IBM assumes the risks of ownership and the risks of financing the computer peripheral products after acquisition by the user. To compete against IBM, its competitors must utilize the same form of lease. Given this market structure, Memorex ILC, and other competitors to IBM have been severely damaged, and virtually excluded from the market for leases, by reason of IBM's predatory practices designed to foreclose Memorex and ILC from capital sources which they require to utilize the IBM standard form of nonpayout leases.

## Year-end Message To Employees From President Laurence Spitters

This is the traditional season to look back at the past year's experiences and to regenerate our spirit and capacity to meet the challenges of the coming year.

Nineteen hundred and seventy-three was dismaying in many respects, but especially so for Memorex people. In common with others we suffered the anguish of war in the Mid-East, pernicious inflation in our national economy, and a disheartening scene of arrogance in politics and government. In our work at Memorex, we suffered the disappointment of terminating plans for our computer product for which we could obtain no capital, the distress of a required scale-back of other operations in mid-year, and protracted difficulty in securing our capitalization and the credit which finances our operations.

Yet in the wake of these problems, 1973 draws to a close on an optimistic note. We have negotiated new credit agreements which provide Memorex with needed capital

to continue growth of revenues, we have stabilized operations, and our business and our organization are again prospective as we anticipate in 1974 a return to profit.

Looking about our business all of us must be impressed that Memorex deserves its reputation for mettle and talent, as our products are known for quality and our service for excellence. Tempered by our 1973 experiences, Memorex's organization is the foundation of our competitive strength. Most other organizations, I sincerely believe, would not have endured and surmounted the problems which we have now placed behind us and from which experiences we now draw confidence.

I am thankful to all of you who have been a part of these experiences for your unselfish efforts and steadfast dedication.

To you and your families I wish the happiest of Christmas seasons and the best of good things in a peaceful and prosperous New Year.



Sincerely,

*Laurence L. Spitters*

Laurence L. Spitters  
President

## INTERCOM

Editor: William D. Bellou



### On The Cover:

The beauty of the Christmas season is represented on this month's cover with a winter scene of Lake Tahoe, Nevada. May peace be with you and your family throughout the Holiday season and New Year.

## Conservation Is Everyone's Business

# Company Steps-up Energy Saving Program In Response To Fuel Crisis

The Memorex Facilities Group has stepped-up its Energy Conservation Program in response to the current fuel crisis. The program was initiated to reduce the Company's energy requirements when Memorex was faced with an electrical power rate increase by the City of Santa Clara last June.

According to Facilities Manager **Steve Dunn**, 24 air-conditioning units have already been modified to provide a savings of approximately 1.5 million kilowatt hours of electrical power and 150,000 cubic feet of natural gas annually. In addition, an improvement in production and scheduling methods at the Tape Plant is now providing a substantial utility savings. These energy saving measures took place before the current energy shortage.

The seriousness of the energy crisis is being felt by all industrial users in the City of Santa Clara, as electrical power supplies may be cut back by 22 percent as a result of a November 13th proposal by the California Public Utilities Commission requesting a reduction in usage by 10 percent below the 1972 period. (In 1973, Santa Clara increased its electrical power consumption by 12 percent.)

Now, the Facilities Group is working hard to further reduce our energy requirements to avoid power blackouts which could be imposed on Memorex and other industries. Hopefully, these blackouts can be avoided by industries and households alike by taking immediate action to curtail the waste of energy.

"The most immediate actions taken to reduce our energy consumption at Memorex has been the turning off of lights where it is safe and possible to do so," said Dunn. "At the San Tomas complex alone, we have permanently turned off more than 270 kilowatts of lighting and by turning off lights at night and weekends we have saved a total of 380,000 kilowatt-hours per month, which is about 10% of the total power consumed by the complex. This reduction is equivalent to the power consumed by 700 average homes per month," said Dunn.

