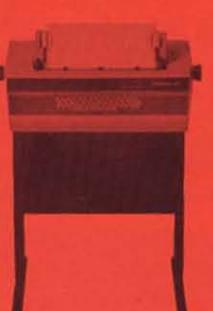
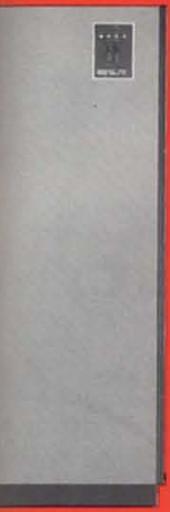


Memorex 1270
Terminal Control Unit



Memorex

Current Trends In Profit Sharing

Recently many of you received your Profit Sharing Quarterly Statement for the period ended June 30. The statement indicated a large decline in the asset value of the portfolio held by the Profit Sharing Trust during the second quarter of 1970.

The answer to many questions regarding this decline during the months of April, May and June can be found in the condition of the economy, as well as indications of future prospects and developments.

It is true that security prices have become more depressed than in any other time since World War II. This is a direct result of uncertainty and pessimism about the economic and social conditions including unemployment, inflation, declining corporate profits, an unpopular Southeast Asian war, and domestic social unrest. These factors distorted investor perspective and stock valuation methods which had been employed throughout the previous ten years.

While problems obviously remain, stock market analysts predict an outlook for a healthy and growing economy. The implications of this brighter outlook, according to the same analysts, are quite positive for investment for three principle reasons:

- the eighteen month declines of more than 35% of the Dow Jones Industrials and broader-based market averages have amply discounted the current recession and its impacts on corporate profit.
- if the stock market adheres to historical precedence, it might be expected to lead the rebound in industrial production and corporate profits by at least several months.
- an inflationary economy, fueled by the demands of a war effort, will be replaced by more soundly based growth that should be conducive to a higher level of investor confidence.

At this time, even though there has been some recovery in stock values from the lows of May-June, it is difficult to predict the stock market trend for the next twelve months. The Profit Sharing Plan Executive Committee, upon advice from its investment advisor, has decided that until a trend can be established, a substantial portion of the Trust assets will continue to be invested in commercial paper which are obligations of large financial and industrial organizations paying high interest rates.

The author of this article, Russ Martin, joined the company in June as profit sharing communications administrator. Russ is a graduate of the University of San Francisco, and has recently served three years as an Army officer.

Trade Show Exhibit Honored

A Memorex exhibit ranked in the top ten at the Spring Joint Computer Conference in May, according to an independent survey firm.

The American Federation of Information Processing Societies (AFIPS), which sponsored the Atlantic City, New Jersey, trade show, distributed the audience survey.

There were 300 exhibits, and Memorex was eighth among the ten most remembered by people who attended the show. Also in the top ten were Digital Equipment (most re-

membered), AT&T, IBM, RCA, Hewlett-Packard, Viatron, Sanders, Honeywell and Eastman Kodak.

A major attraction at the Memorex booth was the 1240 Communication Terminal, making its public debut. Memorex received more than 600 inquiries for further information about the terminal from potential customers and other interested individuals who visited our display. Peter Locasio, the company's exhibit manager, says a total of 1500 product inquiries were received during the three-day convention.

INTERCOM

An official publication for employees of Memorex Corporation, 1180 Shulman Ave., Santa Clara, Calif. 95050

Editor: Gary Williams

ABOUT THE COVER:

The new Memorex 1270 Terminal Control Unit, shown on the cover and on page 4, handles the flow of information between a computer and up to 96 remote communication terminals. This month's cover was designed by Jim Bond to depict the relationship between the 1270 and the terminals it supports. Jim is a technical specialist in the Equipment Group.



INPUT/OUTPUT is an anonymous channel for employee questions, comments, complaints, or suggestions. INPUT/OUTPUT forms and locked boxes in which to put them are located throughout Memorex. Forms are collected by the program administrator, who is the only person ever to see the names of employees who submit INPUT/OUTPUTs. Answers are mailed to employees' homes, and questions of general interest are selected for publication, unless the author requests otherwise.

Has any thought been given to the publication of a secretarial manual to assist one in going about what should be the most routine office procedures?

Yes, we plan to complete and distribute a secretarial manual before the end of this year. The story you tell in your letter well points up the need.

Why can't we have a new U. S. flag on Shulman Avenue? The present flag is faded and torn.

