

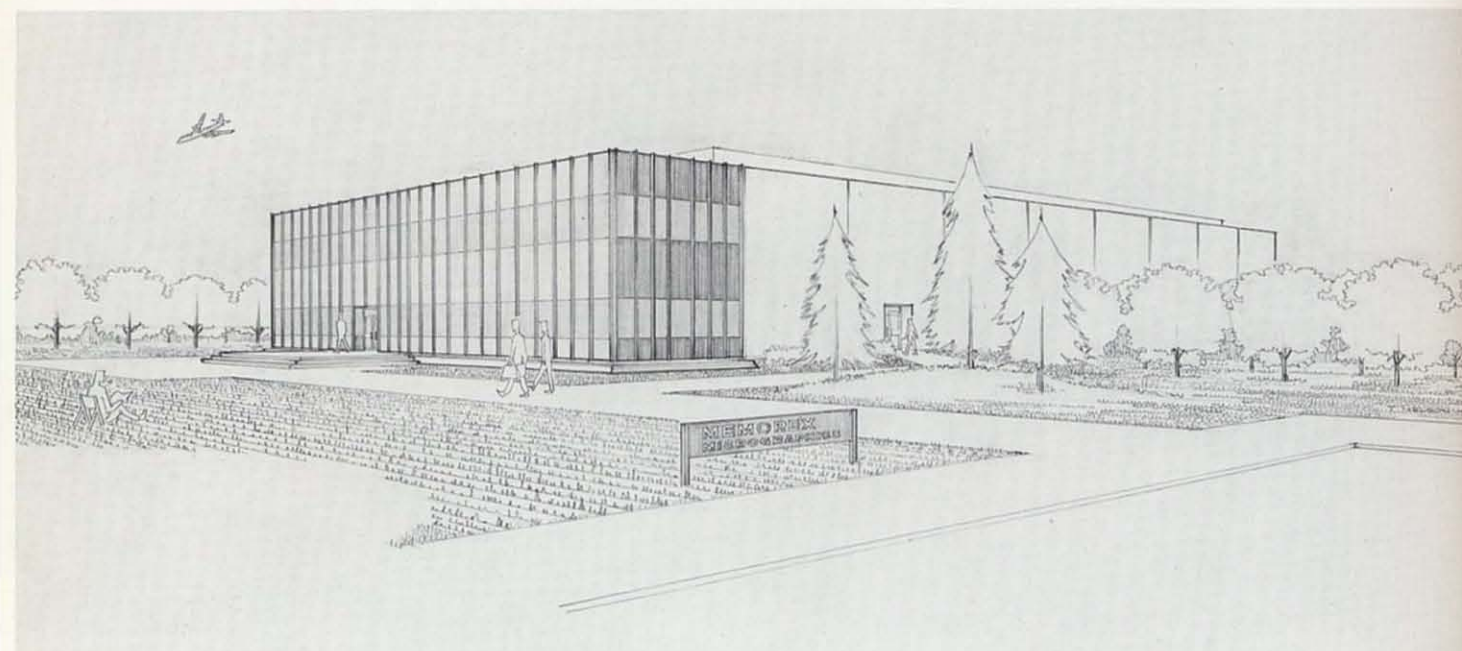
REACH OUT!

Invest in People
and We All Benefit

INTERCOM

Micrographics Plant To Be Completed In Early 1971

The drawing below, done by Trevor Nelson, shows how the Micrographics Building will look when completed.



Construction has begun on the Micrographics Division's new plant in Santa Clara. The division makes microfilm and chemical supplies for the Memorex 1600 computer output-to-microfilm (COM) system.

The 44,000 square foot structure will be located in the northeast corner of an 83-acre parcel on Kifer Road, just west of San Tomas Expressway. Jim Sasso, the project manager from Corporate Facilities, describes the building as a "two-story concrete tilt-up, designed so that it can be expanded to several times its initial size." (A "tilt-up" building is one in which the concrete walls are poured and then lifted into place.)

When completed late this year or early in 1971, the building will house more than 100 Micrographics employees in its offices, production clean room, lab, and warehouse areas.

The plant is scheduled to be in full production by April and Memorex is currently working with the Bay Area Air Pollution Control District to insure that the production facilities will not add pollutants to the air.

The building will face Central Expressway, with the main entrance on Kifer Road; however, the City of Santa Clara will provide additional access to the site. The City plans to extend Walsh Avenue across San Tomas Expressway and into the 83-acre parcel. Walsh is the street which borders the south end of the San Tomas facilities.

Micrographics has been allotted about 11 acres, and the additional 72 acres of pear trees will continue to be farmed until the land is needed for future Memorex growth. The land has been farmed by the Bracher family for four generations—beginning with the Pioneer Brachers who came to Santa Clara County from Germany in 1886.

INTERCOM

Volume 7, No. 9/September, 1970

A monthly publication for employees of
Memorex Corporation, 1180 Shulman Avenue,
Santa Clara, California 95050

Editor: Gary Williams

ABOUT THE COVER:

"Reach Out," the United Fund slogan for this year, is depicted by a smiling youngster at Hope For Retarded Children and Adults—a United Fund Agency.