There have been some problems in turning off the lights as our newer buildings were designed to leave lights on constantly to reduce maintenance costs. A major problem is that the majority of areas do not have wall switches and the main control panels are not always readily accessible. Another problem is that the janitors are working in

the buildings until approximately 2:30 AM. In order to set up a system to turn the lights off it is necessary for the janitorial contractor to change his entire method of operations.

Other actions to conserve energy at Memorex will include the lowering of all water heater thermostats by at least 40 degrees; more air conditioning units will be modified for high efficiency; 50 cycle generators used for testing will only be turned on during a prescheduled period; and portable heater units will be permitted only in certain areas of the Company. These energy reducing measures are just a beginning to our on-going conservation program, as other actions will be necessary. INTERCOM welcomes suggestions from employees on ways to further reduce our uses of energy. Please address them to INTERCOM, M/S 12-33.

**What we can do to conserve energy at home**  
Everyone can help in the conservation of energy by simply eliminating wasteful habits, some of which are listed below. The most important thing is to look at every device that produces heat or cold as an energy pig.

### In the electric kitchen:

1. Do not put frozen food in a pre-heated oven (unless specifically directed by a packager). This wastes tremendous amounts of electricity. Always thaw the food first at room temperature.



Memorex is reducing its consumption of electrical energy by turning off lights such as this hall-way at the San Tomas Complex.

2. Try to turn off stove burners before the food is completely cooked—there will be enough residual heat to finish the job.
3. Never put hot foods in the refrigerator.
4. Don't open the refrigerator door just for a shopping tour. Decide what you want and then immediately close the door.



**Steve Dunn**

### Throughout the rest of your home:

1. Turn your thermostat down to approximately 68 degrees. If you feel cool, wear a sweater or long sleeve shirt.
2. Close all curtains to prevent heat loss through the windows in the winter and heat penetration in the summer.
3. Keep vents (fireplaces, kitchen hoods, etc.) closed when not in use.
4. Insulate long-run heating ducts and hot water pipes. When possible, insulate your house and weatherstrip the doors.

It also takes a lot of energy to pump water into your home and heat it, so:

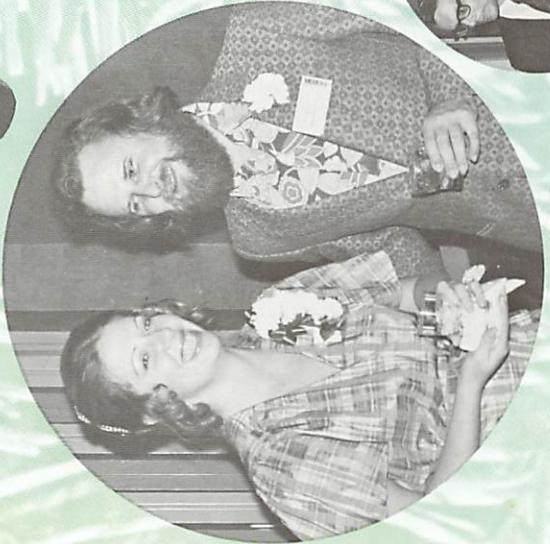
5. Don't spend any more time than necessary in the shower.
6. Don't waste water brushing your teeth. (A running tap will waste at least a gallon or more.)
7. Don't use the washer or dryer (clothes and dishes) unless you have a full load. It takes as much energy to wash one item as it does to do a full load.

### Your car:

1. Reduce your driving speed to a maximum of 55 miles per hour.
2. Always keep your engine properly tuned.
3. Keep your tires properly inflated.
4. Turn off your air conditioning and other add-ons that consume engine horsepower.

## MAG Christmas Dances Celebrate Holiday Season

Christmas dinner dances, a children's Christmas party and other festivities marked this year's Holiday Season for Memorex families. Here are some scenes from the Memorex Activities Group (MAG) Christmas Dance held at the Cabana Hyatt House in Palo Alto.