Your interest in the condition of our U. S. flag is appreciated. Thank you for notifying us of its sad condition. A replacement flag has been ordered, and will be raised as soon as it is received. A sufficient number of these replacement flags have been ordered so that we will avoid having a faded, torn, or soiled flag.

Why doesn't Memorex have a cashier at the Shulman site so we can cash checks for our personal use?

Memorex presently has a policy of not cashing personal checks from any petty cash fund. The prime reasons are:

1. We would have to keep a large amount of cash on hand in several locations during all three shifts, creating security problems.
2. Checks returned because of banking errors would create paperwork problems which have no relationship to the normal company operations.

Does Memorex plan employment opportunities for technicians and engineers in any state other than California?

There is the possibility that at some time in the future, as our company grows, we will have plants located in states other than California. We do not have such plans at present, except for our new subsidiary, Midwest Systems Corporation, in Minneapolis, Minnesota.

We have made a sizeable investment in the Santa Clara area, in large part because many of our employees prefer to live and work here.

When, if ever, will Memorex consider an employee's longevity to increase pay for service over a certain time?

We anticipate that pay increases for Memorex employees will always primarily be based upon merit. Indirectly, longevity is a factor, since length of time on the job often correlates both with increased competence in the job, as well as with increased preparation for promotion to a higher level job.

Longevity is a direct factor in determining vacation entitlement at Memorex. It is also a direct factor in determining the extent of an employee's vesting privileges in our Profit Sharing and Savings and Investment Plans.

Has there ever been a MAG-sponsored trip to Lake Tahoe? Will there be any trips planned during 1970?

There never has been a MAG-sponsored trip to Lake Tahoe; however, there was a sponsored trip to Reno a few years ago.

We have requested that a travel agency look into the possibilities of ski trips during the fall of the year, as well as a trip to the state line sometime during 1970. Information will be forthcoming through **Update** when plans are complete.

What is a "Trade Show"? Does Memorex participate in any? If so, why?

A "Trade Show" is a business show, not open to the public, where the attendees are affiliated with a particular trade or sponsor-

ing organization. It is a place where products are displayed; where the buyer and seller meet; where these products can be demonstrated and closely examined; where questions can be answered. Such shows are important aids for marketing, advertising, business relations, recruitment and presenting the corporate image.

Memorex deals with the American Federation of Information Processing Societies (AFIPS), which is comprised of twelve societies totaling over 100,000 members from the computer industry. AFIPS sponsors two conferences (Trade Shows) yearly which include exhibits. The Fall Joint Computer Conference usually is held in the Western portion of the United States and the Spring Joint Computer Conference usually is held in the Eastern portion of the United States. Memorex is represented at both shows, and we also participate in other industry-related shows.

Are any additional programs being researched to combat the ever-increasing problem of pollution?

As indicated in your question, Memorex does comply with all air pollution regulations. Although any material which is emitted into the air can be considered a pollutant, the Bay Area Air Pollution Control Board (BAAAPCB) has formulated specific regulations based on these chemicals and solvents which contribute to our smog problem and to our particular matter. These regulations limit the amount of smog-causing solvent emissions. As mentioned by the BAAAPCB, Memorex is well within the allowable limits on its solvent emissions and fully complies with all air pollution regulations.

We have started engineering, and will begin construction this summer on a plant to recover solvent from our manufacturing processes. This should be completed in early 1971. Besides recovering solvent, it will eliminate the possibility of any odors being dispersed into the atmosphere.

The solvent recovery plant will consist of a partial solvent removal from air streams from our processes, for subsequent recovery in distillation columns. The air stream with remaining solvents will then be burned to eliminate all traces of odor.

Another Product Added To Expanding Line Of Memorex Equipment

A new product was demonstrated for the Equipment Group sales force on the opening night of last month's Equipment Group national sales conference in San Francisco.

The salesmen didn't know it at the time, but the 1240 Communication Terminal being used in the City was working with a new 1270 Terminal Control Unit, attached to a computer in Santa Clara. The 1270 wasn't announced to the sales force or the public until the following morning.

Together, the 1240 and 1270 make up the 1200 Communications System. Control units are sometimes called "buffers," because they are positioned between the terminals and a computer. Information typed on a terminal travels over the telephone lines and into a control unit. The control unit then feeds the information into the computer, as the computer is able to process it. Data sent back to the terminal by the computer also is routed through the control unit.

