

NEWSMAGAZINE FOR MEMOREX EMPLOYEES
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U. S. Edition

FIRE EXTINGUISHER



ENTER ROOM

**Memorex Equipment Products
Demonstrate Effectiveness In
Various Customer Applications**

THE COMPUTER HISTORY MUSEUM



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New Financial Arrangement To Allow Memorex's Continuation As A Viable Independent Organization

Memorex has renegotiated its senior debt obligations and arranged for additional credit that will allow it to continue its operations as an independent, competitive company.

The new agreements are necessary because the company is short of cash for scheduled debt repayment purposes.

Basic to the agreements between Memorex and its senior creditors is the company's revised operating and financing plan which sets new goals and operating conditions for the organization. The highlights of the new plan are:

1. Action Memorex has already taken to reduce its work force is sufficient to meet the objectives of the new operating plan.
2. Memorex expects its operating cash inflow to be greater than its cash outflow beginning in October and to maintain this favorable balance.
3. Principal repayments to Bank of America, Memorex's chief creditor, and ILC Peripherals Leasing Corp., Memorex's wholly-owned leasing subsidiary and another major creditor, are suspended for the remainder of this year and will recommence in 1974.
4. No sale of securities or infusion of external capital is expected in the immediate future.
5. No corporate partner or transfer of control of our business is required.
6. Conditions are favorable for the continued growth of our business.

The company issued a fairly detailed statement to the press on Friday, September 28, which is printed below.

Memorex Corporation has reached basic agreement with Bank of America and the lenders to ILC Peripherals Leasing Corporation, Memorex's wholly-owned leasing subsidiary, regarding restructuring of debt obligations and providing of additional credit facilities. Written agreements signed today, September 28, 1973, by these parties cover the basic elements of the arrangements, but must be superseded by definitive agreements prior to the end of 1973.

The agreements now executed are effective immediately to rearrange stated maturities of debt to the Bank of America and to provide additional credits through the end of 1973. The new arrangements, which are to be finalized in the definitive agreements are designed to allow Memorex to carry out a projected operating plan which will continue its operations as a viable, on-going independent business.

Memorex expects its operating cash inflow to be greater than its cash outflow beginning in October 1973. The agreements executed today provide the cash needed to reach that point, and the interest payment due October 1st on Memorex's 5 1/4 % subordinated debentures has been made. During the balance of 1973, these agreements provide for the suspension of Bank of America principal repayments, the readvancing of all amounts to be repaid the ILC creditors, and the deferral of all cash payments of interest by Memorex and ILC.

The overall operating and financing plan outlined in these agreements, to be fully provided for in the definitive agreements which must be signed, calls for principal repayments to Bank of America and ILC creditors to begin in 1974. Assuming that Memorex meets its projected performance objectives that will be required by the definitive agreements, cash flow remaining after projected operating expenditures and investments will be substantially equal to specified principal repayments to Bank of

America and ILC lenders through 1976, after which time meeting scheduled maturities will clearly require financing from other sources or a further extension of debt maturities. Interest is to be accrued currently and charged against earnings, but payment of interest to both Bank of America and the ILC lenders would be deferred until the end of 1976.

The plan contemplates manufacture of new equipment for lease by Memorex at an annual rate of approximately \$35 million, an investment program considered adequate to meet the up-grading requirements of existing customers and to permit production of advanced products for new customers. Planned operations also include a continuing research and development program at approximately the current \$8 million annual rate of expense for the development of disc file storage, communications and media products.

Six Months Report Issued

In his report to shareholders, Memorex President **Laurence Spitters** announced that for the six months ended June 30, 1973, Memorex and consolidated subsidiaries, including ILC Peripherals Leasing Corporation, had total revenues of \$85,282,000. "The net loss for the period was \$101,383,000, or \$23.54 per share, based upon 4,307,048 shares outstanding during the period," said Spitters.

"For the six months of 1972, total revenues were \$69,541,000 and net income was \$334,000 or \$0.09 per share on 3,915,000 shares outstanding during the period.

Regarding the September 17 decision in the Telex-IBM case, Spitters said, "As I have stated in the past, Memorex has, in my opinion, been the specific target of IBM's predatory practices, as substantiated by evidence produced in the Telex litigation, and we have under consideration claims which Memorex has against IBM."

INTERCOM

Editor: William D. Bellou



ON THE COVER:

Rolling out a Memorex 3670 Disc Storage Subsystem to be readied for customer shipment is Craig Thomas (l) and Rudy Maldonado of the shipping department. Customers are utilizing our equipment products in a number of diversified and interesting applications. (See story on page 4.)

After New Debt Agreement Plan: Where Do We Go From Here?

Where do we go from here? In one way or another, employees are asking questions about the state of the company, its prospects for growth, and about their personal employment situations. The following information should answer most questions about these and other concerns of Memorex people. Additional questions are welcome and should be directed to INTERCOM, MS 12-33.

Before the final agreements are signed later this year, is there a chance that the lenders may require further work force reductions or other belt-tightening?

There is no requirement by the lenders of any work force reduction, and management plans none. Our lenders very much want us to be a viable and successful organization, for our success will be the source of funds to repay their loans.

This Summer, as you know from our several announcements of negotiations with other firms, the Company's future under outside control was considered. Such outside arrangements were in the end all rejected by our lenders because Memorex as an independent company offered the best chance of recovery for their loans.

The negotiation of the basic agreements involved all of the Company's senior management at one time or another. It was our joint position that Memorex had completed the re-scaling of operations this Summer to a level which was in line with our financial resources, such that no further reductions are required. Our lenders agreed, and used our projections in forming their terms for additional financing. We believe that the agreements do provide a reasonable basis upon which to demonstrate the resiliency of Memorex, and our capability to operate profitably in the future.

Will there be money available for earned promotions and salary increases, or will both be frozen for an indefinite time?

We have no plans for any kind of wage freeze. Our forward plans do include increased pay and opportunity for deserving employees under our existing performance appraisal and salary increase procedures. We recognize the need to compete for talented employees and we intend to do so. Although the basic agreements require close control of all our spending, we can reward the diligence and competence with which our employees pursue our operating goals.

There is some dissatisfaction about the Company's benefit program. Will there be some improvement now, or do the loan agreements make that impossible?

The company is concerned about its benefit program and has received considerable input from employees as a result of the April Attitude Survey. Negotiations had made it impossible to effect any benefit change which required an SEC registration. Now we do have the opportunity to move ahead, and no restraint on benefits per se is included in the loan agreements. Although many parts of the corporate benefit program are attractive when compared to other firms in our industry, we recognize the deficiencies in other parts. You can expect several specific improvements in benefits over the next few months, the first of which is expected within a month.