# Personnel: The Organization Which Helps Serve The Needs Of Employees

**Editor's Note:** This article is the second in a continuing series describing the Company's organizations and their contributions to the success of the "Memorex Team Effort." Each of these reports will describe the responsibilities and day-to-day activities of a particular organization, and how it contributes to the goals of the Company.

The Memorex organization which works to serve the needs and provide for the well-being of all employees is Corporate Personnel, directed by **John Pew**. This organization's members believe that the Company's most important asset is its people, and they support Memorex people through programs dealing with benefits, compensation, employee relations, manpower development and training, employment, and employee counseling. Personnel's overall objective is to perform these functions in an equitable, timely, and consistent manner. Assisting the director in administrative and secretarial duties is **Sharon Jacobs**.

Managing personnel activities at Memorex Drive is **Mary Burton**, who is assisted by **June Casey**, Personnel Assistant, and **Sandy Boothe**, Personnel Specialist. This department's team is responsible for the consistent application of corporate personnel policies for Memorex Drive employees and departments. Principal services provided are employee relations,

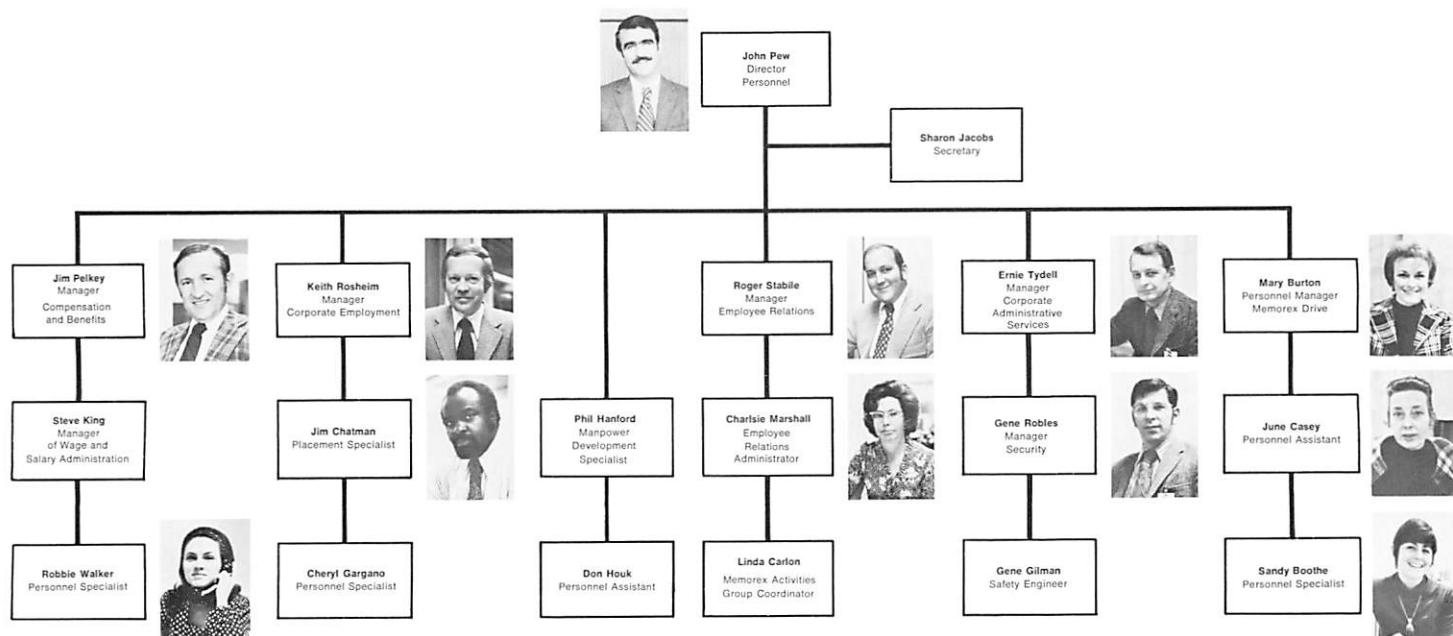
compensation, and benefits administration. The employee relations activity includes both personal and job counseling, policy interpretation, and benefits assistance. The Memorex Drive Personnel Office, which is open from 7:00 a.m. to 5:30 p.m., also provides M.A.G. information and tickets to employees.