Equipment Group Awarded First Major Government Contract

The U. S. Navy has awarded a contract for the rental of 23 Memorex 3660 Disc Storage Systems to replace IBM equipment currently in use. The contract represents the first major government commitment to Memorex equipment and is valued at \$3.7 million.

Garrett Fitzgibbons, vice president of Marketing, acknowledges that the contract is an important one for the Equipment Group. "It goes a long way toward establishing Memorex as a significant competitor in the peripheral equipment business.

Garrett also feels that the Navy contract gives us a "foot in the door" for more government business on several counts. One is that the Navy was impressed with the way our bid package was submitted. (The government's bidding requirements fill a small book, and the regulations set forth must be followed to the letter in order to qualify.) Because our package fulfilled all the requirements, it can be used as a model for future bids. In addition, the government will now have first hand information about the effectiveness of our equipment.

One of the Navy requirements was that all bids be submitted no later than June 9 and, since Equipment Group Marketing got the assignment on June 1, a lot of people had to work very fast. Ed Faber, director of Marketing Services, assigned Bob Francis, manager of Administration in Marketing, responsibility for pulling the package together and getting it to Washington before the deadline.

Among the people supplying information for the bid were Ed Faber and Terry Brown, who

Preparing the bid which won a \$3.7 million Navy contract was a big job, as these people can tell you. Bob Francis coordinated the project, gathering information from several sources; while Sandy Moore (foreground), Lorna Buck (center) and Jackie Ruiz (right) typed the comprehensive proposal.



wrote the introductory section about Memorex (Terry also designed artwork for the divider sections); Ray Vales, manager of Pricing, and Jim Moore, who worked out the complicated financial data; Jim Tyson, manager of Field Support Operations, who supplied information pertaining to installation and servicing of the equipment; and Sandy Moore, Lorna Buck and Jackie Ruiz, who typed the package's three main sections.

On Sunday, June 7, Bob carried a huge cardboard box containing several copies of the bid package onto a jet bound for Wash-

ington. "I wasn't about to let it out of my sight," he says. "The box rode all the way on the seat beside me."

John L. Sullivan, the Equipment Group's eastern regional sales manager, and Bert Rosecan, MEG federal salesman, took over once the package reached Washington. They not only got it to the Navy a day early, they followed up with hours of negotiations which led to the bid's acceptance.

Open House Oct. 10

Nearly 10,000 guests are expected when the doors are opened at our Shulman Avenue facilities Saturday, October 10. That's the day all Santa Clara area employees and their families are invited to tour the tape and disc pack plants.