Are we going to continue to manufacture and lease all of our products, or must we cut back in some way?

We regularly review the products offered by the Company and seek to select those with the greatest cash and profit potential. We expect to continue active programs in all major product groups, with extensive review of the individual products within those groups as to financial return. The basic loan agreements provide a substantial amount of capital for continued investment in our lease base. It is our job to optimize that investment in 1974 and beyond. The recently authorized manufacturing schedule for 1974 includes manufacture of 3670/3671, 1242/1280, 1270 and Mark X products for lease and sale. The products normally sold outright to customers are generally scheduled for increased production in 1974.

Are we going to be able to market our products aggressively? Did we lose many customers during the past several months?

The steadfastness of the overwhelming majority of our customers, despite our financial problems, is one of the brighter aspects of our business today. The reliability of our equipment and the responsiveness of our field service organization has retained the superior image of Memorex products among users. Our lease and service revenues continued to rise in the third quarter to new record levels, and are currently at an annual rate approaching \$100 million.

We regret the loss of many productive people over the past few months, yet we believe that those whose have remained can do the job. We do have the money and manpower to compete effectively, and we are confident that we have the will to do so. Memorex can be a good place to work if and as Memorex people respond to the challenge.

What effect will the Telex-IBM court decision have on Memorex's ability to compete in the peripheral market?

IBM has been found guilty of predatory pricing and marketing practices in violation of the anti-trust laws. Evidence introduced by Telex clearly shows that Memorex was a specific target of IBM's action. Since our claims of competitive injury would be similar to Telex's, we can assert those claims in litigation against IBM at the appropriate time. Our immediate priority, however, is to expedite recovery of a stable operating situation.

One of the most significant effects of the Telex decision is the widespread publicity of IBM's wrongdoing. The general public has viewed IBM as the "ideal" corporation; this unmasking of IBM's tactics and the constraint upon IBM competitive action should create a new environment for Memorex. Our business lies in one of the most dynamic and fastest growing sectors of the world economy and we welcome the opportunity of fair competition.

The precise impacts of the court's judgment remain to be defined, pending the outcome of motions and appeals. In any event, our ability to compete has been recognizably improved.

Is management confident that we can meet our new goals? If so, why?

We know that Memorex people, products, and services are distinguishably superior to those of our competitors. We know that in the past, this combination of talents, plus enthusiastic pursuit of our goals, has enabled us to outdo competition, exceed targets, and find satisfaction in our accomplishments.

Given the opportunity to perform (by our financial agreements) and an improved competitive environment (by the IBM-Telex judgment), we believe that the pride of Memorex people will not permit failure for lack of effort. Our 1974 Plan sets reasonable goals for a successful company—whether we reach them or not is up to all of us.

From Medical Labs To Conglomerates

Memorex Equipment Products Demonstrate Effectiveness In Various Customer Applications

Although Memorex Communication Terminals and 3670 Disc Storage Subsystems are relatively new in the data processing industry, businesses throughout the country are using these products in a number of diversified applications.

"From large conglomerates to small medical laboratories, customers cite price/performance advantages, reliability, and service as major reasons for purchasing or leasing Memorex equipment for their information system operations," according to **William F. Emmons**, Vice President of Sales.

Some of the more interesting uses that demonstrate the adaptability of Memorex Communication Terminals and 3670 Disc Storage Subsystems include:

MEMOREX EQUIPMENT CUTS DATA PROCESSING COSTS OF SAMMONS ENTERPRISES' COMPANIES

Omnis, the centralized computer arm of Sammons Enterprises—a holding company for a variety of businesses—reports that extensive operational and cost savings are gained from Memorex communication and storage equipment connected online to its system 370/145 for three of its large companies.

"We depend in part on rental savings gained from our Memorex peripherals to be competitive in providing EDP services to Sammons' companies," explained **Michael Hensel**, Director of Data Services for Omnis.

The largest dollar savings accrue from a 15 percent rental reduction for eight Memorex 3670 Disc Drives. The drives, soon to be expanded to a total of 12 with two control units, contain data base master files for Reserve Life (insurance company), Sammons Communications Company (cable TV systems) and Briggs Weaver (construction and hardware distributors).

"The excellent uptime record we experienced with Memorex's 3660 Disc Drives, and a parallel run with both the Memorex 3670 and IBM's 3330, made our decision to standardize with Memorex discs an easy one," said Hensel.

COX BROADCASTING RELIES ON MEMOREX TERMINALS IN COMPLEX TIME SHARING NETWORK

A new interactive time sharing network with Memorex 1240 Communication Terminals,

operated by Cox Data Systems, a Division of Cox Broadcasting Corporation, is providing a real-time sales and accounting service to TV and radio stations.

"An information explosion resulting from an increased number of transactions involved in generating a dollar of station revenue has virtually dictated our developing the real-time system," explained **Allan Sanders**, Business Manager for Cox Data Systems.

The process of a station selling and scheduling spot time involves a complex sequence: controlling a continually changing available inventory of spots; selecting specific spots for a special audience; presenting recommended schedules of spots to advertisers or their agencies; confirming and protecting spot reservations; detailing daily station format and logs to assure all necessary video and audio backup will be available when needed and correctly used; plus final detailed invoicing.

"We chose Memorex 1240 Communication Terminals basically because of the variable operating speed option and its reliability, which is essential for our time sharing network," said **Dan Roberson**, Manager for Conversion and Training at Cox Data Systems.

