



**Sales Conference
Sparks Media Group**

MEMOREX

Memorex--Singer Company Discussing Possible Investment Arrangement

The following statement was released to the press on Friday, July 6.

Memorex has announced that it is engaged in discussions with the Singer Company for Singer to invest \$15 million in exchange for equity securities which would have a majority vote and provide Singer with the right to obtain a majority of Memorex's common stock.

The success of these discussions is contingent, among other things, upon making certain arrangements with creditors which would lead to conversion of some portion of Memorex's senior debt to Memorex preferred stock and the adjustment of principal and interest payments, as well as other conditions, including completion of an investigation and approval by both boards of directors and Memorex's shareholders.

The proposed transaction would constitute an investment by Singer rather than an acquisition of Memorex's business, or a merger, and would not involve any assumption of Memorex's debt by Singer.

Memorex also announced that it has reached a decision to discontinue its computer systems products program, which discontinuance will involve a write-off of assets estimated at \$40 million. Additionally, as part of a mid-year audit, Memorex may revalue certain other leasing business assets which could result in mid-year write-offs estimated at \$10 million.

As a part of the contemplated financial restructuring, Memorex will also review its deferral accounting policy to determine whether it should terminate deferral accounting for research and development cost and lease acquisition cost, and charge such costs to revenues as incurred. If a decision were taken to terminate deferral accounting, an additional write-off estimated at \$35 million would be required.

In the event the discussions with Singer are successful, the Bank of America, Memorex's principal bank, has agreed that it will convert a portion of its Memorex debt to preferred stock, and a similar request is

also being considered by creditors of ILC Peripherals Leasing Corporation, a computer equipment leasing subsidiary of Memorex, and other Memorex bank lenders.

These conversions of senior debt together with the \$15 million Singer investment would, despite the write-offs described above, result in a positive tangible net worth for Memorex; however, until these transactions are completed or until other additions to equity are made, Memorex will have a negative net worth. The negotiations also involve a contemplated exchange offering to Memorex convertible debenture holders of other Memorex securities.

In the event of the successful conclusion of the above negotiations the Bank of America has agreed to provide on-going credit to finance Memorex operations. Pending completion of the Singer negotiations, Memorex has made interim arrangements with its lenders; including the Bank of America, to finance continuing operations.

Certificates Presented To Graduates Of New Management Training Program

Certificates of completion were recently presented to **Al Hernandez** and **Clyde Williford**, the first Memorex graduates of the new Supervision and Management Program at West Valley College. The program is designed to provide a study program which helps equip men and women for management responsibilities, according to **Phil Hanford**, management development specialist.

"The courses, which include communication, group dynamics, leadership, functions of management, and interpersonal effectiveness, makes the management development program one of the best in the Bay Area," said Hanford.

"Through the certificate program, employees can improve their qualifications for promotion to supervision, or improve their super-

visory performance if they already hold such positions," said Hanford. "The program centers on first level management responsibility of managing human resources."

Supervision and Management courses are conducted at numerous colleges and universities and at the Memorex Education Center located on Memorex Drive during evening hours and on Saturdays.

INTERCOM

Editor: William D. Bellou



On The Cover:

Phil Yaconelli (l), Vice President of Media Marketing and **Gary Fisher**, National Sales Manager for Computer Media, discuss the new Media marketing program with salesmen during the Memorex Computer Media National Sales Conference. (See story on page 4.)

Memorex Granted Patent For 3670 Airflow Control System

Memorex has recently been granted a patent on the unique Airflow Control System, which is incorporated in Memorex 3670 Disc Storage Modules.

The 3670 is compatible with the IBM 3330, but features significant improvements in reliability and serviceability over IBM equivalents, as well as superior performance.

The Airflow Control System insures clean filtered air flow throughout the disc and head areas. At the heart of the new Airflow Control System is the Self-Actuating Air Baffle, a comb-like device located within the pack cavity of the 3670. This device allows utilization of the spinning disc pack to "pump" filtered air throughout the drive, thus totally eliminating the need for additional fans or motors to provide the filtered air.