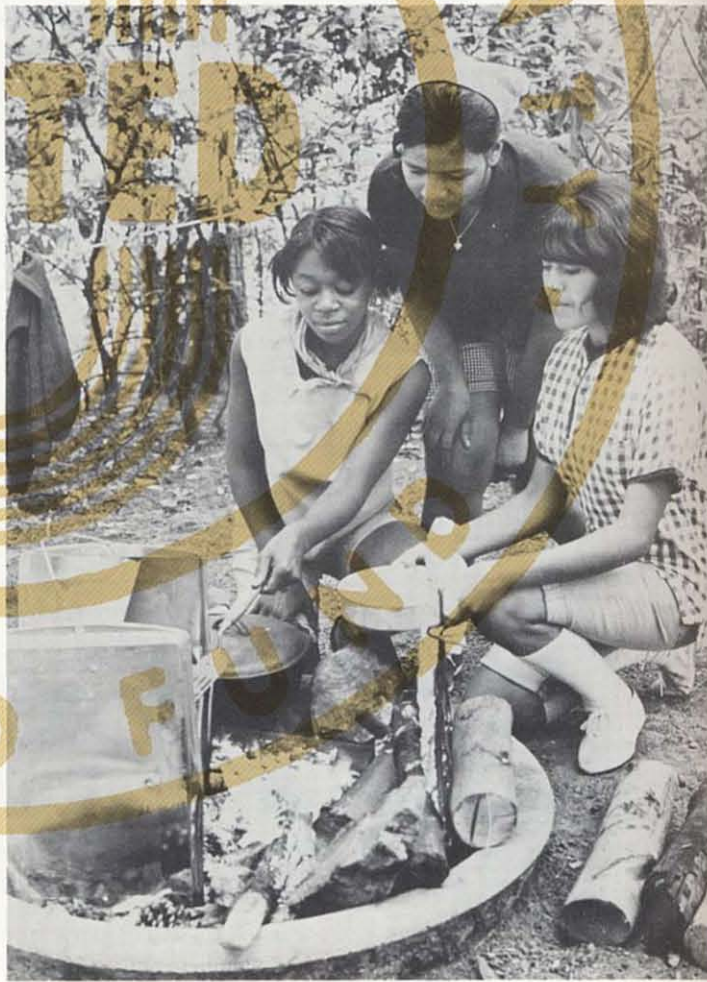
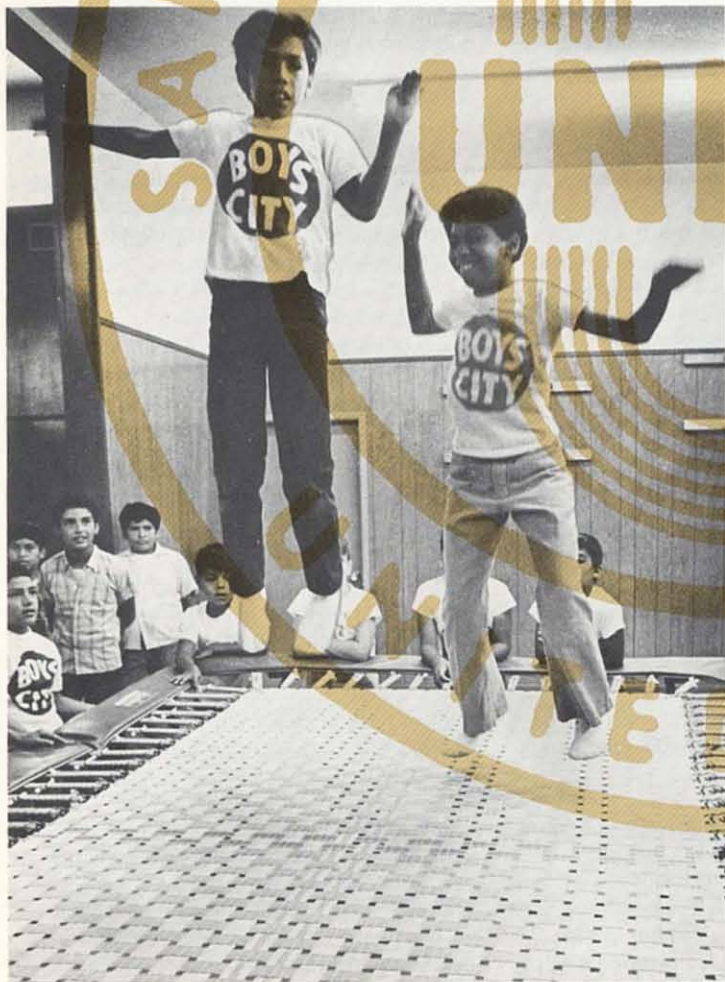
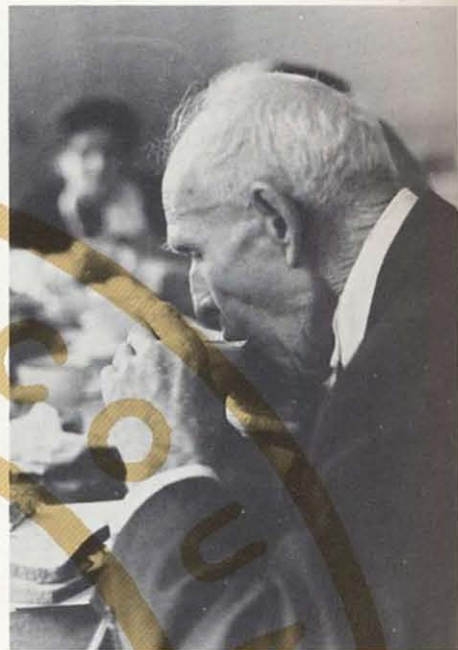
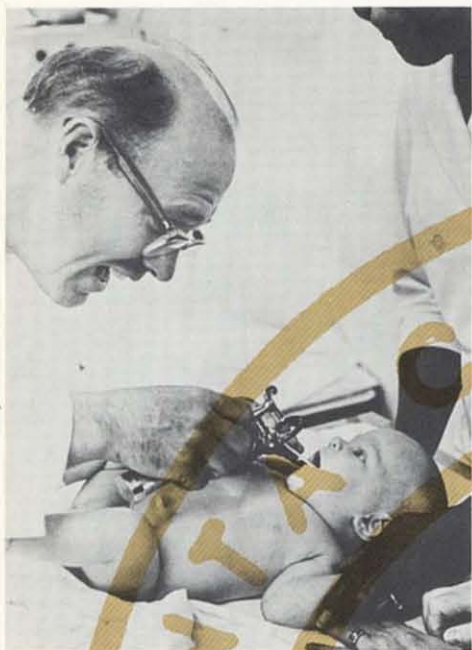
An open house is also planned for the San Tomas site, but not until the Spring of next year, when all of the construction and landscaping is completed.

The buildings on Shulman Avenue will be open from 9 a.m. until 5 p.m., with the majority of people expected between 11 a.m. and 3 p.m. You can avoid the crowd by coming earlier in the morning or later in the afternoon. The tour route is planned so that you can walk it at your own pace, and area

spokesmen will be posted throughout the buildings to explain the displays.