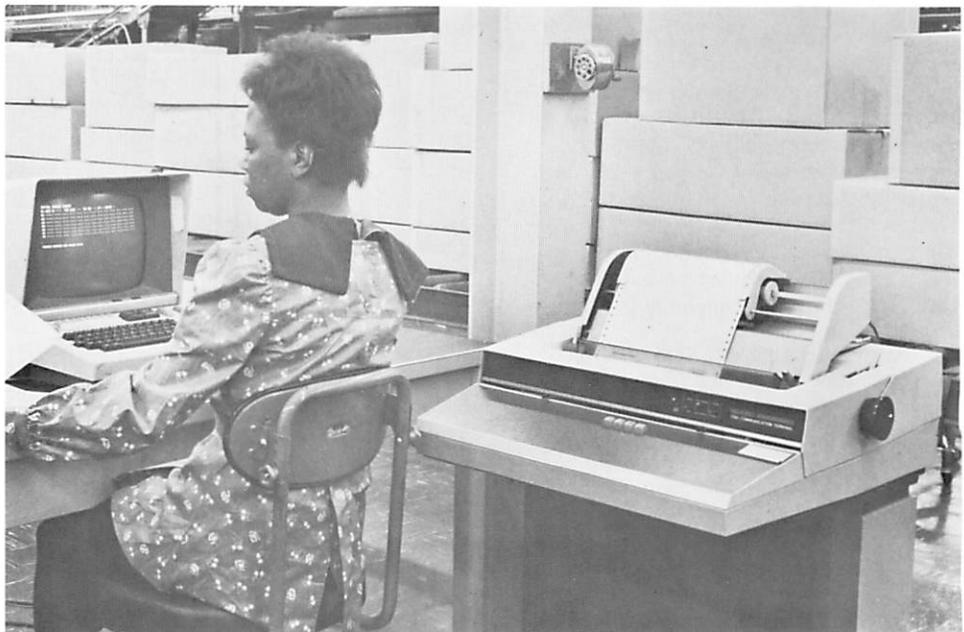
YAMAHA REVS UP DATA COMMUNICATIONS WITH MEMOREX 1250 TERMINALS

In contrast to the Cox TV and radio spot selling and scheduling system is the accounting system of Yamaha International Corporation of California, sole distributor of cycles and other Yamaha products in the United States.

The company is using the Memorex 1250 Communication Terminals in seven remote warehouses for printing combined bills of lading and shipping notices. The terminals permit bills of lading to be printed within an hour and shipments to be made the same day.

Supporting extensive data bases for inventory, billing, accounts receivable, order entry, and general ledger applications is a six-spindle Memorex 3670 Disc Storage Subsystem. "Our decision to use the 3670 was based upon a faster average access time, a significant price saving, and our previous experience with 3660 units," said **Dick O'Donnell**, Yamaha's Controller. "Memorex's reliability, engineering support and overall systems response has been excellent," he said.

One of the Memorex 1250 online Communication Terminals used throughout the Bobbie Brooks production-distribution systems. Delores Kinney operates the companion CRT display.



**BOBBIE BROOKS FASHIONS FLEXIBLE
"TELECONTROL" SYSTEM
WITH MEMOREX 1250's**

A different application from that of a motorcycle inventory information system is an application of Memorex 1250 Communication Terminals by Bobbie Brooks, one of the nation's largest and most diversified apparel manufacturers.

Controlling a two million yard fabric inventory, cutting more than 13,000 clothing units weekly for 26 manufacturing facilities, preparing 2,500 invoices daily, and shipping a diverse line of clothing to more than 13,000 retailers is a mind-boggling task the Bobbie Brooks information system handles in stride.

The employee interactive terminal system called "telecontrol" includes a total of 15 Memorex 1250 Terminals. It provides immediate hardcopy answers to more than 15,000 daily fabric status CRT inquiries at all stages of the production cycle.

David Dailey, Director of Management Information Services at Bobbie Brooks, describes "telecontrol" as "... an ideal system we had envisioned for years. It has truly eliminated control problems from the receipt of raw material through final invoicing of our customers."

**MEMOREX TERMINALS ENABLE 24-HOUR
MEDICAL LAB TEST TURNAROUND**

One of the newest and most novel applications of Memorex 1250 Communication Terminals is their use by a medical laboratory in Woodland Hills, California, to supply test results to doctors, clinics, and hospitals in less than 24 hours after specimen pick up in cities as far away as Chicago.

According to Michael J. Stone, Data Processing Manager of Laboratory Procedures West (Upjohn's Laboratory Division), Memorex terminals are used for transmission to a user or a laboratory procedures distribution center.

Two of the terminals operating in a company-owned distribution center serving subscribers in the greater Chicago area, "... print approximately 12,000 test results within two hours during a normal day's transmission," said Stone.

More than 255 tests are provided ranging from common urinalysis and CBC (com-

plete blood counts) to more complex Protein Bound Iodine (a thyroid function measurement) and Renin (hypertension).

"The speed of the Memorex terminals has cut our remote printing time up to a fourth and made our less-than-24-hour-turnaround possible. Oftentimes we will have results back to Chicago, our most remote distribution center, by 9:00 a.m. following a previous afternoon pick up," said Stone.

These sales and many others are the result of professional salesmanship of the Memo-

rex Field Marketing organization," said Emmons. "Our growing sales indicate that our people really know our customers' problems and how to best resolve them with Memorex equipment."

Reviewing an advertising spot availability report, generated by Cox Data Systems and printed by a station-based Memorex 1240 Communication Terminal, are (left) Dale Smith, General Sales Manager of WSB-TV in Atlanta and Allan Sanders, Business Manager for Cox Data Systems.



One Millionth Memorex Computer Tape Delivered In United Kingdom

The one millionth computer tape to be supplied in the United Kingdom was recently delivered to the Southern Computer Center of Shell-Mex and B. P. Limited at Hemel Hempstead, Hertfordshire.

The occasion was marked by an informal reception held at the Brown's Hotel, London, when a commemorative plaque was presented to the computer center by **William S. McCalmont**, Memorex European Vice President.

McCalmont said the association between the two companies dates back to 1965, shortly after Memorex started its UK and European operations. "Memorex has established the viability of the independent supplier, with benefits to the end-user," said McCalmont. "However, without the support of companies such as Shell-Mex and B. P. Limited in the early days, Memorex would not have reached its one millionth computer reel so soon."

Systems manager Harry Cordwent, who accepted the plaque on behalf of the Southern Computer Center, said the center has purchased more than 11,000 computer tapes since 1965. "We have always had a great deal of magnetic tape activity, especially during the early beginnings when approximately 1,600 tapes were mounted each day," said Cordwent. "For that reason it was essential that the supplier was selected with extreme care."



William McCalmont (center), European Vice President, presents a commemorative plaque to Systems Manager Harry Cordwent of Shell-Mex and B. P. Limited, marking the one millionth Memorex computer tape

delivery to the United Kingdom. Stanley Day (l), Manager of Shell-Mex Information Computer Division, also took part in the presentation.

Memorex Enters End User And OEM Disc Cartridge Fields With Two New Products

Memorex has announced that it is now marketing disc cartridges that are compatible with IBM System/3 computers.

The Memorex Mark III T, a long loading disc cartridge for 5440 type drives, is immediately available, and the Mark III F, a front loading disc cartridge for 2315 type drives, will be available in October of this year.

What makes the Memorex entry into the marketplace different, according to **Philippe Yaconelli**, Vice President for Marketing, is

that "Memorex is late getting into this field and we're going to make up for it by selling our disc cartridges at an introductory price of only \$110 each during this period of time."