Retracted by spring tension along the pack shroud when not in use, the baffle is automatically deployed by aerodynamic lift when the pack reaches a predetermined speed. This baffle deployment is one of the several interlocks which must be satisfied before the heads are extended into position for reading or writing.

According to **Howell Lowe**, 3670 project manager, Mechanical Engineering, the Memorex Airflow Control System has several advantages over any competitive disc system:

"In keeping with the design philosophy of the 3670, the Self-Actuating Air Baffle greatly simplifies the Air Flow Control Sys-

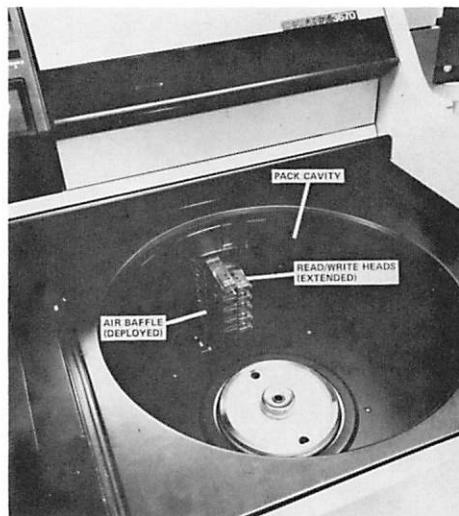
tem as compared to conventional design practice. Since there is less chance of failure, the design is inherently much more reliable."

"Deployment of the baffle gives an extremely reliable indication of pack up-speed. Failures, such as a broken drive belt, are detected and the heads retracted long before any possibility of damage."

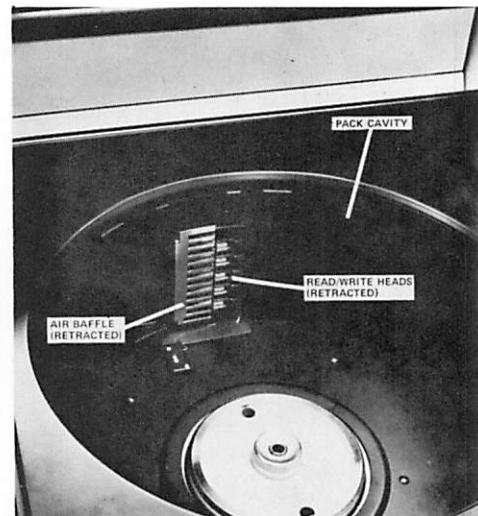
"In addition, the baffle assures for the first time, a positive flow of filtered air over the heads, adding further to the reliability of the 3670."

All 3670 Systems shipped since initial deliveries started in October 1972, have incorporated the new Airflow Control System. Field performance of the system has shown it to be effective and trouble-free.

"The Self-Actuating Air Baffle is a direct result of Memorex's dedication to providing products with superior reliability," said Lowe. "It is especially gratifying that the design is significantly less costly to produce, which helps us provide important cost savings to the customer."



The self-actuating air baffle, the comb-like device shown extended in the photo at left, allows utilization of the spinning disc pack to pump filtered air throughout the drive, eliminating the need for additional fans or



motors to circulate air. Retracted by spring tension when not in use (photo at right), the baffle is automatically deployed by aerodynamic lift when the pack reaches a pre-determined speed.

Sperry-Univac To Manufacture And Use Memorex Disc Files In Its Products

Memorex has sold a non-exclusive license to Sperry-Univac to manufacture Memorex's Model 651 and 652 Flexible Disc Files for use in Sperry-Univac's products. The Flexible Disc File is a compact, direct access device that reads and writes data on Flexible Disc Cartridges.

Univac will buy the 651 and 652 on an OEM basis until Univac begins production, ac-

cording to **Keith Plant**, director of marketing programs. "Under the agreement, Univac cannot OEM the discs to anyone else," said Plant.