Since all of our buildings along Shulman Avenue will be open for visitors, the street, from Ronald Street to the Disc Pack Building, is being closed to through traffic. Parking and child care areas will be located at both ends of the street. You can enter the parking lots from DiGiulio Avenue (off Lafayette Street), or from Richard Avenue (off Martin Avenue).

Hostesses near the parking areas will distribute tour maps and flowers for the ladies. They will also point the way for those who wish to leave their children in one of the two "Kiddie Corrals," to see cartoons while the adults tour the plant.



Memorex Sets Pace For United Fund's Annual Campaign

Memorex is one of 15 Santa Clara County companies selected as a "Pacesetter" for this year's United Fund Campaign. This means our company's September fund drive is helping to set the trend for hundreds of other local businesses whose fund drives will be held after ours.

Other major employers setting the pace with Memorex include: Pacific Telephone, General Electric, IBM, Pacific Gas & Electric, Sylva Electric, Varian, Philco Ford and Western Electric.

Spearheading the campaign at Memorex, which was underway September 21, are Phil Davis, director of International Operations, International Group; Bob Hodges, manager of Services, Equipment Group; Vince Shubat, manager of Personnel Services, Information Media Group; and Don Smith, manager of Corporate Personnel Administration.

Memorex was chosen as a "Pacesetter" because our rapid growth has made us one of the largest employers in the area. Since the 1969 campaign we have more than doubled our total employment, from 2300 to 5200. This growth carries with it a greater responsibility to support the community which supplies us with good working conditions and good living conditions for our families.

Campaign chairman Don Smith points out that "about one of every four people in the county will benefit from United Fund services during the coming year. If the dollars you give don't help you directly—and they may—they will certainly help some of your neighbors."

Memorex is in the midst of its annual United Fund campaign and two of the campaign chairmen are Bob Hodges (left), manager of Services in the Equipment Group, and Vince Shubat, manager of Personnel Services for the Information Media Group. The two chairmen not shown are Phil Davis, director of International Operations, International Group, and Don Smith, manager of Corporate Personnel Administration.

Last year United Fund's 12,000 Santa Clara County volunteers collected \$3.7 million. More than 90% of that money went directly to its 99 health, welfare and youth-oriented agencies. United Fund's administrative and campaign costs are the lowest of any comparable-sized charity on the West Coast.

This year, instead of asking for larger donations from those who gave, the campaign chairmen are hoping to encourage a greater participation among those who haven't supported United Fund in the past.

"It is critically important that everyone take a close look at the service and benefits provided by United Fund services," says James Wiesler, president of Santa Clara County United Fund and regional vice president of Bank of America in San Jose. "I can think of no better way to provide a well-rounded program of needed community services."

When a Memorex campaign assistant contacts you remember this year's slogan: "Reach Out . . . invest in people and we all benefit through United Fund."



Current Trends In Profit Sharing

Several times this year discussions of investment trends relative to the Profit Sharing Trust have appeared in **Intercom**. This article will focus its attention on the guidelines that are being followed by the Plan's investment advisors as well as on the individual holdings themselves.

The principal investment objective for the Profit Sharing Trust is long term, above-average growth through common stocks and fixed income securities. While the Trust strives for consistent increases from year to year, external factors, such as those that influenced the stock market decline this year, can cause its performance to be uneven. Consequently, the objective covers a period of several years rather than one single year.

Investments are made largely in companies:

- that have demonstrated a consistent ability to increase their earnings over a period of years;

- that operate independent of market cycles;
- that have highly marketable common stock (that is, a large number of shares can be bought or sold at one time without influencing the market price to any important degree).

There is no preference toward any particular company or specific industry, thereby allowing for flexibility and open-mindedness about the investment.

The Plan portfolio is guided by the above principles and is under continual review. Listed below are some of the companies currently held in the portfolio, including a brief description as to past performances, recent developments and growth potential. The remaining companies in The Trust will be discussed in a future **Intercom** article.

New York Stock Exchange

The growth potential of **American Medicorp** is based upon management's success in introducing large-scale cost efficiencies to an expanding group of health care facilities, particularly general and specialized hospitals. The company is one of the country's largest owner-managers of health facilities, currently operating 30 hospitals and a nursing school. In addition, the company provides services for National Hospital Corporation Group covering five hospitals in California. **American Medicorp's** contributions to the hospitals it operates are personnel management, computer operations and financial controls. Most of the hospitals are located in Florida, Oregon, Nevada, California and other rapidly-growing areas.

The company's plans call for continued expansion through acquisition and internal growth. In April 1970, the company announced an agreement to acquire a 248 bed hospital in Thornton, Colorado. In June, the company released plans for construction of a 300-bed hospital in San Antonio, Texas, to cost \$9 million.

Automatic Data Processing provides management and data processing services to small businesses. The company has been successful in selling complete-responsibility computer-service packages, such as payroll

and accounts receivable services, because of its attractive low costs. Customers are charged on a per item basis, and, with the company's services, can utilize its clerical staff in more productive activities. In addition, the company provides graphic arts reproduction capabilities for commercial, medical and scientific information services.