"In other words, users can save a substantial amount of money on cartridges if they promptly place their orders with us," said Yaconelli. "A similar pricing strategy will be exercised when the Mark III F becomes available in October."

In another move, Yaconelli announced that Memorex is also actively seeking OEM business and will offer an even more attractive price for quantity buying manufacturers who wish to private label Memorex disc cartridges. The disc will meet virtually any mini-drive requirement and can be ordered with special sectoring to meet specific needs. Additionally, the disc cartridge is also available in dual density configuration.

Memorex Announces New Toner For IBM Copier II

Memorex is now taking orders for its new high quality Cartridge Toner for use in IBM Copier II.

The new toner produces sharper images, is cleaner to handle and more economical on a cost per copy basis than other available toners, according to **Bruce Colegrove**, General Manager of Business Products.

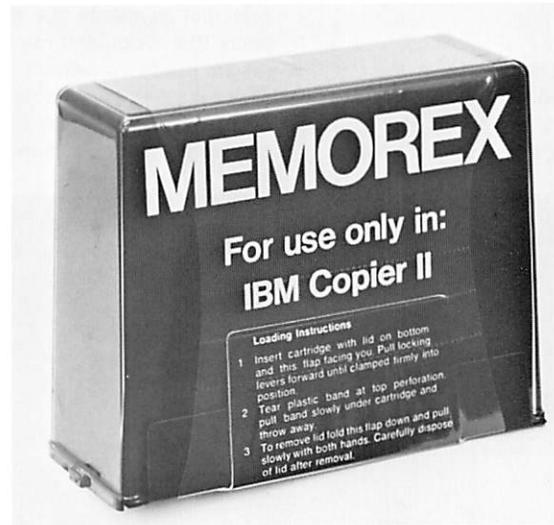
"There are three basic reasons why Memorex Cartridge Toner out-performs other toners," said Colegrove.

"First, Memorex toner is made with a unique polymer base with more carbon black for darker images and better contrast; second, toner particles that are not of optimum size have been minimized for cleaner copy background and sharper print quality.

"And third, Memorex toner is manufactured in a continuous process, eliminating batch-to-batch variations, under rigid quality control performance standards."

Meeting or exceeding all IBM specifications, Memorex Cartridge Toner provides more copies per pound of toner than competing toners, and offers significant price discounts over IBM.

Memorex Cartridge Toner comes in a uniquely packaged cartridge which provides cleaner storage and loading, and is closed by an extra wide plastic band which prevents leakage before use.



Herrera Named To Direct Storage Development



The appointment of **Ray Herrera** as Director of Advanced Products in Storage System Development was announced by **Jack Clemens**, General Manager of Storage Systems.

Herrera, who formerly was manager of disc memory engineering for Honeywell Information Systems, will be responsible for advanced future programs for Memorex disc drive developments in his new position.

Prior to Honeywell, Herrera was vice president of engineering for IOMEC, Inc.

Before that, he spent 13 years with IBM in a number of managerial positions, including manager of file development for direct access storage products, manager of the magnetic recording technology group for random access files, and advisory engineer, special file programs.

Bridge To Head Communications Development

William H. Bridge has been appointed General Manager of Communications Development, announced **Douglas Larson**, Vice President of Equipment Products Operations.

Bridge, who recently served as a consultant to Memorex, will be responsible for bringing new communications products to market.

For four years, beginning in 1968, he was president of TENET, Inc., of Sunnyvale, principally a manufacturer of computer mainframes.

From 1964 to 1968 Bridge was vice president-engineering, Data Pathing, Inc., where he formed and directed the organization that produced a unique data collection system for large manufacturing plants. Prior to that, Bridge was engineering manager in General Electric's Computer Department where he headed the development of the DATANET 30 communications processor.

A graduate of Catholic University, Washington, D.C., with a degree in electrical engineering, cum laude, Bridge has done advance studies in physics and mathematics.



Campbell Helps Put It All Together

Long Negotiations On New Agreement Reconciles Interests Of Diverse Parties

Memorex's agreement on debt repayment was the hard-earned culmination of frequent, lengthy negotiations. **Don M. Campbell**, Company Treasurer, bore the brunt of this necessary burden during the nearly four weeks of negotiations here and in New York City.

More often than not, Campbell was the lonely Memorex Man-on-the-Spot, trying to close a deal with a diverse group of creditors on the basis that the best interest

of the borrower was also the best interest of the lender.

"We went into these negotiations with three problems: (1) the company had a lot of debt, (2) the company had interest and principal payments due over the next two years that it couldn't realistically meet, and (3) the creditors weren't sure what to do about the first two problems," said Campbell. "That uncertainty by some of the creditors was the reason for that long pe-

riod in which there were attempts to sell the company or otherwise raise money in a hurry."

"Once that third problem was resolved on the basis of agreement that there was a way to operate Memorex as an independent company and meet the needs of the creditors, the shareholders, the employees and the customers, we were able to begin serious negotiations on the other two," explained Campbell. "And while our large debt hasn't gone away, the repayments have been set up in a way that give us a reasonable program to pay it down while maintaining and growing our business," he added.

"If it seemed to you that it took a long time to conclude those agreements, it seemed a lot longer to me and those at Memorex who so capably supported the effort. But we had fourteen lenders to deal with—banks, insurance, and credit companies—and there was just no easy way to reconcile all of their and our legitimate interests in so large and complex an arrangement," stated Campbell.

"Perhaps it's easier to understand the necessary care that went into the agreements by noting that as soon as all the signatures were on the documents, \$7 million in cash was handed over to the company," he explained.

"I'd have greatly preferred it if we could have finished up a lot earlier than late at night on Friday, September 28, but what counts are the results."

"I think we defined an excellent basis under which to pay our legitimate obligations and to compete effectively in our marketplaces," Campbell said. "All our creditors lined up behind us to give us this opportunity, and I'm personally very grateful to them for the good faith and the good judgment to support all Memorex's employees."



Special Products Group Formed To Handle OEM Media Marketing

A Special Projects Group to service the computer media requirements of original equipment manufacturers exclusively has been formed by Memorex.

The group will fill a great need for a major media supplier like Memorex to have a fast response and dedicated organization, separate from regular engineering and manufacturing functions, to interface with OEMs, according to **Philippe Yaconelli**, Vice President-Marketing.

"This free-form group will be able to deal expeditiously with OEM organizations, and at the same time, not disrupt the normal manufacturing and engineering routines of the company," said Yaconelli.