"Univac purchased the option to manufacture," Plant said, "but has kept the rights to buy our finished products. We currently have evaluation units out at Univac's Bluebell, PA, and Salt Lake City plants," said

Plant, "and they will probably be manufactured there."

Memorex began to deliver the 651 Flexible Disc File to the OEM marketplace in July, 1972, and "the company has enjoyed excellent market reception," said Plant. He said many customers are integrating these units into data entry devices, mini computer systems, word processing units, programmable calculators and intelligent terminals.

Drive To Make Memorex No. 1 In Media Sales Kicked Off At National Conference

Memorex Media salesmen had a shattering experience when they attended the first Memorex Computer Media National Sales Conference held recently at the Cabana Hyatt House in Palo Alto, California.

The theme of the meeting was a "Shattering Experience" during which media salesmen were motivated by special speakers including Coach John Wooden, Head Basketball Coach for UCLA, the Reverend Bob Richards of Olympic fame, and Dr. Gunther Klaus, Professor of Business Management, UCLA.

Philippe Yaconelli, vice president of marketing, presented the Media salesmen a new marketing program. "Memorex is going to shatter a few myths about competitive claims and warranties for disk packs and computer tape," stated Yaconelli. "In doing so, we're going to shatter the competition," he said. "We're going to shatter for all time any lingering doubts about the leadership of Memorex in the media field."

Lifetime Warranty for Premium Computer Tape and Disc Packs

Media salesmen expressed much enthusiasm when a lifetime warranty for Quantum/L Computer tape and Mark X/L Disc Packs was presented by respective product managers **Bill Borman** and **Hal Sowle**.

The lifetime warranty, which accompanies the purchase of Memorex's premium computer tape and disc pack products, warrants them free of all defects in workmanship and material for the lives of the products in the normal use and service for which they are intended.

If a reel or pack is even suspected of a manufacturing defect by the customer it can be returned to Memorex for inspection. And should a defect be found, regardless how insignificant, Memorex will repair or replace the reel or pack without charge.

