

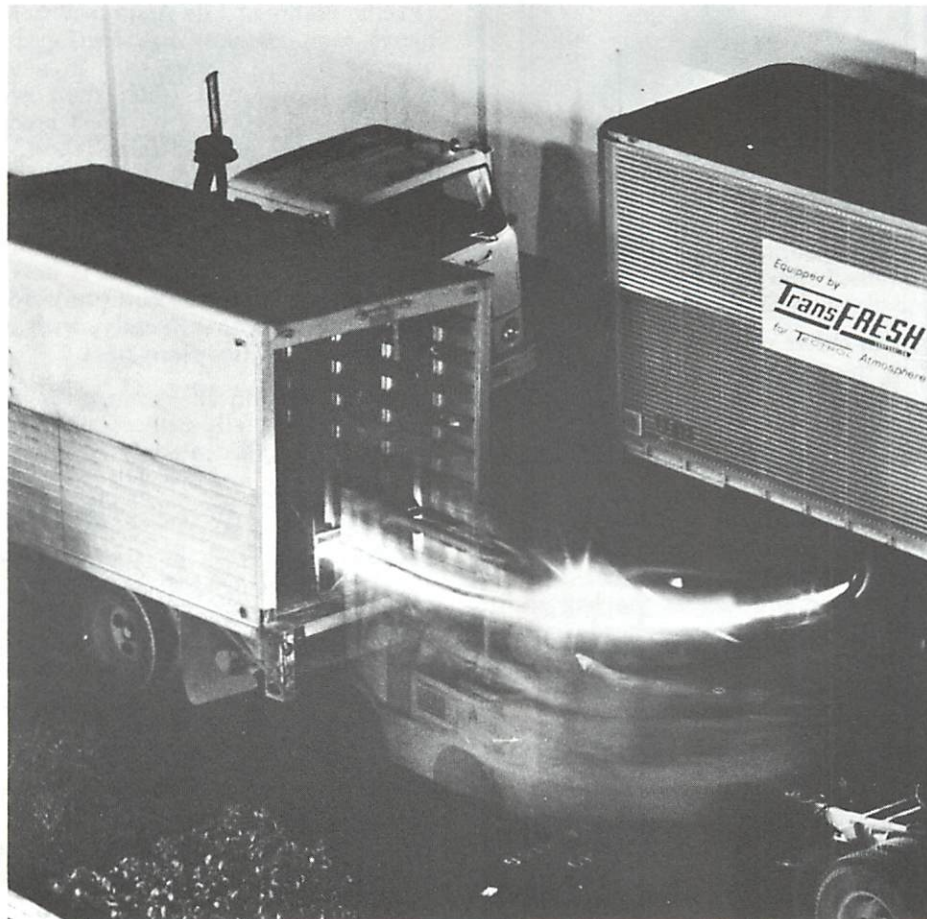


# INTERCOM

NEWSLETTER FOR MEMOREX EMPLOYEES

VOLUMN 6, NUMBER 1

JANUARY, 1969



**RUSHING AGAINST THE CLOCK** on New Year's Eve, the Santa Clara warehouse crew loaded more tape on that one day than was shipped in Memorex's entire first year of production. This time exposure exaggerates the speed of Frank Buller's lift truck as he loads a van that evening; however, the photo aptly symbolizes the swiftness with which the men worked. (The white blur is the light on Frank's truck). See the story and additional pictures on page 4.

## AS WE GO TO PRESS

The week long national sales meeting (Jan. 13-17) got off to a great start when Marketing Vice President Ed Seaman was named "Marketing Man of the Year" by Industrial Marketing Magazine.

We'll have the details on this important award in the next issue, along with information about Quantum, our newest computer tape, announced for the first time at the sales meeting.

Also as we go to press, Company President Laurence Spitters announces our merger with Technicolor "will not be consummated because of the difficulty of satisfying conditions to the closing of the merger in the near future, and the adverse effects on the operations of both companies which would be occasioned by further postponement of the merger."

## City Council Okays Shulman Ave. Project

A project to improve Shulman Ave. was approved by the Santa Clara City Council at its Tuesday, January 7, meeting and work will begin within the next two or three months.

The project provides for widening the street and running it straight out to Lafayette St., through the area now occupied by the Neet Awning Company; signals at the new Shulman-Lafayette intersection; sidewalks along the entire length of the street; improved street lighting; landscaping; storm drains; and underground electricity.

Memorex Treasurer Gordon Sheppard, city officials, and Ken Rhode, of the Santa Clara Industrial Community Board, all spoke in favor of the project when it was first presented to the City Council.

Mr. Sheppard cited our company's concern for the safety of Memorex employees and others who drive and walk on Shulman, saying their "safety is our major interest. Accidents and many near misses have occurred because of the present design of Shulman."

Mr. Sheppard also mentioned that the value of the improvements will be even more apparent as Memorex continues to grow. He said employment in Santa Clara will increase from the present level of about 1,400, to 4,000 by 1971 or 72.

Mr. Rhode said his group favors the project because it will "enhance the growth of one of the country's major firms" and will be an outstanding aesthetic improvement to the surrounding industrial area.