During its first few months the Special Products Group will concentrate in the area of special discs, disc packs and disc cartridges. The team is now positioned to evaluate OEM proposals, provide engineering interface and cost/price estimating along with limited quantity production.

In announcing formation of the group, Yaconelli also designated **Vern Goode** as manager of the new unit. Goode has more than five years experience in working with OEMs, and has been directly involved in helping create many new disc products.

Other members of the Special Products Group include **Hal Sowle**, Product Manager; **Don Ivie**, Marketing; **Paul Herbig**, Engineering; and **Steve Johnson**, Research and Analysis.

Terminal System Connects 52 Memorex Sales And Service Offices--Provides Significant Cost Savings

A recently installed Memorex 1280 Communication Terminal System connecting 52 Memorex sales and service offices with headquarters is providing significant cost savings and improved communications efficiency over a previously installed Western Union TWX Network.

"The terminal system provides numerous benefits over the TWX Network," according to **Mary Shine**, Senior Systems Analyst, "such as the elimination of dialing for

message traffic and its unattended operation for receiving and sending messages. The terminals also allow for faster message preparation, easier editing, and an annual savings of approximately \$30,000," said Ms. Shine.

More than 750 messages are sent daily, which include daily activity reports (DAR), financial information and spare part requests for equipment products. In addition, International Operations receive and send

information regarding new equipment and media order requests.

According to Ms. Shine, the 1280 system caused few problems in its initial installation. "However, the ultimate success of the system depends, in part, on each key operator. Their cooperation and support is essential," she said.

A continuing education program course on the operation of Memorex terminals is now being developed for key operators who use the new terminal system. The course is unique in that instructions will be provided on a pre-recorded Memorex audio cassette, while the terminal displays examples of its print-out capabilities and operation via a Memorex 1280 Terminal Cassette.

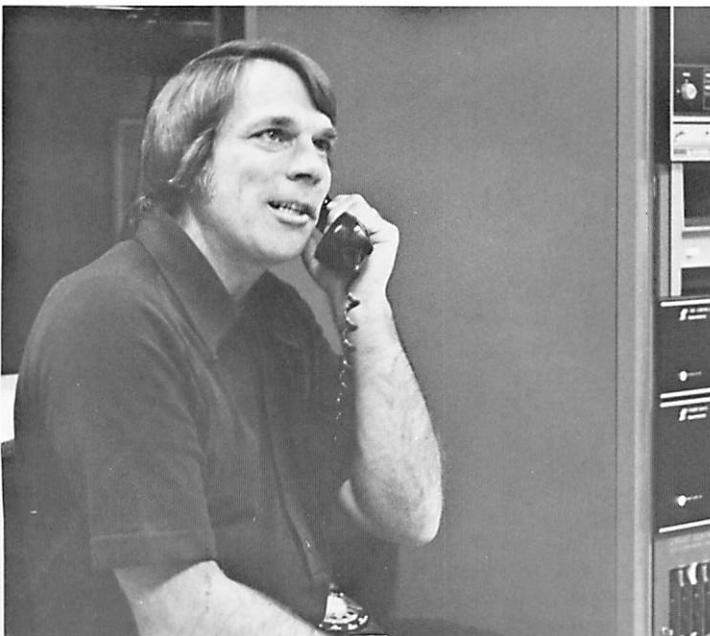


International Operations also utilize the 1280 Telecommunications System. **Pat Simons** (I) Telecommunications Coordinator, transmits International administrative messages while **Linda Cavazos**, Telecommunications Clerk receives Media sales orders from the Memorex branch office in Toronto, Canada.



Daily Activity Reports (DAR) are received in Santa Clara by **Chris Sebens**, Accounting Clerk. All branch offices report daily to Santa Clara Finance and Marketing groups.

Education and Technical support for the Memorex 1280 Telecommunication Network are provided by **Mary Shine**, Senior System Analyst.



Warren Davidson, Consultant Analyst, tests the Memorex 1280 Communications Network with the Memorex International Office in London. The nucleus of the telecommunications system is housed in the unit directly to the right of Davidson.