Our basic control unit (the 1270) handles from 8 to 32 terminals (1240s), but it can be equipped to handle as many as 96. It can support any terminal which uses the standard information transmission code (ASCII) and which operates at speeds of 10 to 120 characters per second. It can also support IBM synchronous terminals which operate at speeds up to 600-800 characters per second.

The terminal was designed by Information Printing Systems Corporation (IPSC), and the control unit was developed by Communication Products Corporation (CPC). Both are Equipment Group companies, reporting to the same general manager, Don Reichel.

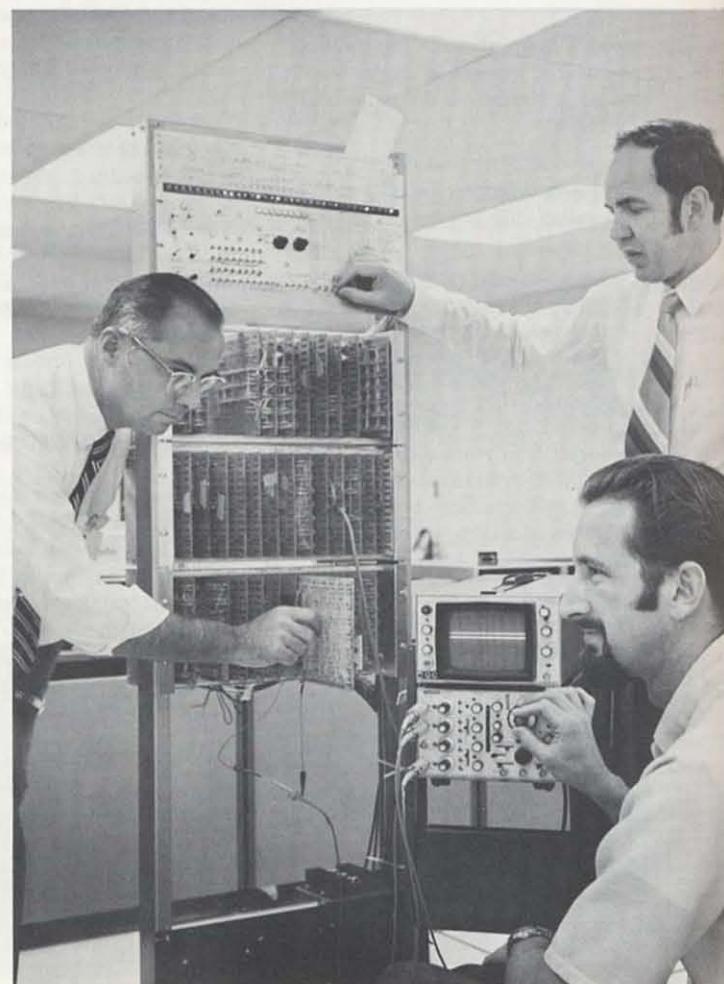
Stewart Rawson, director of Engineering for CPC, explains that our terminal can now be used to its full advantage on IBM Systems with the addition of the 1270 control unit. "Memorex" terminals can be used with IBM control units, but they are limited to their slowest transmission speed, 10 characters per second. This is because IBM uses a different transmission code for communicating with terminals at higher speeds."