H & R Block operates, directly and through franchises, a nationwide system of offices that prepare federal, state and local income tax returns. In fiscal 1968-1969, the company prepared 5.3 million tax returns, or about 7% of the total in the U. S. About 86% of the total revenues are derived from tax preparation fees, 9% from franchise fees and 5% from other sources including tuition from a school and correspondence tax course.

The company's management believes that the increasing demand for assistance in the preparation of income tax returns and the rising volume of business experienced by each unit will lead to progressive increases in revenues and profits. On April 30, 1969, there were 1,640 company-owned offices and 1,646 franchised offices located in the 50 states, the District of Columbia, Guam and Canada. Since 1965, the company has directed its efforts to opening owned offices

and has acquired nearly 250 offices which were formerly franchised.

Downtowner Corporation owns and operates a nationwide chain of motor hotels, mainly in downtown metropolitan locations. The chain consists of more than 75 motels located in 23 states, primarily throughout the Southeast. In late 1969 the company's directors approved a \$126 million five-year expansion program. The first year of this plan saw 1,900 new rooms added at a cost of \$31.4 million, bringing the total number of rental rooms to 11,138. In March of this year Buckeroo Steak Ranches, Inc. of Arlington, Virginia, was acquired for \$5.2 million.

Downtowner has also announced plans to build a \$10 million hotel project at Miami International Airport and 40 Downtowner motels in Canada.

Electronic Data Systems designs, installs and operates business information systems for a wide range of companies, making use of the customer's own computer equipment. In effect, **Electronic Data Systems** becomes the data processing department for its customers. The company generally contracts its services for five or six years. The company also leases computers and provides contract programming on a limited basis.

American Stock Exchange

EDS is the leader in computer facilities management. While in the past the company has customized its packages to individual customer needs, it now plans to develop specialized industry-oriented systems to serve any number of users within one industry. The most significant portion of EDS operations currently includes the Blue Shield Medical program. Other life insurance, health insurance and merchandise distribution industry centers are also important. Recently, **EDS** announced the signing of a contract with a leading brokerage firm, marking the company's entry into the brokerage industry.

Equity Funding sells mutual fund shares and life insurance through a widespread network of subsidiary companies, some of which are located in California. Income is derived mainly from commissions on these activities, as well as from interest charged on loans to finance insurance premiums.

A subsidiary, Presidential Life Insurance Company of America, writes individual, whole life, term, group, mortgage, and health and accident insurance. At the end of 1969, the value of insurance policies outstanding amounted to \$500 million. Total income for 1969 was more than twice the year-earlier level, primarily because of increasing securities sales commissions.

Over the Counter

Evans Products is a major producer and distributor of lumber, plywood and other building materials. The company also manufactures precut homes and specialty metal products for the railway, construction equipment, and automotive industries. In recent years it has substantially expanded its operations in the building-related field through

diversification and acquisition. The major operations of **Evans** include: retail, 23% of 1969 sales; prefinishing, 21.5%; forest products, 18.3%; industrial products, 17.1%; homes, 12%; international, 5.5%; and fiber products, 2.6%.

Service is the principal factor responsible for **Evans'** rapid growth in the mobile home, construction materials, home building and home remodeling industries. Knowledge of markets, attention to details of manufacturing and sales, anticipation of customers' needs and supplying customers with quality products have all enhanced **Evans'** market position. The company's facilities consist of a large number of wholesale building materials distribution centers, retail units, and manufacturing plants.

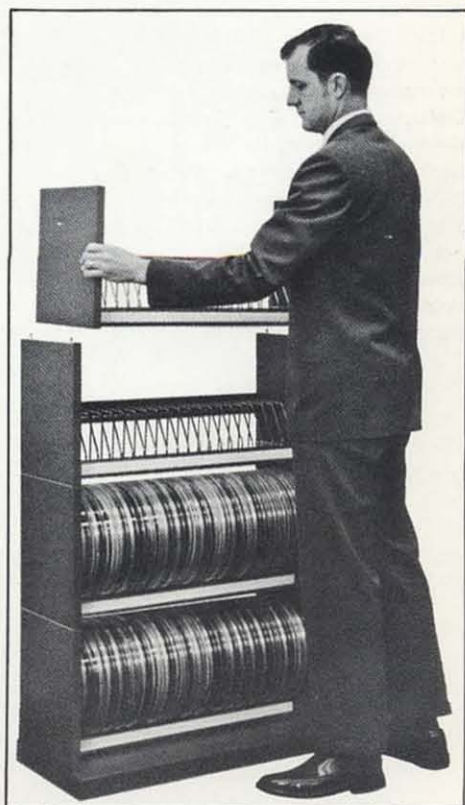
Modular Tape Systems

The Information Media Group last month announced a new modular computer tape storage system. The system allows our customers to increase their storage capacity when adding to their tape libraries.