Library Management System Announced

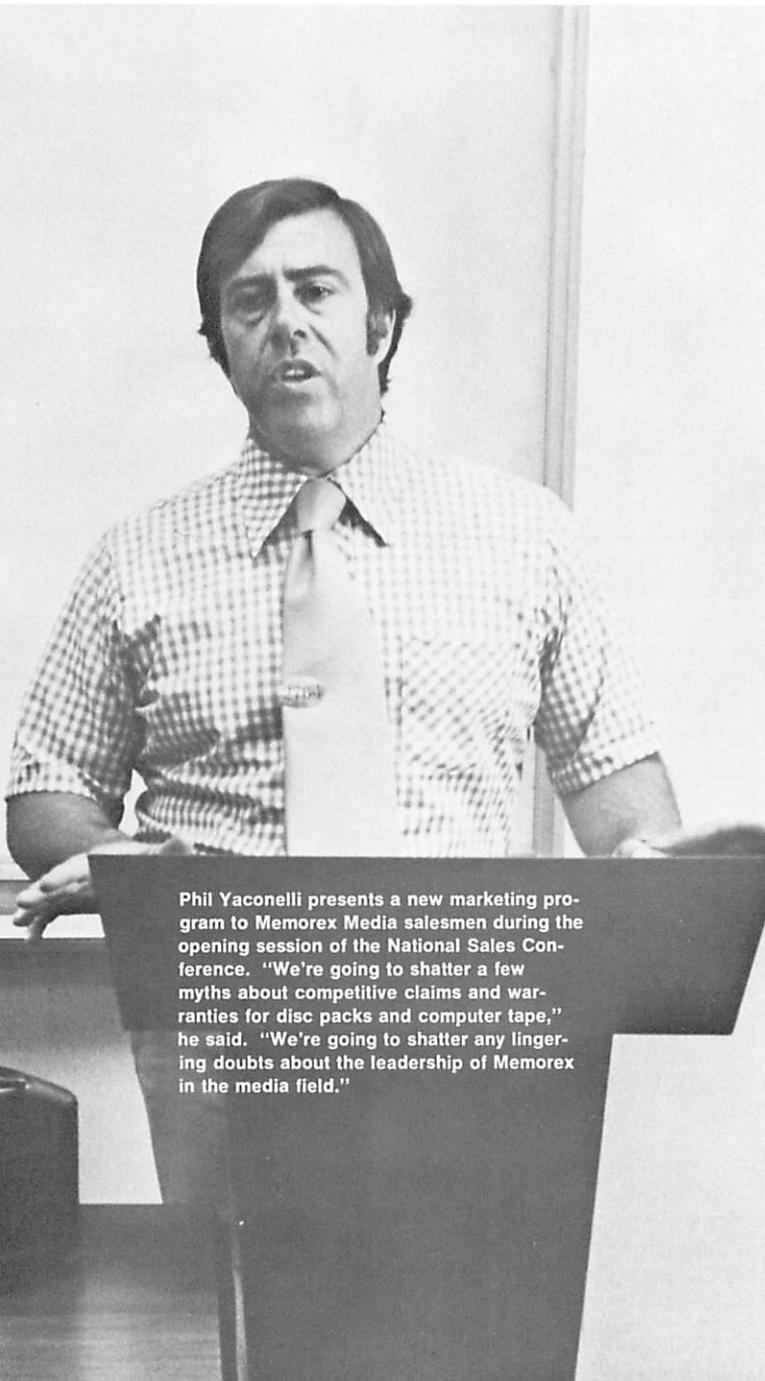
A computer tape library management system which will be given free of cost to customers who agree to order a year's supply of tapes and disc packs from Memorex, was also announced at the National Sales Meeting.

The system is designed especially for customers in the 300 to 10,000 reel category to automate their computer media libraries, making it easier to manage and increasing the libraries' usefulness to data processing operations.

"This software package offering reflects Memorex's marketing philosophy of not only selling the highest quality products, but also to provide the kinds of customer support services that significantly assist the data processing manager to perform his job more effectively and efficiently," said Yaconelli. "This incentive will lead to greater customer satisfaction and their continued reliance on Memorex media."

Media Resumes Advertising

The salesmen were also introduced to a new advertising campaign built around the theme that Memorex is out to shatter a few myths about media products. Media ads will appear in every other issue of Computerworld Magazine from now until November 8, 1973, announced **Robert Murray**, manager of advertising and promotion.



Phil Yaconelli presents a new marketing program to Memorex Media salesmen during the opening session of the National Sales Conference. "We're going to shatter a few myths about competitive claims and warranties for disk packs and computer tape," he said. "We're going to shatter any lingering doubts about the leadership of Memorex in the media field."

Record Terminal Orders Reported

"Computerworld was selected as our advertising medium because the magazine is respected in the computer industry; it has a large readership of data processing managers; and it provides good market penetration," explained Murray.

Although the Media group has not advertised in the past two years, the Consumer Products Division has had an extensive and very successful advertising campaign, "Reproduction So True It Can Shatter Glass". "We decided to capitalize on CPD's

concept, and came up with the idea of a 'Shattering Experience,'" said Murray. "The new ad will act as a spring board for our entire computer media promotion campaign."

Also announced at the National Sales Meeting were the awards for the top salesmen and area managers, a new incentive plan, and Computer Media's new marketing organization. Activities also included numerous workshops, tests, discussions, and a banquet dinner, to mention a few.

Memorex's communication terminal orders during the last three months have exceeded total terminals sold during 1971 and 1972, according to **Frank Kirchhoff**, terminal product sales manager. "The motor freight industry and a large insurance company have accounted for the heavy terminal order increase," said Kirchhoff.