The department which carries out our recruiting and employment programs for all Memorex Santa Clara operations is Corporate Employment, managed by **Keith Rosheim**. Keith is assisted by **Jim Chatman**, Placement Specialist, and **Cheryl Gargano**, Personnel Specialist. Other key activities of this department are administration of our job-bidding, Equal Employment Opportunity (EEO) and Affirmative Action Programs.

Heading the Compensation and Benefits Department, which is responsible for giving guidance to managers concerning salary offers and increases, is **Jim Pelkey**. Department members **Connie Russell** and **Dennis Krakow**, Compensation Analysts, and **Steve King**, Manager of Wage and Salary Administration, assist in job evaluations. Group insurance claims for the San Tomas people are handled by **Robbie Walker**, and Company-wide personnel files and records are maintained by **Paula Clingan**, **Debbie Merritt**, and **Diane Jackson**. A computerized personnel system and statistical reporting is provided by **Ann Elder**, Statistical Clerk.

The Employee Relations Department, managed by **Roger Stabile**, is responsible for employee relations activities at the San Tomas Complex. Employee Relations Administrator **Charlsie Marshall** provides management and employee counseling on personnel policies, open door interviews, unemployment insurance, and exit interviews. She also counsels managers on disciplinary actions. **Linda Carlon**, Memorex Activities Group (MAG) Coordinator, advises the MAG Board and coordinates their activities, and also administers the Input/Output Program and is chairman of the Memorex Red Cross Blood Drives and United Fund Campaigns. Assisting Linda in MAG functions is **Kathleen Campbell**, a senior at Fresno State College in Recreation Administration. **Connie Clark** assists the department in secretarial duties, bulletin board posting, coordinating Memorex flower donations, and the service award program.

Helping individual employees improve job performance and enhance career advancement is the job of the Manpower Development Department. Staff members **Phil Hanford** and **Don Houk** consult management on training needs, design and implement development programs and advise on appropriate external programs. The staff offers valuable assistance to all Memorex employees through career and educational counseling, the administration of the Educational Reimbursement Program, and



information concerning class offerings by local schools. Manpower Development also assists line managers in developing on-the-job training (OJT) programs, as well as technical education courses offered at night for Memorex employees.

The Corporate Administrative Services Department, headed by **Ernie Tydell**, provides employees with our essential Medical, Safety, Security and Food Services Programs. Ernie is assisted administratively by **Pat Welch**.

Nurses **Rose Grady** at Memorex Drive and **Adele Muzzio** at San Tomas administer the plant dispensaries. They provide health care and first aid treatment for industrial

and non-industrial related injuries and illnesses, and establish programs for a healthful work environment for all employees. They are also available to counsel employees on medical matters.

Safety engineer **Gene Gilman** implements an on-going program for safe, healthful working conditions. The department also promotes safety awareness, and ensures that operating practices are pursued in a safe manner. Gene also ensures that the Company adheres to Occupational Safety and Health Administration (OSHA) requirements.

The security staff, managed by **Gene Robles**, is comprised of both Memorex employees

and contract guard personnel. The department is responsible for the protection of Company assets, including buildings, equipment, products, trade secrets and all employees. **Jerline Scheibli** assists Gene with administrative duties.

Responsibility for administration of food services is with **Kathy Still**, who also administers the corporate records retention program. Kathy ensures that the cafeteria and vending machine services are maintained at the highest possible level, and works with our vendor in resolving specific problems brought to her attention by employees. **Betty Dent** assists Kathy at Memorex Drive.