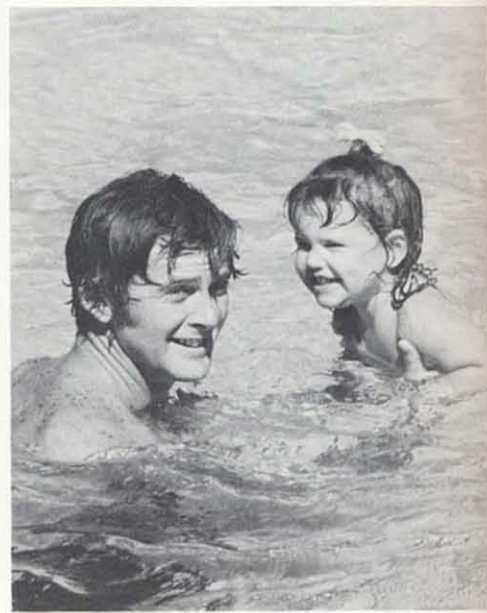
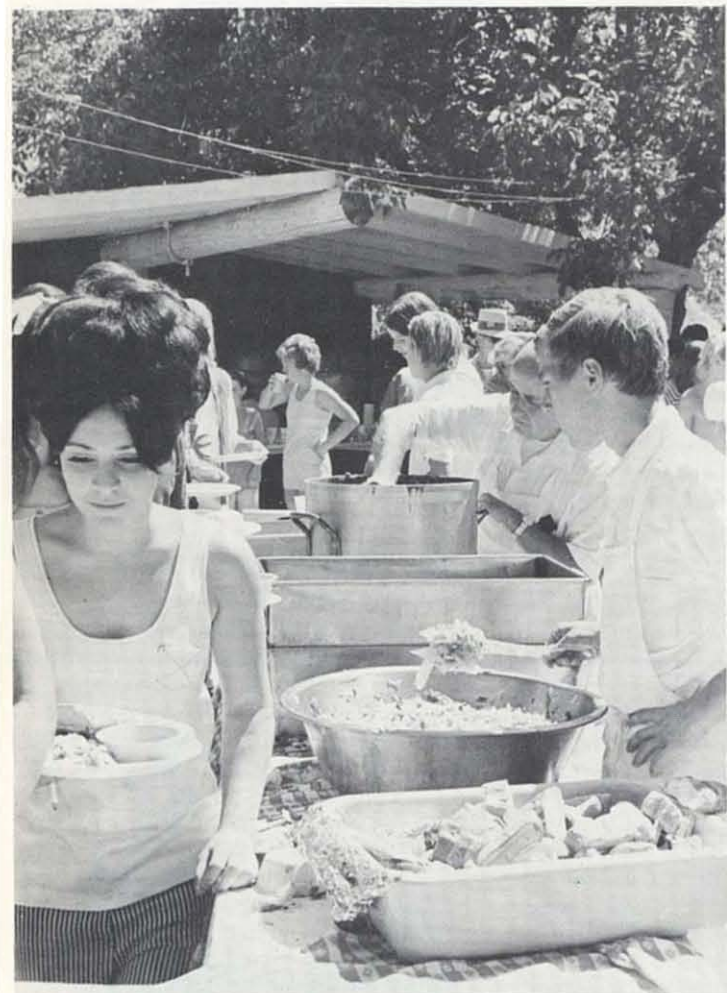
The basis of the system is a modular unit which is available in a thinline canister style holding 21 reels, or a tapesel style holding 30 reels. Individual units interlock to form a rigid, functional storage rack. The system may be installed six or seven rows high and may be arranged back-to-back or side-by-side.

All system components are finished in matte, baked grey enamel. Each unit is also supplied with all hardware required to interlock the system.

