

Newsmagazine for Memorex Employees  
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U.S. Edition



# MEMOREX

# 1969 PROFIT SHARING POINT VALUE CONTEST

(Official Entry Blank)

I estimate that the value of each Profit Sharing point for 1969 is:

\$   .     , to the nearest hundredth of a cent.

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

MEMOREX DIVISION \_\_\_\_\_

Deadline—March 13, 5:00 P.M. Entries must be delivered to the Profit Sharing Office at Shulman Avenue by that time.

Only one entry per employee.

MEMOREX EMPLOYEES' PROFIT SHARING PLAN 1969 POINT VALUE CONTEST

# Newest Vice President Started as Manager Just Six Years Ago

"I've always been impressed with the caliber and character of the people at Memorex," states Hig Tavrow, the Company's newest vice president.

Both Hig and his wife, Joyce, were born and raised in upper New York State. After receiving a mechanical engineering degree from Rensselaer Polytechnic Institute, Hig worked for almost five years with Eastman Kodak Company. He then went to work for a polyethylene extrusion company, and four years later he was sent to their branch plant in California.

The Tavrows couldn't see the logic of trading California's sun for the snow and cold of the East, and after working for two additional companies, Hig joined Memorex in February, 1964.

As part of his career Hig has been chief industrial engineer, production and inventory control manager, plant superintendent and manufacturing manager. He joined the company as finishing manager, and after three and one-half years was promoted to manufacturing manager. Six months later Hig was made tape plant manager, a position he held for two years until his recent promotion to vice president of Manufacturing in the Precision Magnetic Products Division.

In his spare time, Hig enjoys playing tennis. "California weather is made for tennis," Hig feels, and he hopes that his four children, who range from five to 12 years of age, become tennis players.

# '69 Sales Top \$77 Million

Memorex Corporation established record sales and earnings for the year ended December 31, 1969, announces President Larry Spitters. Sales rose to \$77,692,000, 33% more than 1968's \$58,295,000.

Net income for 1969 totaled \$6,902,000, or \$1.87 per common share, compared to \$4,939,000 or \$1.35 in the previous year.

Comparative Statements of Income for the years ended December 31, 1969 and 1968 follow:

## CONSOLIDATED STATEMENT OF INCOME

	Year Ended December 31	
	1969	1968
Net Sales	\$77,692,000	\$58,295,000
Income before Federal and Foreign Income Taxes	\$13,604,000	\$10,084,000
Federal and Foreign Income Taxes	\$ 6,702,000	\$ 5,145,000
Net Income	\$ 6,902,000	\$ 4,939,000
Per Share of Common Stock	\$1.87	\$1.35
Average Number of Shares Outstanding	3,693,307	3,663,010

Annual Reports will be in the mail to all employees as soon as possible, probably in early March.

Hig Tavrow starts off a typically busy day by giving dictation to his secretary, Carol Hancock.



## INTERCOM

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

Editor: Gary Williams

### ABOUT THE COVER:

George Roberts keeps track of the tape he's running through his surface treating machine in the tape plant. The story, on pages 10 and 11, tells why surface treating is such an important part of the tape production process.



# Fun Filled Weekend Offered As First Prize in Annual P.S. Point Value Contest

It's that time again when you and many other Memorex employees are focusing your attention on the 1969 Contribution to Profit Sharing—and equally important, the value of a Profit Sharing Point for the year.

In another section of this magazine, you read that Memorex set record high levels of sales and earnings for 1969. It was also a year when the Profit Sharing Contribution exceeded that for any previous year. The Contribution amounted to \$1,383,000 and represents an increase of approximately 49 percent to the asset value of the Profit Sharing Trust. When the funds are transferred to the Trustee, they will be invested in various securities for the accounts of those eligible to participate in 1969's results.

Unlike other years, the 1969 Profit Sharing Contribution is not 10 percent of the Company's consolidated pre-tax profits. Because during the year certain subsidiaries operating outside of the United States ceased participation in the Plan, the method of calculating the Contribution was changed to reflect, on a pro-rata basis, those earnings allocable to Memorex operations remaining in Profit Sharing. Accordingly the Plan now provides that this amount will be 10 percent of pre-tax profit less an adjustment for non-participating Memorex employees. This change will not produce any material difference in the amount of Profit Sharing credited to your account.