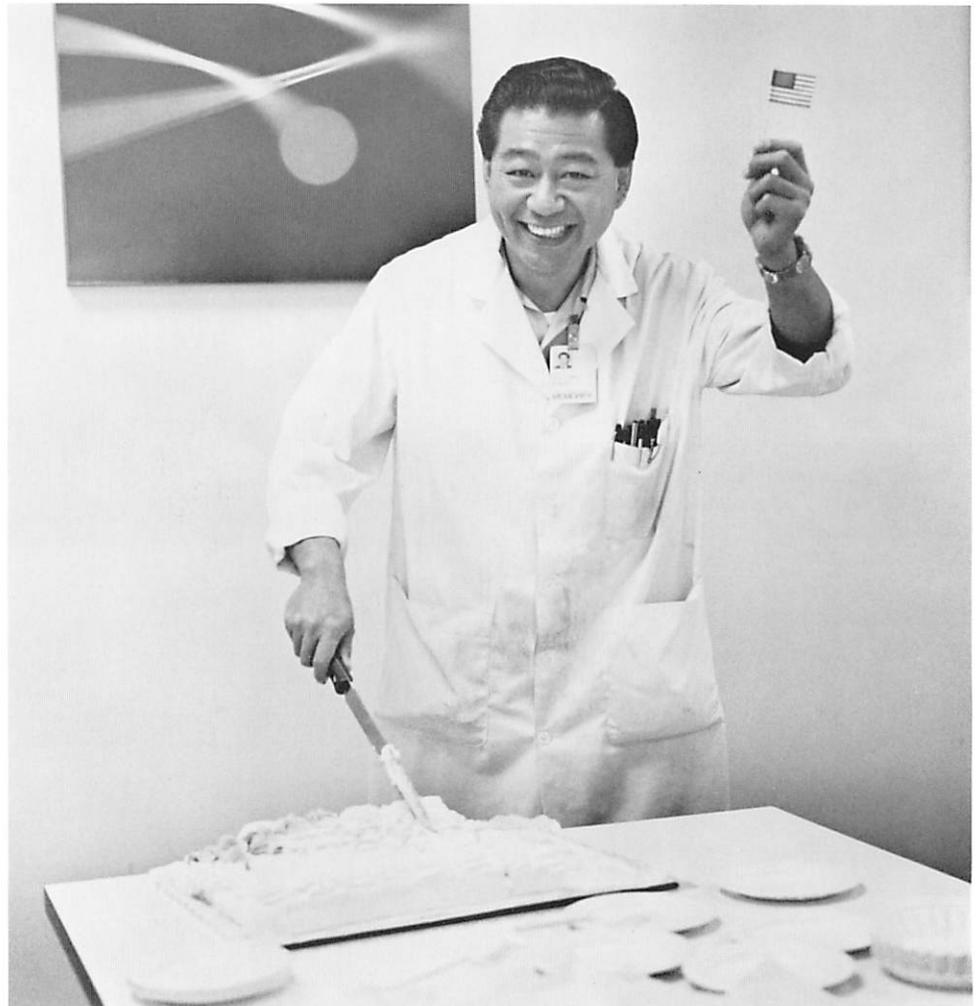


Promotions

James Agur to Department Manager-Manufacturing
Roland Bishop to Equipment Manufacturing Supervisor
Dixie Blanchard to Credit Correspondent
Harold Bliss to Media Technical Specialist
Steven Boyd to Department Tech-Technical Manufacturing
Ronald Brown to Equipment Manufacturing Supervisor
Ronald Bulin to Marketing Representative
Janice Bunker to Sales Representative
Norma Burchfiel to Executive Secretary
Janis Carpenter to Supervisor Equipment Manufacturing
Julio Cervantes to Electro Mechanical Tech
Alton Christman to Department Manager-Manufacturing
Robert Contreras to Product Control Analyst
George Cotroneio to National Sales Manager-Business Products
John Crescenzo to Senior Associate Field Support Representative
John Dick to Senior Mechanical Tech
Angelina Dutra to Statistical Clerk
Doug Eldridge to Sales Representative
Jennie Eleazarraraz to Associate Accountant
Leonard Emerson to Equipment Order Administrator
Robert Fernandez to Purchasing Department Manager
David Fukagawa to Material Planner
Knowlton Harrell to Professional Product Salesman
Robert Hayes to Director-Field Support
Sharon Henry to Associate Accountant
Robert Higgins to Manager of Planning and Control-Equipment Operations
Richard Hoehnle to Manager Technical II
L. Wayne Johnson to Technical Manager
Wayne Kennedy to Senior Associate Field Support Representative
Janice Kirkland to Order Correspondent
Gyula Kish to Field Support Manager
James La Plante to Electro Mechanical B
G. (Kenneth) Lowe to Manager Manufacturing/Quality Control
Barbara Mae to Assistant Media Order Administrator
Ronald Martin to Department Manager-IT Manufacturing
Kenneth Masco to Territory Supervisor
Philip Mastrocola to Associate Buyer
Emanuel McCown to Senior Associate Field Support Representative
Curtis McCrary to Territory Supervisor
David Meyer to Branch Sales Manager
Newton Montgomery to Director-Field Support
Tim Morrison to National Accounts Manager
Farrokh Mottahedin to Senior Engineer

Christopher Newton to Territory Supervisor
Richard Niehaus to Senior Field Support Representative
Terrence O'Donnell to Sales Representative
Robert Okano to Traffic Coordinator
Lane Park to Territory Supervisor
Fred Phillips to Engineering Manufacturing II
Norman Phillips to Engineering Specialist
Ruth Rease to Electro Mechanical Tech
Phyllis Ring to Credit Correspondent
Everett Rogers to Engineering Specialist
Pete Ruth to Engineering Quality Control
Richard Schulenberg to Warehouse Supervisor

Robert Smith to Senior Systems Programmer
William Spitznagle to Branch Sales Manager
Stephen Stephens to Supervisor Equipment Manufacturing
Jeanette Stewart to Accounting Specialist
Lawrence Swick to Senior Associate Field Support
Craig Thomas to Supervisor Representative Equipment Manufacturing
Charles Tillet to Field Support Representative
John Weston to Department Manager-Quality Control
Michael Wolf to Associate Buyer



Gary Chang, Ferrite Assembler for 3670 Disc Drive Heads, does some flag waving and cake cutting during a reception in honor of receiving his U.S. citizenship August 11. Chang was born in Shanghai, China and attended school there and in Shanghai, Soochow, Kiangsu, and Kowloon, Honk Kong. He held a number of different

positions, including a business representative for the Hong Kong and Shanghai Banking Corporation, an operations representative for Pan American World Airways, and as a foreman for the Jardine Engineering Corporation and the Hong Kong Government Business Registration Office of Commerce and Industry. He joined Memorex in 1970.

President Reports On Memorex's First Employee Attitude Survey

In April of this year, 3,000 Memorex employees participated in our first attitude survey. It was an opportunity to learn what a majority of employees wanted to tell us about Memorex.

By way of background, employees were asked to respond to a series of statements about some important aspects of their experiences in the Company. For example, one such statement was, "My immediate supervisor treats everyone fairly." The employee was asked to indicate his anonymous reaction to the statement. Did he agree, disagree or was he undecided? The employee was also asked if he thought the statement was important, unimportant or neither.

The overall response to the statement tells us what employees wanted us to know about their reaction to the statement. In addition, employees were encouraged to write anonymous comments on the survey forms, regardless of whether or not such comments were related to the survey statements.

We have now thoroughly reviewed the attitudes apparent from the survey results and have deliberated how management can be most responsive to what we have learned. We can make no simple summary of survey inputs which would be meaningful to all parts of our organization.

There are so many differences in the inputs from one organization to another that any attempt to make an overall summarization would be grossly misleading by itself. Therefore, I have asked the Vice Presidents and General Managers to immediately initiate review of the survey's findings for their organizations and to define action plans to correct problems of major concern.

We have learned that some ideas about their employment circumstances were shared by many employees back in April. These generalized attitudes were:

1. That employees felt the need for more information about management decisions that affect the overall plans and direction of the Company.
2. That employees were not pleased with the food and beverage service at Memorex.
3. That employees liked their immediate supervisors, felt good about their

work, and were proud to work for Memorex.

4. That employees were personally enthusiastic about their work but felt other employees were not.
5. That employees wanted more attention paid to improvement of pay and benefits plans.

I can assure you that we intend to do everything possible to improve the employment environment which produces attitudes of dissatisfaction. At the same time we should acknowledge that some employee attitudes reflect stress and problems at the time of the survey which are not continuing today. For example, our survey inputs were taken in April, prior to the May improvement in pay plans, and immediately following a major reorganization.

It is undoubtedly true that some attitudes have changed since the survey, both favorably and unfavorably. I am aware that much dissatisfaction persists among employees which should and can be alleviated. For that reason, I have asked the Vice Presidents and General Managers to institute corrective action regarding specific problems on a divisional and departmental basis. For corporate-level items, I have instructed the Corporate Operating Committee, the Personnel Department, the Public Relations Director and other senior managers to give

attention to improving those aspects of Memorex's environment which employees wish to have improved, including communications, food service, and financial incentives, to the extent that our financial condition permits.