## Becker Named CMX Director

**Stanley Becker** has been appointed director of product development for CMX Systems, announced **Richard Boucher**, General Manager of the Memorex-CBS company which makes and markets computer-controlled video tape editing systems.

From 1971 until he joined CMX, Becker was director of engineering—rotary recording products, Echo Sciences Corporation of Mountain View, California.

Previous to that, he was manager of the magnetic head laboratory of Ampex Corporation in Redwood City, California, and earlier, field engineer in search and tracking radar recording systems for Bell Laboratories at the White Sands Missile Range, New Mexico.

He was graduated as an electrical engineer from Rensselaer Polytechnic Institute (Troy, New York) in 1957 and is presently doing studies toward a graduate degree in economics at the University of California at San Jose.

## Promotions

**Thomas Altergott** to Engineering Specialist  
**James Barlow** to Department Technician-Fabrication Test  
**Nancy Barry** to Material Clerk  
**Ernestine Bernal** to Inprocess Inspector C  
**Betty Binford** to Personnel Specialist  
**Roy Chadwick** to Manager Technical I  
**Paul Christensen** to Supervisor Maintenance  
**Paula Clingan** to Personnel Clerk A  
**Ralph (Pat) Coan** to Manager Accounting  
**James Cowley** to Dept. Manager PCB Initial Test  
**Gary Cramer** to Senior Production Control Analyst  
**Wayne Davis** to Associate Production Test Technician  
**Jay Degraff** to Electronic Technician A  
**Marilyn Depaoli** to PCB System Operator  
**Robert Dunn, Jr.** to Manager-Technical I  
**Billy Emmett** to Electronic Technician B

**Allyn Farmer** to Technical Associate  
**Joan Fereira** to Accounting Specialist B  
**Arthur Fluter** to Associate Buyer  
**Fred Geraghty** to Associate Buyer  
**Eldon Gilchrist** to Material Planner  
**Richard Hale** to Production Center Expediter/Dispatcher  
**Patricia Hammond** to Senior Keypunch Operator  
**John Heise** to Technical Associate  
**Keith Herzog** to Engineering Change Analyst  
**Eugene Hurtig** to Production Center Expediter/Dispatcher  
**Michael Indihar** to Electronic Technician A  
**Stephen King** to Manager Data Processing Services & Technical Support  
**Richard Kline** to Field Support Specialist  
**Gregory Kolb** to Associate Buyer  
**William Libbey** to Engineer II-Electronic  
**Joseph Machutes** to Production Control Specialist  
**Emerita Manguiat** to Associate Accountant  
**John Massara** to Receiving Inspector B  
**Yvonne McCreight** to Production Center Expediter/Dispatcher

**John Murphy** to Department Manager Terminal Final Test  
**Keiko Nichols** to Inprocess Inspector C  
**William Noud** to Buyer Assistant  
**Patricia Noyes** to Inprocess Inspection  
**Joanne Olsen** to Systems Analyst  
**Daniel Orlando** to Production Center Expediter/Dispatcher  
**Michael Price** to Production Control Analyst  
**David Reeck** to Engineer II-Mechanical  
**Sharon Rondone** to Inprocess Inspector C  
**Robert Roszkowski** to Engineer I-Quality Control  
**Robert Staley** to Associate Fabrication Specialist  
**Ronald Terry** to Production Control Analyst  
**Irving Tupe** to Field Support Specialist  
**Rita Veitch** to Department Technician-Comdata  
**Lavernal Walton, Jr.** to Associate Fabrication Specialist  
**John Whitehead** to  
**Richard Wisz** to Production Center Expediter/Dispatcher  
**George Wong** to Field Support Specialist

# INTERCOM

MEMOREX CORPORATION  
SAN TOMAS AT CENTRAL EXPRESSWAY  
SANTA CLARA, CA 95052

## First Class Mail

### News In Brief

#### New 1270 Panel Tester Provides Cost Savings

A newly developed Back Panel Continuity Tester for the 1270 Terminal Control Unit, designed and built by **John Mickelson** and **Herb Shaver** of the Test Engineering Department, is providing a savings of approximately 10 man hours per machine in final test. This reduction in test time has resulted in a smoother flowing operation and a significant cost savings.