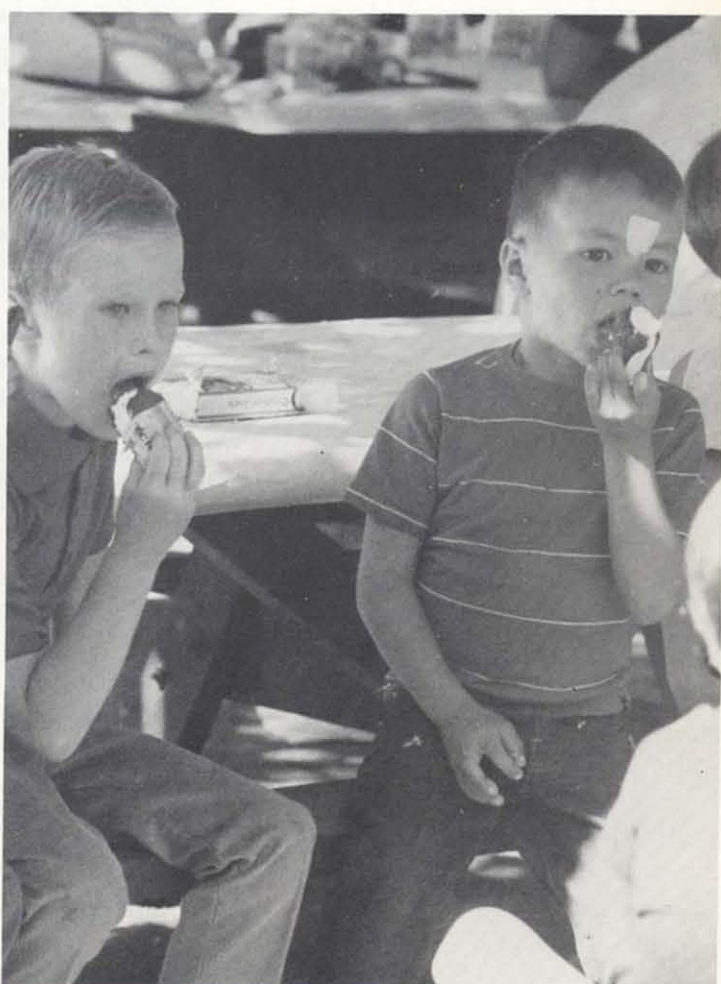
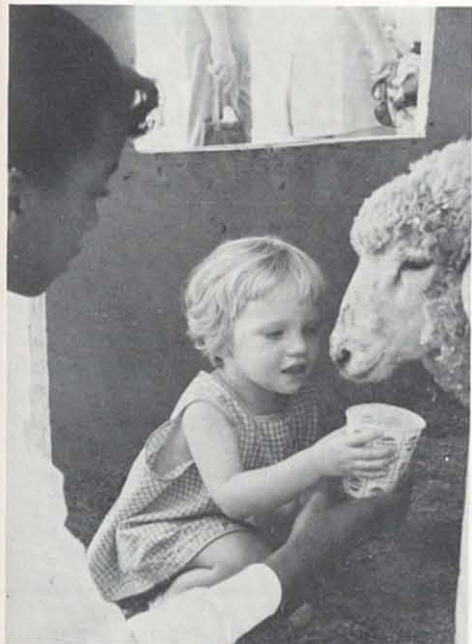
Jim Pingree, manager of Business Planning, shows how the system fits together in the photo on the right.



MAG's Colossal Picnic-- A Day To Remember



Santa Clara MAG combined the Equipment and Information Media Group picnics for the first time . . . and the resulting crowd of 8,500 set a new record at Adobe Creek Lodge. Whether it was the steak lunches, swimming, baseball, volleyball, magic show, children's petting zoo, or any of the other activities—there was something for everyone who came.



On The Move

Clarke Carey has been appointed director of Manufacturing Technical Staff, announces **Larry Wilson**, vice president of Equipment Group Manufacturing.

Chuck joined the Equipment Group in September of 1969, and most recently was serving as manager of Mechanical Engineering for Storage Products Corporation.

Reporting to him in his new job will be **W. E. Yee**, manager of Manufacturing Engineering; **R. L. Pearson**, manager of Quality Control; **C. B. Steeves**, manager of Test Engineering; and **R. L. Bell**, manager of Process Development.

Chuck holds a B.S. in Mechanical Engineering from Yale, and an M.S. in Mechanical Engineering from Stanford.



Carey



Forsgard

Dr. Frederick Forsgard is the new director of Research and Development in the Micrographics Division, reports General Manager **Jack Hounslow**.

Dr. Forsgard will be responsible for managing the research and development activities in the Micrographics product line, as well as ongoing development programs for vesicular films, electro-photography, and silver halide evaluations.

He has extensive experience in the photographic field, including a total of 14 years with DuPont and G.A.F. Photo Products. For the past three years, Dr. Forsgard has been director of Research and Development for Anken Photo Products.

News Briefs

The Government last month boosted from 5 to 5½ percent the interest rate it will pay on U. S. Savings Bonds held for more than five years. The new rate is the highest ever for the Savings Bond program, which began in 1941 and paid 2.9 percent throughout World War II.

Treasury Secretary David Kennedy announced the bonus plan one day after President Nixon signed legislation authorizing interest of up to 5½ percent on Savings Bonds.

The bonus is intended to encourage persons to retain Savings Bonds, thus ending a cash drain caused by bond redemptions, says Bruce MacLaury, deputy undersecretary for monetary affairs. He said redemptions had exceeded sales in each of the past twenty months, draining almost \$3 billion from the U. S. Treasury.

The new redemption schedule does not change the interest rates paid on bonds held for less than five years. But for bonds held to maturity, the higher rate is compounded to cover the life of the bond. The Treasury said the bonus would be paid on outstanding bonds as well as on new sales.

If you have any questions about the Memorex Payroll Deduction Plan for U. S. Savings Bonds, please contact your Personnel Office.

If you drive down the San Tomas or Central Expressways, you can't miss noticing that construction of our four-story corporate office building is moving right along. It is scheduled to be occupied by 200 corporate and operational group personnel in February.

The Equipment Group's 258,000 square foot expansion on the same site is also progressing rapidly. Its planned completion date is December.

The Consumer Products Building is completed and production of Educational Tape (voice quality tape on reels) and audio tape cassettes is already underway.