As most of you are probably aware, we are now completing major improvements to the food service, including installation of a hot food line in the Tape Plant Cafeteria, which are intended to be responsive to the dissatisfaction expressed about food service in the survey.

We will communicate to you our decisions and action programs for other corporate-level items as they are resolved. The Personnel Department is charged with coordinating resolution of these concerns within the next few months, so that no issues remain unanswered by year-end 1973.

This first survey represents a successful beginning for us because it has enabled us to establish a basis from which to measure future changes and progress in reaching our goals. Your conscientious replies and patience are indeed appreciated.

Thank you,

Laurence L. Spittler



News In Brief

August Disc Drive Sales Highest Since January

Memorex 3660 Disc Drive Sales for August have exceeded monthly sales since January of this year, according to **James Allen**, Product Sales Manager. "We attribute the increased sales to continued customer satisfaction with the price-performance capabilities of the drives," said Allen.

Media Manufacturing Reorganization Announced

With the resignation of **Richard Bourgerie**, Vice President of Media Operations, **B. B. Patel** will assume responsibility for all Tape Media Operations, announced **J. Garrett Fitzgibbons**, Vice President and General Manager of Media Products. **Don Racine**, Manager of Video Tape Q/A, and **Marty Jenkins**, Manager of Computer Tape Q/A, will report to Patel. **Steve Stone**, Media Operations Planning Manager, will report to **Paul Nappe**, Director of Operations and Planning for Media Products. **Don Mattson**, Director of Disc Pack Operations will report directly to Fitzgibbons.

Memorex Computer Tapes Compatible With Higher Density 6250 BPI Drives

Memorex customers have been notified that computer tapes—including those now in customer use—have the capability to function in 6250 bpi tape drive operations. IBM recently announced it will upgrade its drives to that higher density.

Memorex tapes conform to IBM specifications and will perform on 6250 bpi systems as well as they do on 1600 bpi systems.

Ferenz Named Director—Storage And Controllers

James Ferenz has been named Director of Storage and Controllers, Manufacturing. Ferenz replaces **Neil W. Jacobs** who has assumed the position of Director of Information Systems. Ferenz has held the position of manager of assembly in Equipment Manufacturing for the past 18 months.

Consumer Products Donates Cassettes To St. Vincent De Paul Center In Chicago

A donation of 12 MRX₂ Oxide Cassettes to the St. Vincent De Paul Center in Chicago was made by Consumer Products Central-Western Regional Manager **George Travers**. While driving to work, Travers heard Sister Anthony of St. Vincent De Paul (a guest on a popular radio talk show) explain that she wanted to record short stories and current events for senior citizens who are unable to read. A few minutes later, a representative from General Electric called and donated a cassette recorder to Sister Anthony. As soon as Travers arrived at the office, he called show host Wally Phillips on the air, donated 12 cassettes and discussed Memorex's advertising campaign, "Reproduction So True It Can Shatter Glass."

James Porter Appointed Director of CMX Marketing

James N. Porter has been appointed Director of Marketing for CMX Systems, a joint Memorex/CBS company that makes and markets computer-controlled video tape editing systems. Porter had been with Memorex from 1968 to 1971 as manager of computer media product management. His most recent position was director of market planning for Cartridge Television, Inc., of San Jose, California. He also served as divisional advertising manager for Crown Zellerbach and marketing manager for the Pabco Paint division of Fibreboard Corporation.

Lowe Named Manager—Equipment Products Head Manufacturing

G. Kenneth Lowe has been named Manager of Head Manufacturing for Memorex equipment products. Lowe replaces Joe Lima who has accepted a position with an electronics firm in Ireland. Lowe, who has more than fifteen years experience in electronic manufacturing, joined Memorex in 1970. His most recent position was Manager of Final Test.

Largest Monthly Volume Of New Orders For 1270 Terminal Control Unit

August produced the largest monthly volume of new orders for the Memorex 1270 Terminal Control Unit since it was first introduced in 1971, according to **William Bridge**, General Manager of Communications Development. One customer alone, a computer timesharing company, has ordered eight 1270s, which now gives it a total of 22. "The efforts of both Development Engineering and Manufacturing in providing new 1270 features, coupled with strong marketing programs, has resulted in the product continuing as a strong competitor in the communications market," said Bridge.

Flexible Disc Media Shifted From Equip. Products Group To Information Media Group

Responsibility for Flexible Disc FDIV and FDV media is being transferred from Equipment Products to the Information Media Group. The FDIV Cartridge is currently being used in the Memorex 651 Flexible Disc File, and the FDV Cartridge (equivalent to the IBM Diskette) will be used with the new Memorex 652 Flexible Disc File scheduled for customer delivery early next year.

Bill Randolph To Manage Memorex Systems Programs

William Randolph has been appointed to manage Memorex Systems Programs, announced **John Kramer**, VP and General Manager of Equipment Marketing. Randolph has been director of operations of Memorex Europe at Liege for the past year.

Education Dept. Developing Telecommunications Course

A complete telecommunications course is being developed by the Education Department to assist in field training for current products. The course will be ready for distribution later this month, according to **Bob Hayes**, Manager of Education and Support Services. It will include lesson and lab guides, and also student handouts.

Memorex United Fund Campaign Underway

"Thanks To You It's Working," is this year's theme of the Santa Clara United Fund Campaign, and for those Memorex employees who contributed last year, this message holds a special meaning.

"More than 100 agencies have been able to continue serving the human care needs of local residents in 12 communities thanks in part to the contributions of Memorex employees," said **Linda Carlon**, Memorex United Fund Chairman.

One out of every four people in the Santa Clara County receive direct services from United Fund Programs. Communities served by the Santa Clara County Campaign include: Campbell, Cupertino, Monte Vista, Milpitas, San Jose, Santa Clara, Saratoga, Gilroy, Morgan Hill, Los Altos, Los Altos Hills, Palo Alto, Stanford, and Sunnyvale.

Mrs. Carlon said that giving to the United Fund enables individuals to contribute only once for more than 100 separate services, avoiding duplication of effort and the annoyance of many campaigns. "It also enables contributors to use their money toward a well-balanced program of services in the community," she said. "When you contribute to the United Fund everyone benefits from a healthy community where agencies are serving their health, social welfare and recreational needs."

John Pew, Director of Personnel, said "Employee volunteers will be contacting all employees in an effort to obtain as many generous pledges as possible. Our goal is 100% employee participation."