## 1969 POINT VALUE CONTEST

Having reviewed Memorex's operating results for 1969, each of us finds it particularly easy to understand the financial importance of Profit Sharing. We do this by evaluating our participation in terms of compensation for the year and the length of service at Memorex. Each factor rates a certain number of points, and each point can be translated into your proportional interest in the Profit Sharing Contribution.

Because there is always wide speculation on what the point value will be, guessing that figure makes a good subject for calling everyone's attention to Profit Sharing.

And so, we announce the 1969 Point Value Contest! The Contest is open to all employees of Memorex Companies participating in the Profit Sharing Plan. The objective: guess the value of a point to the nearest one-hundredth of a cent by completing the contest entry form inserted in this magazine. The results will be announced in April.

## The Prizes

The contestant making the closest estimate of the 1969 point value will receive:

### First Prize

An exciting, pleasure-filled weekend for two in San Francisco. With emphasis on what's happening and how to enjoy it! This first-class fun-trip will give you:

—Two days and two nights' accommodations at the luxurious Fairmont Hotel atop Nob Hill.

—Dinner two nights at your choice of some of San Francisco's most noteworthy restaurants.

—Tickets for your choice of an evening's entertainment. Enjoy events like a hit stage play from New York, —the world-famous San Francisco Symphony, or an exciting nightclub revue.

—A \$25 gift certificate to any one of San Francisco's many fine specialty shops or department stores.

—\$50 in cash to cover your miscellaneous expenses, and

—Special chauffeur-driven limosine service from your home to San Francisco and return when your weekend is over.

If you come in with the second best estimate for the Profit Sharing Point Value, you will receive:

### Second Prize

\$50 in cash.

The contestant with the next best guess receives:

### Third Prize

\$25 in cash.

Alternate prizes will be available to the First Prize Winner if he is unable to accept the weekend vacation in San Francisco.

## Some Hints to Help You

So that you understand how the Point Value is derived, it is recommended that you refer to the section in the Profit Sharing booklet which explains the process. Then, as an illustration of how it works, apply the principles to your own situation.

—For every \$100 in compensation you received while participating in Profit Sharing during 1969, you are credited with one (1) point. (Salary in excess of \$16,800 does not count.)

—For every full calendar year of participation, you get two (2) points of credit.

Your points are combined with those of all other participants in Profit Sharing for 1969 to provide the grand total of compensation and service points for the year. The sum is then divided into the Company's contribution to arrive at the average Point Value in dollars and cents.

In 1968 the average Point Value worked out to be:

$$\frac{\text{Contribution} = \$1,120,427}{\text{Total Points} = 116,354} = \$9.6295$$

Remember that the number of Memorex employees participating in the Plan affects the Point Value as do the individual levels of compensation and the time of service.

The following data will assist you in estimating the 1969 Point Value:

	Profit Sharing Contribution	Total Points	Point Value
1965	\$ 280,182	16,237	10.6789
1966	575,479	42,796	13.4470
1967	751,717	74,174	10.1345
1968	1,120,427	116,306	9.6295
1969	1,383,000	?	?

## CONTEST RULES

1. All employees of Memorex Corporation participating in the Profit Sharing Plan are eligible, regardless of individual membership in the Plan. (Personnel associated with the preparation of information related to the Point Value calculation are excluded from entry.)
2. Only ONE ENTRY PER PERSON. More than one entry will disqualify a contestant.
3. Entries must be on the contest application attached to this magazine.
4. Entries must be received in the Profit Sharing Office at Shulman Avenue by 5:00 P.M., Friday, March 13, 1970.
5. In case of ties, the entries received earliest will be given preference.
6. The Profit Sharing Executive Committee members will be judges of the contest, and their decisions will be final.

# Micrographics Division Ready to Support Microfilm Printer System

The Micrographics Division, officially named just last month, is readying its first products for market in early 1970. These products will be the media and supplies for the Equipment Group's 1600 series Microfilm Printer system.