The motor freight industry is faced with a change in tariff regulations which requires them to use a new communication network, thus increasing their communication costs. "IBM 2740 II terminals were used primarily by the carriers, but with new tariff requirements they are primarily switching to Memorex terminals because of greater speed and cost savings," Kirchhoff explained.



John Pingree, director of marketing computer media (l), and Gary Fisher, national sales manager of computer media, display Memorex's Quantum/L Computer Tape and Mark X/L Disc Pack. Both products carry

written warranties to the original purchasers that they are free of all defects in workmanship and material during the lives of the products in normal use and service.



Discussing the substantial increases in Memorex Communication Terminal orders during the last three months are (l to r) Dave Schenk, communication terminal test manager and Frank Kirchhoff, terminal product sales manager.

"Only eight IBM terminals can be utilized on one line," said Kirchhoff, "compared with an average of 15 Memorex terminals. Because more Memorex terminals can be accommodated on a single line, carriers can substantially reduce their communication costs. One large IBM user, for example, estimates he could realize an annual savings of approximately 500,000 dollars by switching to Memorex terminals."

A major insurance company has also contributed to the large increase in terminal orders. The company is currently utilizing Memorex 1280 Cassette Terminals in its automobile insurance application with the new Information Management System (IMS).

The insurance company chose the 1280 to replace NOVAR cassette terminal previously installed. "The 1280's speed, editing capabilities, and price were major factors in the customer's selection of Memorex terminals," said Kirchhoff.

News In Brief

New 652 Flexible Disc File Well Received At N.Y. Computer Conference

The new Memorex 652 Flexible Disc File was well received at the National Computer Conference held last month in New York. The 652, which is compatible with the IBM 3740 system, will be available to customers in the fourth quarter of 1973.

John Pew Becomes New Director Of Personnel

John Pew has been promoted to Director of Director of Personnel, replacing **Bob Bidinger**, who has resigned. Pew has been on leave of absence from Memorex since August of last year to participate in the President's Executive Interchange Program in Washington D.C., in which executives from business are employed by the government to effect business efficiency and practices in government organizations.

In Washington, Pew managed government-wide studies for improving the efficiency and effectiveness of federal-computer systems. He first joined Memorex in 1970 and has had a number of important responsibilities in planning and finance.

Mitchell Named Director Of Manufacturing Planning

D. Tom Mitchell has been appointed Director of Manufacturing Planning. Mitchell will be responsible for Central Inventory Control, Product Cost Analysis, Manufacturing Planning and Satellite Administration/Distribution. He joined the company in 1970.

Manildi Takes Charge Of Engineering For Terminal Production

Bruce Manildi has been appointed manager of all Product Engineering activities relating to 1240, 1250 and 1280 Terminal production. Manildi's group, which is a part of the Systems Development Division, will provide engineering support to both the factory and field.

Two Tech Support Pubs To Be Updated This Year

Two Tech Support publications are currently being updated for distribution to the Field later this year. A revised 1270 Maintenance Manual will be released during the third quarter, and Fault Isolation Diagrams for the 1280 terminal will be distributed in August.

Gardner Named Director Eng. Current Programs For Storage Development

Tom Gardner has been named Director of Engineering Current Programs for Storage Development, it was announced by **Jack Clemens**, General Manager of Storage Systems Development.

Annual Comdata Picnic Slated For August 11

Comdata's annual MAG picnic will be held August 11 at the Flying "B" Ranch in Orange County. Activities will include volleyball, baseball, swimming, horseback riding and plenty of food and drink will be served. Last year more than 250 Comdata employees attended the annual event.

Lloyd Appointed Manager Storage/Controller Test

Robert E. Lloyd has been appointed manager of Test for Storage/Controller Manufacturing. Lloyd has had more than 17 years experience in the computer industry, including a broad range of assignments in Field Support and Development. He joined Memorex in 1969.