Linda Carlon, United Fund Campaign Chairman (second from left) holds a UF "Fair Share" pledge card from Chaney Sabharwal

(right), while Nancy Barry pledges her "Fair Share" to UF Campaign Coordinator Julian Camacho.

Dear Employees of Memorex:

One of the most worthwhile fund raising campaigns conducted in Santa Clara County, and the only one we at Memorex support, is our local United Fund campaign. Over 100 agencies and services of United Fund are seeking our support so that they can continue to provide the self-help programs which are vitally important to our many Santa Clara communities.

I firmly believe that United Fund services do much to help people. Here are a few reasons why:

- . . . United Fund agencies help people who want to be helped and who work hard to help themselves
- . . . local volunteers from all walks of life govern the agencies and United Fund so that your contributions are used equitably
- . . . campaign costs are low, allowing 92¢ of every dollar raised to be allocated towards helping people.

Our United Fund campaign is scheduled to be conducted during the week of October 15, 1973. During the campaign one of your fellow employees will ask you to sign a pledge. Our goal, as a company, is to have all Memorex employees contribute their fair share; of course, only you can decide the amount of your contribution. We have established a payroll deduction program by which you can have an amount deducted each pay period over the next year.

Sincerely,

Laurence L. Spitters
President



**TOGETHER WE'LL
KEEP IT WORKING**

'Individual Rider Supreme' In Trials Riding

Of all the forms available to the motorcyclist—road racing, scrambles, endurance, etc.—only in trials is the individual rider supreme, according to **Don Pedrazzi**, Memorex Quality Engineer and trials enthusiast.

Pedrazzi, a member of the Pacific Trials Society headquartered in Redwood City, Calif., has been associated with the sport for more than three years. "I was introduced to trials through a few of my friends," said Pedrazzi. "I found the sport very appealing because rider skill is the determining factor of who will win."

"The exciting aspect about trials is that it requires a total commitment from the rider," he said. "The trials rider must be prepared to ride his or her cycle through a 10-25 mile course, which may include a sharp vertical climb, a river bed covered with large rocks, or a sheer drop down a cliff."

The trials course usually contains 15 to 25 observed sections, which are marshalled by trial club members who record each rider's performance. Point penalties are scored against the rider for stopping, leaving section boundaries, or using his feet. Riding a section without penalties is called riding "clean."

Pedrazzi said the financial rewards of trials are not as great as those of scrambling or road-racing, but "the rewards of accomplishment and self-gratification can be realized by all participants."



Don Pedrazzi rides through a rocky river bed during a trials practice session.

Lola Reinsch Named Miss Tall Cleveland



MISS TALL CLEVELAND—Lola Reinsch, Memorex Business Products Sales Representative, has been named winner of the Miss Tall Cleveland contest sponsored by the Skyscraper Club of Cleveland—an organization for taller-than-average persons. Miss Reinsch stands 5 feet 11 inches tall.

Memorex Japan Celebrates Fifth Anniversary

Memorex Japan personnel celebrated the Company's fifth anniversary at ceremonies held August 18 in Tokyo. Memorex Japan was originally formed to sell and service Memorex media products to Japanese markets, but now sells and services Memorex equipment products as well.

Mike Mouri, President and Representative Director, addressed employees on the fifth anniversary of the founding of the company, its present operations and the success of the business in the future. Mouri commended the continued support of all personnel and especially those employees who have served the company for five years.

During the celebration, **T. Yamada**, General Manager of Marketing, was named Executive Director of the Company, and four new directors were also named as follows: **H. Ocada**, Manager-Media Group; **N. Koike**, Manager of Finance and Administration; **S. Terada**, Manager of Osaka Branch Office; and **K. Hagiya**, Technical Manager.

History

Memorex Japan, Ltd. was officially approved by the Japanese Government as a joint venture between Memorex and Kanematsu-Gosho, a large Japanese trading company, on August 15, 1968.

In 1970, Memorex Japan became a wholly-owned subsidiary, and began handling Memorex equipment products.

Today, there are approximately 125 employees located in Tokyo and in four major metropolitan areas outside the city.



Marking their fifth anniversary with Memorex Japan are (l to r) front row: S. Terada, T. Yamada, Mike Mouri, and H. Ocada. Back row: K. Azuma, I. Itoh, S. Nakamura, K. Itoh, and K. Honda.



T. Yamada, Executive Director of Memorex Japan.



Mike K. Mouri, Memorex Japan President and Representative Director, addresses employees on the fifth anniversary of the founding of Memorex Japan.



Mike Mouri presents a toast to employees and to the future of the Company.

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SANTA CLARA, CA 95052

First Class Mail

Memorex Employees Celebrate Anniversaries

Fifth Anniversary

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

Earl Bailey
Roland Bishop
Marian L. Bohman
Corinne E. Brown
Otelia Brown
Ronald E. Brown
David Bunch
Gail R. Burris
Mary M. Burton
William Castor
Lloyd L. Clark
Gary D. Cole
Patricia F. Cowman
John E. Cox
Palma Dorsey
Alfred W. Endter
Eleanor R. Ford
Thomas Gardner
Gloria S. Goray

Reason Guilbeaux
Jean M. Gare
James Herman
Alfonso P. Jaramillo
Leilani Johnson
Sally A. Johnson
William Justus, Jr.
Anna Kelly
Donald H. Lueders
Eleanor L. McCoy
Albert L. Martorana
Stephen L. Nemeth
Oscar Perez
Robert G. Saxer
Morris L. Shaver
Kenneth C. Stowell
James G. Stratton
Lanora Tuttle
Michalene Wojtaszek

Tenth Anniversary



Ray Iida, Technical Analyzer, was honored with an engraved clock marking his 10th anniversary with Memorex at ceremonies held at the Consumer Products Plant. Neal Rayborn (l), Manager of Quality Control, and Art Fonda (r), Director of CPD Operations, expressed their appreciation for Iida's contributions to the company. Iida joined Memorex August 12, 1963.



Ali Jackson, Consumer Products Assembly Operator, was honored with an engraved clock marking her 10th anniversary with Memorex. Art Fonda (r), Director of Consumer Products Operations, and Ron Grindstaff, Consumer Products Manufacturing Manager, made the presentation in recognition of Mrs. Jackson's contributions to the Company. She joined Memorex on September 17, 1963.

Comdata Holds Annual Picnic



Comdata's Annual MAG sponsored Picnic, held this year at the "Flying B Ranch" in Santa Ana, California, was a "smashing success," according to Don Wilson, Per-

sonnel Manager. More than 240 attended the festivities which included volleyball, horseshoe contests, swimming, and dancing.