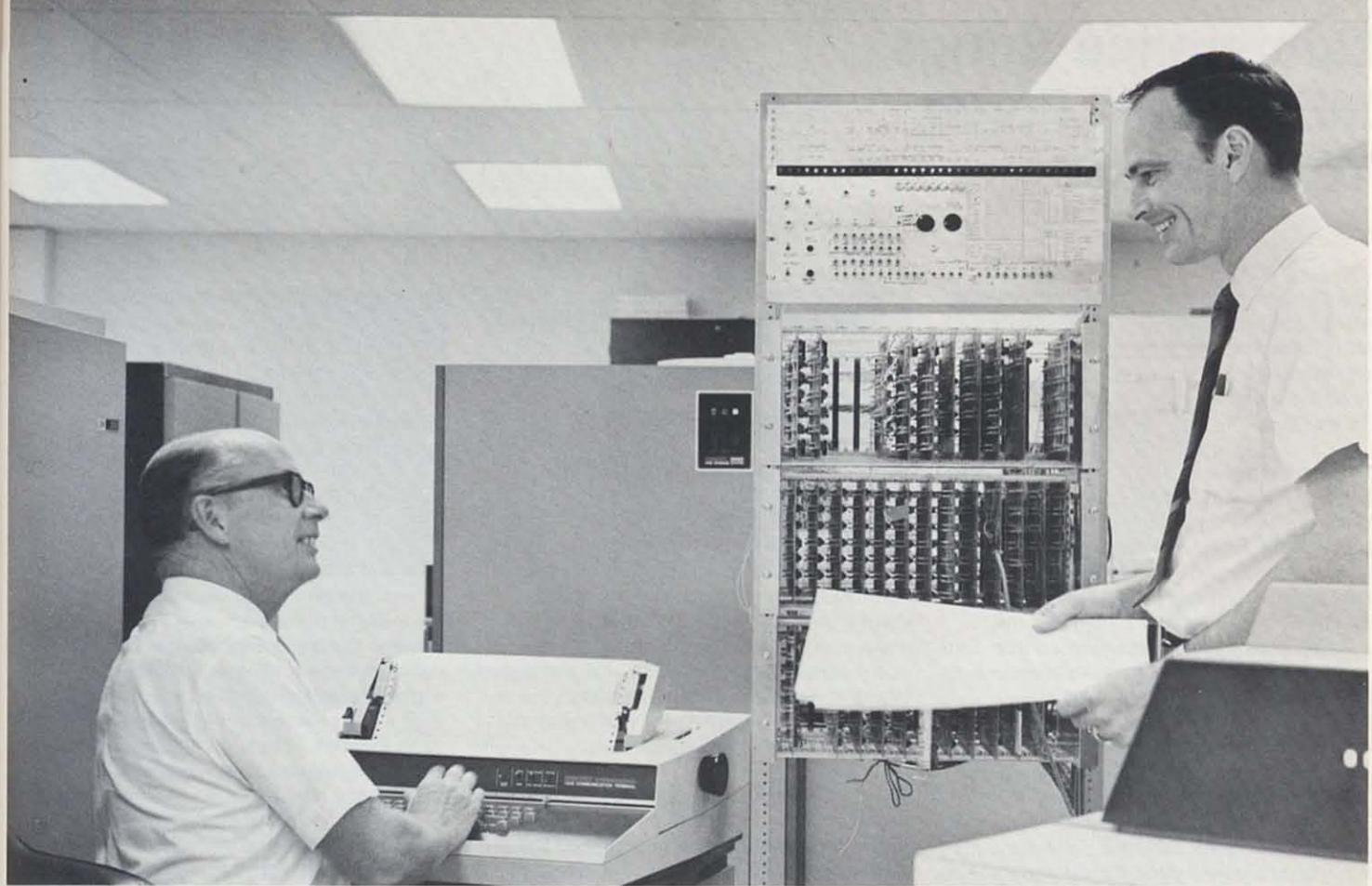
The Memorex control unit is designed to operate at all of the 1240's speeds, from 10 to 60 characters per second, and the control unit is compatible with both the IBM 360 and 370 series computers.

Stu joined IPSC in March of 1969 as manager of Electrical Engineering, then was the first man at CPC when it was formed in late 1969. Lyle Hamilton, Jack Watson and Al Hemel were the next to join CPC. "We spent about two months establishing design specifications," says Stu. "The preliminary design was done in February of this year, and we began the major design work in March. On July 8, we attached a prototype to Memorex's computer for the first time and within 48 hours it was successfully transferring data from the 1240 terminal."

Chief designers on the project since it beginning have been Lyle, manager of Multiplexer Development, Jack and Al, with technical support from Walt McBride. Additional design help was contributed by Larry Zimmerman and Dave Erickson, who is also in charge of packaging. Assisting these engineers in a technical capacity are Don Pesavento, Glen Campbell, Ken Carey and Bobby Brannon.

Ken Schmidke and Lee Ingram are handling the packaging design, with assistance from Richard Davis in Industrial Design. Programming support for all of the initial checkout work on the control unit was supplied by Tony Miller, manager of Programming.