Memorex COM System Purchased By U.S. Strategic Comm. Command

A Memorex 1600 Computer-Output-Microfilm System has been purchased by the Strategic Communications Command located in the Pentagon Telecommunications Center, Washington, D. C. The System is equipped with a special feature designed by the Memorex Custom Systems Department, which provides a Federal Standard Code for Information Interchange Character Set on the 1603 Microfilm Printer. The printer provides a log of more than 25,000 incoming and outgoing messages per day from the Pentagon.

Promotions

Rosemary Adams to Sub-assembler
Janet Bandoli to N/C Machine Operator
Nancy Barry to PCB System Operator
Wendy Bergren to Associate Asset Control Analyst
Linda Carlon to Employee Activity Coordinator
Gerald Cayton to Department Technician, Assembly
Kazuko Cochran to Sub-assembler
Joe DeLuca to Corporate Safety Manager
Nilda Elliott to Graphic Artist Trainee
Suzanne Galinski to Buyer
Kathleen Garcia to Accounting Specialist B
Vera Ghenov to Sub-assembler
Nancy Gothier to Secretary B
Karl Hageman to Manager, System Design Group
Robert Halberstadt to Territory Supervisor
Gertrude Higgins to Sub-assembler
Nancy Jafferies to Electronic Technician B
Patricia Jones to Inprocess Inspector C
Ronald Laney to Mechanical Technician C
Diana Lewis to Associate Buyer
Thomas Maloney to Territory Supervisor
Michael Marshall to Territory Supervisor
Justin Mastrangelo to Field Support Branch Manager
Rafael Morales to Chemical Technician B
John Murphy to Department Technician, Fabrication/Testing
Douglas Nelson to Electronic Technician B
Shirley Nixon to Senior Sub-assembler
Sally Palacio to Product Control Clerk A
Heather Pfleg to Associate Buyer
Barbara Poreda to Warehouseman C
Sylvia Raffetto to Secretary A
Cynthia Rapoport to Senior Sub-assembler
Leroy Richards to Supervisor, Finishing Operations
Oscar Rico to Senior Mechanical Technician
Spencer Rott to Chemical Technician B
Wayne Rundle to Supervisor, Technical Process
Betty Sanchez to Slitter Operator B
Andrew Santiago to Supervisor, Technical Process
Kathleen Schmidt to Order Correspondent B
Frank Toledo to Chemical Technician B
Gaspar Torres to Chemical Technician B
George Turner to Field Support Engineer
Anthony Van Gestel to Test Operations Inspector B
Robert Witkowski to Territory Supervisor
Eileen Woody to Sub-assembler
Sharon Young to N/C Machine Operator

Memorex Introduces New 652 Flexible Disc File

Memorex is now accepting orders for its new 652 Flexible Disc File, a direct access unit, which reads and writes data on media compatible IBM Diskettes.

The marketplace for the 652 is the original equipment manufacturer of data entry devices who have a requirement for a disc file capable of media interchangeability with the IBM 3740 Data Entry System. Delivery is scheduled to begin in October.

In addition to IBM compatibility, the 652 Flexible Disc File offers data handling simplicity, minimum maintainability and significantly improved reliability than is now

possible with tape cassettes or cartridges, according to **Keith Plant**, director of marketing programs.

Memorex, through its previously introduced 651, is the largest independent OEM supplier of flexible disc files and the only manufacturer of both disc files and its media.

Especially designed for digital applications, the 652 can write and read discs interchangeably from unit to unit at a transfer rate of 250 kilobits per second. Data can be formatted in either sector or index mode at users option to conform to a specific

data format. The 652 has 77 tracks with a maximum capacity unformatted of 41 kilobits per track and 3.1 megabits.

The 652's fast positioning time of 100 milliseconds with 10 ms settle time, and its 83 ms average latency time, results in increased data throughput. The IBM Diskette life is expected to be increased by virtue of the proprietary read/write head, which has been developed specifically by Memorex for its Flexible Disc File.

The 652 will be available in preproduction quantities in late 1973. Full production of the new device begins next January.