The new division has grown out of a research effort which began in early 1969 to determine if a workable microfilm formulation could be developed.

The first formulations, although showing promise, were very difficult to work with. In fact, vapors given off during the coating process were so toxic that gas masks had to be worn by those running the experimental coating line. Jack Hounslow, the division's general manager, said that one of the main decisions to continue with the microfilm project hinged on whether or not the toxic coating fumes could be eliminated

from the process. They were eliminated with more advanced formulations, and now the division expects to begin sales in April.

Jack was named to head the microfilm project in August, 1969, and since that time it has grown from a launch group into a division. There are already about 16 people in the division, plus another 10 who are working full time for Micrographics, but are actually part of the Information Media Group Technical Staff. One of those from the Technical Staff is Dr. Orville McCurdy, who is team leader of the microfilm formulation project. Others working with him on this development project include Gary Bunas, Ross Clark, Bob Murashige, and Elizabeth Herzfeld.

Jack sees two major objectives for the division. The first is to provide a complete line of supplies for the 1603 Microfilm Printer. This includes three different types

of microfilm, processing chemicals, paper and toner, forms-flash slides, film cores, reels, and cassettes. The second objective is to enlarge the division's development and manufacturing capabilities so that it can expand into the general microfilm market with superior products.

The 1603 was announced to the public last October, and its reception in the marketplace has been excellent. The 1603 is designed to replace, or in some cases supplement, paper printout machines. It is 10 times faster than paper line printers; it is quieter and takes less space than line printers; and one 1,000 foot reel of microfilm holds as much information as 24,000 sheets of paper. In addition, a computer operator can make as many copies as he needs from a master reel of microfilm, while line printers can make a maximum of about six copies per printer.



Micrographics is moving into a leased building on De La Cruz and Reed St. Putting the finishing touches on the office layout are Ron Gross (left) and Phil Gahr.

John Ethier, recently promoted to mechanical engineering manager in Micrographics, talks with Joe Pentala (left) and Ron Arima (right).

Sales of the new microfilm products will be handled by a special Micrographics sales force within the Information Media Marketing Division. The market Micrographics will enter in April is known in the industry as COM (computer output microfilm). When the division moves to accomplish its second objective, it will be entering the general microfilm market, or DOM (a Memorex abbreviation meaning "document on to microfilm").

In order to reach these objectives, Jack has organized the division into six departments. Howard Earhart has been named manager of Product Development; Product Engineering is headed by Bob Erdman; Phil Gahr is responsible for all engineering activities; and Phil Phythian is manager of Finance and Administration. For the present, Jack is acting manager of the Manufacturing Department, and Bill Hiegel is acting manager of Material.

We've already mentioned that the division will market three types of microfilm. One is COM-S Master Print Film. This is a silver film which is used in the 1603 to make the master copy of information printed out by the computer. COM-S comes in light-sealed molded plastic cartridges which contain 500 feet of 16mm film. Comdata will make the cartridges for this film at its new plant in Orange County.

The second microfilm product is COM-T, a thermally developed duplicate film that will be used on the Memorex 1620 Duplicator. The Duplicator is part of the 1600 series system that produces multiple copies of the original silver film. COM-T will be used to make positive microfilm copies from negative ones, or negative copies from positives.

The third type of microfilm is COM-D, which is also used to make duplicate copies of the master film. COM-D will be

sold in 1,000 foot rolls for making diazo type copies on the 1620 Duplicator. COM-D is different from COM-T in that it is used to make positives from positives and negatives from negatives.

The Micrographics Division was first located in building K, the former Purchasing area on Shulman Ave., just west of the research labs and offices. The production development people are still there, but the rest of the operation is moving into a newly leased facility on De La Cruz Blvd. and Reed St., in Santa Clara.

Present plans call for Micrographics to move into a permanent home by early 1971. The permanent facility will be designed exclusively for the manufacture and technical development of microfilm products.

Until that plant is built, microfilm will be coated in the Shulman Ave. tape plant. Slitting, rewinding and packaging will be done in the De La Cruz building. Warehousing and distribution will also be done from the De La Cruz site.



