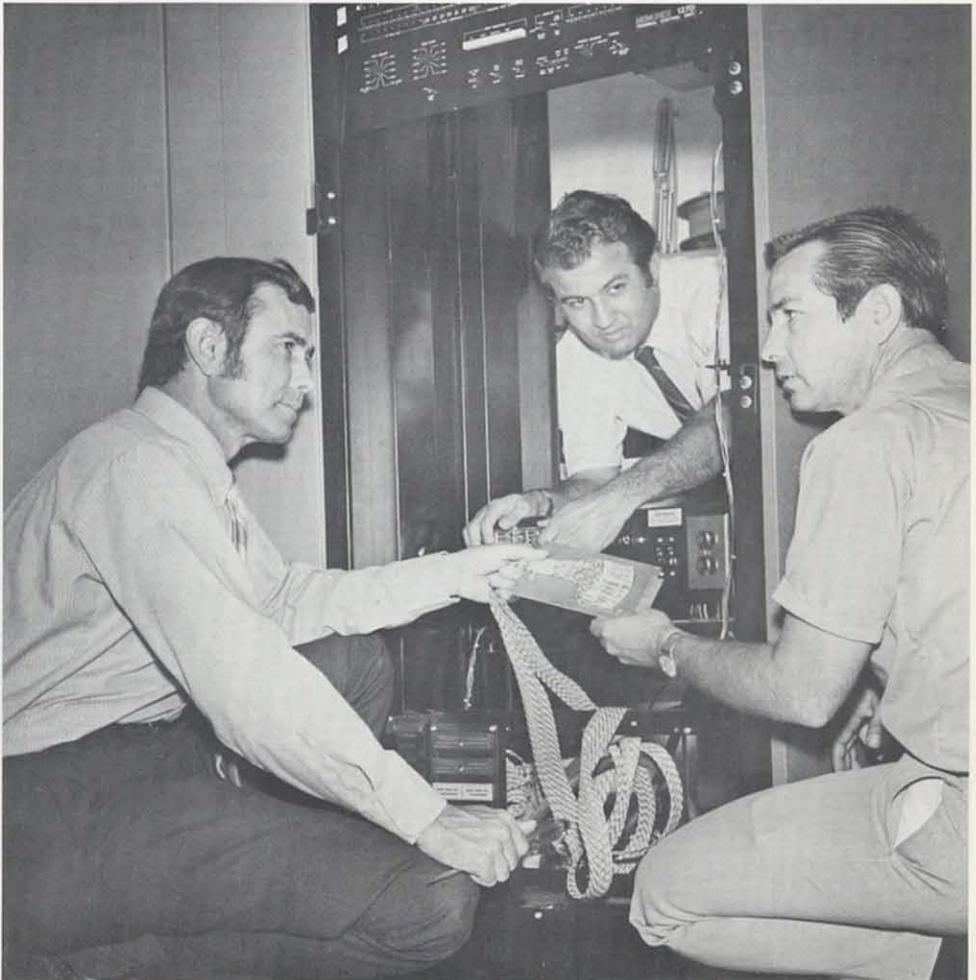


Lee Ingram (from left), Ken Schmidtke and Glen Campbell look over drawings of the 1270's packaging in the far left photo on page 4.

On the opposite page, Jack Watson, Lyle Hamilton and Ken Carey trace signals through a printed circuit card. They're working with a rack-mounted 1270 engineering model.

Stu Rawson (upper photo) is seated at a 1240 Communication Terminal, talking with Larry Zimmerman. The 1240 is connected through the 1270 engineering model to the IBM computer in Building 10.

On the right are Walt McBride, Don Pesavento and Bobby Brannon, discussing cable routing on another 1270 engineering model.



Conference Brings MEG Sales Force To Bay Area

The Equipment Group holds its first national sales conference July 21-24, attended by MEG salesmen and sales managers from 29 offices across the United States. Also on hand were marketing support personnel from Santa Clara.

The conference was at the Fairmont Hotel in San Francisco, and its purpose was to bring the sales force together for technical sessions on equipment products, discussions on sales skills, and to bring the men up-to-date on the company's progress. As part of that latter objective, all of them had the opportunity to tour the new San Tomas manufacturing facilities and the Memorex education center.

The salesmen began arriving in San Francisco on Tuesday afternoon for the official opening of the sales rally Wednesday morning.

After an impressive slide/tape program called "The Age of Memorex," opening talks were given by Bill Emmons, MEG director of Field Sales, and Garrett Fitzgibbons, vice president of Marketing. "The Age of Memorex" was a series of slides showing important events and trends in the first year of the 1970's, and the theme was Memorex's acceptance of the challenges which will come in this decade.

Then, Joel McQuade, a salesman from the Dallas office, was honored as the Equipment Group's top salesman. At the same time, a special award was presented to Training Specialist Terry Brown, who has conducted product training classes for the entire equipment sales force.

Next on the agenda was a review of the year by Bill Emmons. A main point during his talk was that the Equipment Group is running at 140% of its sales revenue plan, and that this was being achieved even though the sales force was at 85% of its employment goal. Dave Scott spoke next about some more good news. He announced the 1270 Terminal Control Unit (story on page 4), and was greeted with enthusiastic applause by the salesmen.