#### Werning Named New COM Product Manager

**Joseph Werning** has been named Product Manager for Computer-Output-Microfilm (COM) products, announced **Robert Stender**, Director of Product Management. Werning has been a key person in the COM Engineering Development Program, and he recently served as a member of the Media Products Group Facility Utilization Task Force. He joined Memorex in 1969.

#### Warren King Becomes New General Manager For Business Products

**Warren King** has assumed the general management responsibility of the Business Products Division, announced **Philippe Yaconelli**, Vice President for Media Marketing. King replaces Bruce Colegrove who has resigned in order to pursue other interests. "Warren's background in personnel management, operations planning, and recruiting and training makes him a valuable asset to Business Products and Memorex," said Yaconelli. King's most current position has been staff member to Paul Nappe, Director of Operations and Planning for Media Products. He joined Memorex in 1970.

#### Safety Committee Members Meet Monthly To Ensure A Safe Work Environment

Both the Memorex Drive and San Tomas Complexes now have three safety committees which include Workman's, Supervisor's and General Safety, to maintain a safe work environment. These committees meet every month to tour our plants, develop Company-wide policies, and provide follow-up action at their respective sites. A safety committee member can easily be identified by a green cross printed on their badge. If you have any safety question or suggestion, contact a safety committee member in your area, or call **Gene Gilman**, Ext. 7-3157.

#### Cost Estimates For 1974 Products Being Prepared By Cost Analysis Dept.

As we near the end of another year and look back on our product activities, there is a department at Memorex which is involved in looking to the future. The department, Product Cost Analysis, is presently finishing the cost estimates for the recently announced Double Density Disc Storage Unit (Memorex 3675), as well as preparing cost estimates for yet to be announced products.

#### Quality Assurance Starts New Program To Improve Product Cost And Quality

Quality Assurance has started a new procedure to investigate field complaints on units being replaced in the field. With the assistance of Field Support, machines will be returned to the factory for a thorough testing and evaluation by Quality Assurance. From the findings of this testing, corrective action programs will be developed so that product quality and cost can be further improved.

#### Green Named Director Of Product Support

**Marv Green** has been appointed Director of Product Support for Equipment Operations, announced E. Douglas Larson, Vice President and General Manager. Green has held the positions of Director of Systems Development, and most recently Staff Assistant to William Bridge, General Manager of Communications Development. He joined Memorex in 1969.

#### Test Equipment Now Available At San Tomas For Short Term Issue

A Test Equipment Pool at the San Tomas site is now operational, providing a variety of equipment such as power supplies, pulse and junction generators, oscilloscopes, microscopes, some mechanical gauges, etc., on short term issue (maximum 30 days). A complete listing of equipment will be published shortly. Call the Calibration Lab, Ext. 7-1262 (7:30 a.m.-4:00 p.m.) for more information.

#### Employees Celebrate Fifth Anniversaries

The following employees have marked their fifth anniversary with Memorex. These employees will receive five year awards in recognition of their contributions to the Company.

Jeannette B. Dann  
Rita A. Foglia  
Charles E. White  
David P. Berry  
Richard D. Lepori  
Leon W. Pickard  
Frank R. Toledo  
Sieglinde J. Zappel  
Sandra L. Neumann  
Gordon J. Barnard  
William C. Britton  
Ryan G. Curtis  
Edward Yslava  
Donald M. Campbell  
Armand L. Paradis  
Edith E. Rezentes  
Joseph A. Southorn  
Kenneth D. Abbott  
Pauline Ramirez