Four Field Support Branch Offices Receive Awards

Extra Measure Awards have recently been presented to four Field Support Branch Offices: Buffalo, Cleveland, Minneapolis and Omaha. The award is presented to offices on the basis of efficiency, productivity, expenses, and parts usage during six months of competition, according to **Nancy Crippen**, Field Support Administration specialist.

"Each Branch member receives a 200 dollar gift certificate and an Extra Measure tie tack. In addition, each branch office receives the Extra Measure Award Plaque," said Mrs. Crippen.

The six month Extra Effort competition gives the Field Support Reps the opportunity to improve the efficiency of the office by comparing monthly competition standings and through monthly reports. "Many branch offices throughout the U. S. have improved in numerous areas over the past two years through the Extra Effort Award Program," said Crippen. "It's a very positive program."

Branch winners include:

Buffalo: Justin Mastrangelo, James Holody, Richard Kline, Walter Kluga, Ernest Politte, Paul Streit, Robert Umberger, Brian Burnett, Lancelot Smith, and Lynn Leier, Regional Manager.

Minneapolis/Omaha: Warren Maertens, Tom Maloney, Ernest Van Gilder, Al Wolter, Harold Bliss, Steve Huffman, Donald Hill, Gerry Huddleston, Michael Welch, Jerry Horn, Robert Wentworth, Ralph Kraning, and Don Snider, Regional Manager.

Cleveland: Dave Sherman, Frank Bellan, Jim Dershem, Joe Kaulfersch, Joe Kenik, Jack Lockhart, John Schneck, Jerry Stutzman, Jim Walter, Paul Gaddy, Victor Bunt, and Doug Speed, Regional Manager.

The Minneapolis Branch Office displays their Extra Measure Award. Attending the award ceremonies are (l to r) Mike Welch, Erwin Van Gilder, Harold Bliss, Warren Maertens, Don Snider, Tom Maloney, Al Wolter, and Steve Huffman.



(center)

Omaha Branch members receive their Extra Measure Award. Attending the ceremonies are (l to r) Ralph Kraning, Warren Maertens, Bob Wentworth, Jerry Horn and Don Snider.



(below)

Buffalo Branch Office members and guests enjoy their Extra Measure Award Dinner.



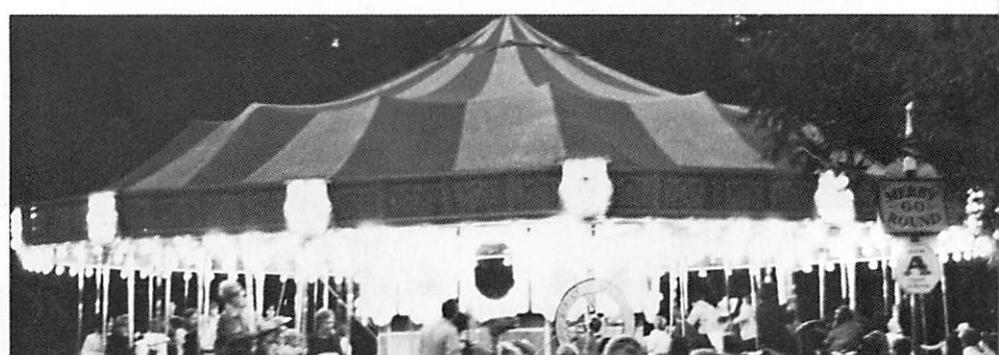
INTERCOM

MEMOREX CORPORATION

SAN TOMAS AT CENTRAL EXPRESSWAY

SANTA CLARA, CA 95052

First Class Mail



Approximately 6,000 Memorex Santa Clara employees and their families attended the annual MAG sponsored Family Day Picnic, which was held last month at Frontier Village. Memorex had exclusive use of the

park from 6:30 p.m. to midnight on Saturday, June 23. Among the many activities were volleyball, softball, horseshoes, bingo, Harold's Club Casino and Auction.