The rest of Wednesday afternoon was devoted to sessions on Equipment Group products. Wednesday evening, Company President Larry Spitters spoke on the future of Memorex. He stressed the company's need for financial strength and went into some detail about how Memorex will attain this strength. Mr. Spitters also said there is a great opportunity for our company in the next decade, and the way we will capitalize on that opportunity should make an almost unparalleled success story. Our corporate sales goal for 1975, halfway into that decade, is \$500 million.

On Thursday, there were more product and selling skills sessions, as well as a lunch-time talk by MEG Vice President and General Manager, Jim Guzy. His topic was the history of the Equipment Group, and during his speech he mentioned that the majority of the Equipment Group's growth has come since the second quarter of 1969, where there were only 250 people in the entire Equipment Group. Today, a year later, there are about 2,000.

A highlight on Friday, the closing day of the sales conference, was an award to Howard Gordon, winner of the sales call competition. The contest started in the district offices and the salesman with the best sales presentation was selected from each location. Then, the finalists were brought to Santa Clara, where the overall winner was chosen. Other finalists were Tony Gault, Portland; Joel McQuade, Dallas; Fred Wright, Indianapolis; Ken Chiara, Detroit; and Pete McDonald, Albany.

Salesmen attending the Equipment Group national sales conference had a busy three days. Banquet meetings and product sessions like those shown below were just two of many scheduled events.



On The Move



Vajta



Menn



Campbell



Rawson



Kirk

Peter Vajta has been promoted from national sales manager to director of Marketing, Video Products, announces **IMG Marketing Vice President Jim McNabb**.

Pete will be responsible for all phases of marketing and business planning for Video Products. Before joining Memorex in March of this year, he was manager of Business Planning for the Medical Diagnostics Division of Xerox Corporation.

Larry Knowles, general manager of Business Products, reports that **Arnold Menn** has been promoted to director of Marketing, Business Products. His responsibilities include all marketing and sales activities in that organization.

For the past six months, Arnold has served as manager of Marketing and Business Planning. He came to our company from World Airways, where he was director of Marketing. He has also held management positions with TWA, American Flyers and Ford.

Don Campbell is the new director of Planning and Analysis, according to **Gordon Pilcher**, vice president of Finance. Replacing Don as manager of Corporate Financial Planning is **Bill Krum**.

Don will be responsible for corporate planning and measurement, operations research, and the direction of analyses of major corporate investments, new ventures and potential acquisitions.

Stewart Rawson has been promoted to director of Engineering at Communications Products Corporation (CPC), a subsidiary in the Equipment Group.

He reports to **Don Reichel**, who is general manager of Information Printing Systems Corporation (IPSC) and CPC. Stu was formerly with IBM.

Dick Kirk has been named director of Administration in the Information Media Group. Dick now reports to **John Del Favero**, executive vice president and group general manager.

Dick will be responsible for the direction of all finance, personnel, administration and data processing activities. Reporting to him will be **Jack Marzluft**, director of Finance; **Don Newton**, director of Personnel; and **Bart Alexander**, director of Information Services. Information Services was formerly part of Corporate Finance, and it will continue to provide all data processing services to Corporate Finance and Corporate Administration, as well as the president's office.

Notes

The Equipment Group Dispensary at the San Tomas facility opened last month. It is located in Building 10 off the main assembly floor. Jean French, the nurse in charge of the Dispensary, can be contacted by calling 246-6200, extensions 711 and 712, or 257-9112.

* * *

If you work in Santa Clara, you've probably noticed that the City has already started changing street signs on Shulman Avenue. The street is being renamed Memorex Drive, and although the sign at Lafayette Street reads Memorex Drive, the street won't officially use that name until July of next year. For now, only the short section from Lafayette to the old Shulman Avenue entrance has the new name.

Work is under way for the extension of Shulman Avenue. The extension begins in front of the Disc Pack Building and connects with Richard Avenue.

* * *

Entries for the Santa Clara area MAG photo contest should be submitted to Linda Workman (Shulman Avenue, 247-1000), or Steve Palm (San Tomas, 246-6200). The final date for entries is September 15, and contest rules are available in **Updates** 10 and 14.

Memorex
Intercom

Memorex Corporation
Santa Clara, Calif. 95050
Return requested

**First Class
Mail**