The building, located next to Disc Pack at the end of Shulman Avenue, is designed especially for cassette production. Although Production and Engineering have already moved in, Marketing, Administration and Technical Service offices will remain in leased offices on De La Cruz Blvd. (in Santa Clara) for the present.

Consumer Products will be the subject of a forthcoming feature article in **Intercom**.



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.

Why can't pressure be placed on employees to use existing spaces in the parking lots, rather than parking on Shulman Avenue, which requires the employees to move their cars every two hours in order to avoid getting a ticket?

I am sure you can understand that an employee can park in any public area and it is somewhat difficult for the company to instruct people to do otherwise unless it affects an employee's job performance. It is the responsibility of an employee's immediate supervisor to see that an employee is devoting a full eight hours to his job, and hopefully the supervisors are observant to the extent that they see that their employees are missing from their work every two hours and will bring this to their attention.

Why is it that employees are not allowed to accumulate vacation time, or at least part of their vacation each year?

The main reason for our present policy is to insure that every employee gains a regular and satisfactory period of rest from his usual job responsibilities each year. A second reason is that our company's effectiveness would, to some degree, be hampered if all employees were permitted to take variable amounts of vacation from year to year. And, of course, it would not be fair to allow many employees to accrue vacations, and others not.

However, our present policy does provide for some exceptions. Employees who are eligible for three weeks' vacation (after ten years of employment) may carry forward one week of vacation into the next year.

Why doesn't Memorex pay its employees for any sick pay not used during the year?

Sick pay provides employees with pay during periods in which they are unable to work due to non-occupational accidents or illnesses. Memorex employees, however, are able to accumulate sick pay to a maximum of 40 days. The purpose of this is to provide true meaning to our sick pay program so that an employee will not suffer financial hardship during times of illness.

Why does Memorex mail such items as Profit Sharing statements, Intercom, Annual Report, etc.? Wouldn't the postage costs be greatly reduced if they were distributed to the employees at work?

Profit Sharing and Savings and Investment statements are mailed to the employee's home because of the confidential nature of the information. We feel that the amount an employee has in his account is for his information only, and should not be available to other employees. Should we use the company inter-office mailing system, these statements might be opened in error by other employees.

The Intercom and Annual Reports are mailed to the home so that the employee will be able to read these communiques at his leisure. Many times, an employee's family is interested in the company news and Annual Reports. By mailing them to his home, the family may keep informed of the latest developments within Memorex.

We realize that the cost of mailing these items to the employee's home rather than distributing them at the work location is relatively expensive; but feel that the benefits derived far outweigh the costs.

Has any progress been made on finding an adequate dental insurance program for employees and their families?

The June Intercom's Input/Output section explained our current evaluation of dental coverage as well as the Memorex goal of continuing as a "clear leader" in employee benefits.

To evaluate a possible dental plan, we must weigh not only costs, but also the practical benefits to be derived for the majority of our employees. To add a meaningful dental plan would probably cost about \$300,000 the first year, with the expectation of significantly higher costs in later years. There are many possible approaches which we are considering, all with the sole objective of finding insurance coverage which is practical and effective in meeting the needs of employees.

All of us are anxious to know of changes and as decisions are made and information is available, we will be certain that all Memorex employees are informed.

In Memoriam

Victor Ramirez died late last month in an auto accident. Victor, a senior engineer in Equipment Group Industrial Engineering, was a Memorex employee for less than a week. He had previously worked for the company as a contract employee for about two months. Victor is survived by his wife, Marie, and three children.

Intercom

Memorex Corporation

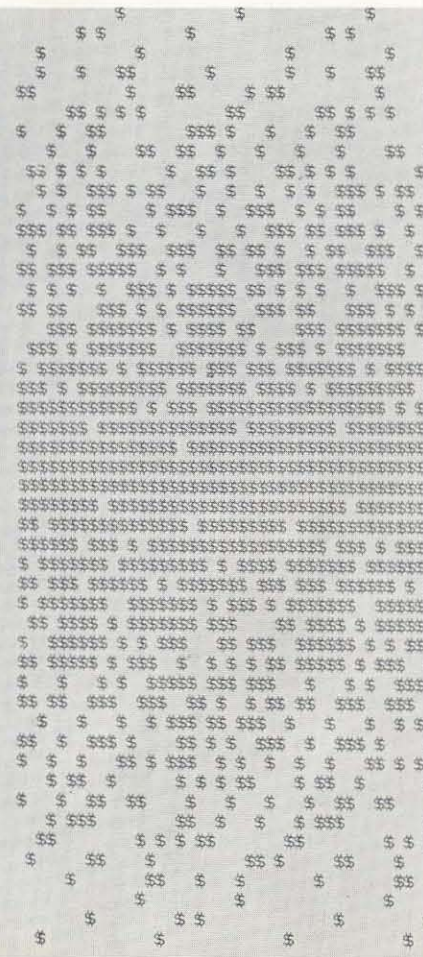
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Take One!

MEMOREX

How Profit Sharing Works



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