## ANTI-BUG IS HERE!

Hong Kong Flu shots are now available for free to Memorex employees, in the Santa Clara plant Dispensary from 7:30 a.m. to 3:30 p.m.



## PROFIT SHARING HISTORY

Memorex's contribution to Profit Sharing each year is 10% of net profits before income taxes. The history of Memorex's Profit Sharing since the Plan started in 1965 is as follows:

### 1965

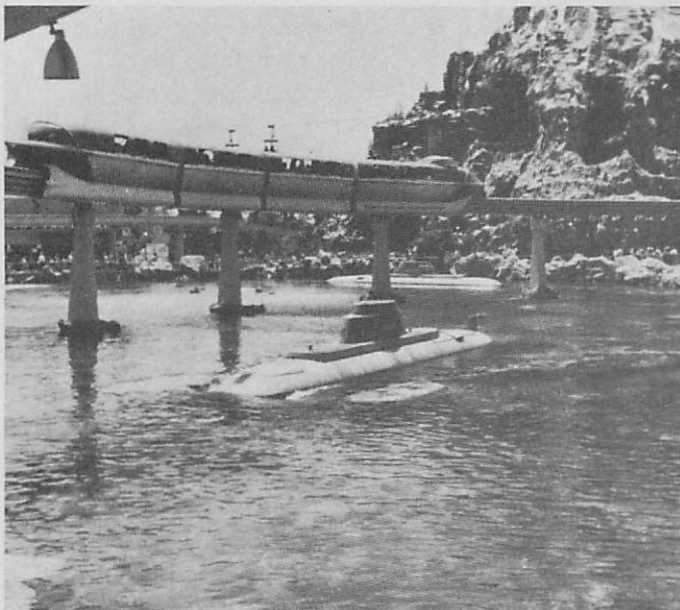
Profit Sharing Contribution .....	\$280,182
Compensation and Service Points .....	26,237
Point Value .....	\$ 10.6789

### 1966

Profit Sharing Contribution .....	\$575,479
Compensation and Service Points .....	42,796
Point Value .....	\$ 13.4470

### 1967

Profit Sharing Contribution .....	\$751,717
Compensation and Service Points .....	74,174
Point Value .....	\$ 10.1345



## PROFIT SHARING FOR 1968

Profits (after taxes and Profit Sharing) and reserves for the 1968 Profit Sharing contribution during the first nine months of 1968 are as follows:

	Profits	Profit Sharing
3 Months ended 3/31/68	\$ 793,000	\$166,000
6 Months ended 6/30/68	2,016,000	471,000
9 Months ended 9/30/68	3,020,000	689,000
12 Months ended 12/31/68	?	?

For the first nine months of 1968, the Profit Sharing reserve increased to \$689,000. This figure indicates that an average of \$76,556 was set aside each month for the annual contribution to Profit Sharing.

The added contribution to Profit Sharing from the profits of the Fourth Quarter will determine the total Profit Sharing for 1968. Just how much the 1968 Profit Sharing figure will be is anyone's guess. An accurate guess is the first step in estimating the 1968 POINT VALUE.

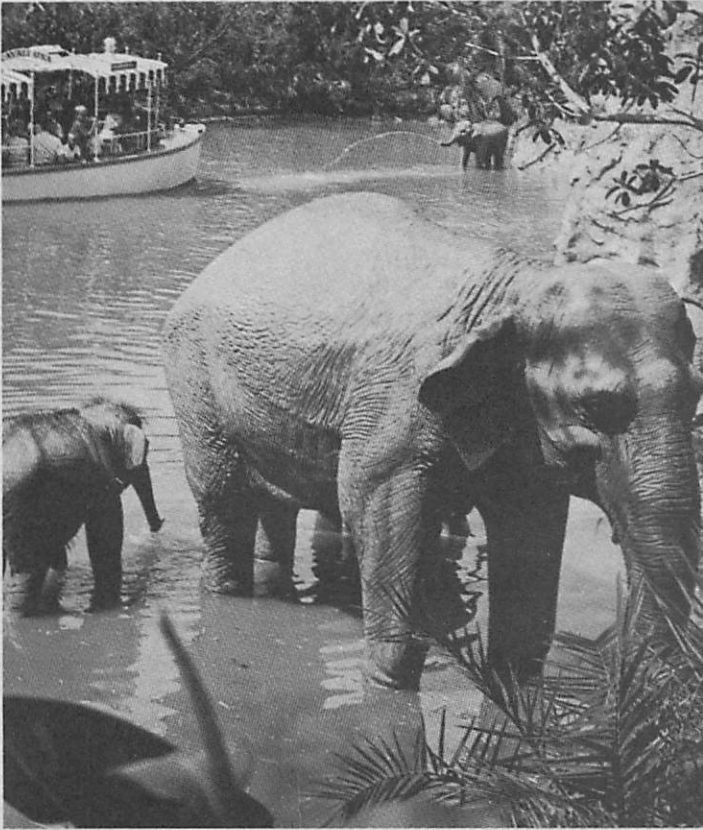
## POINT VALUE FOR 1968

After guessing the total Profit Sharing contribution for 1968, the second step in determining the POINT VALUE is estimating the total of the compensation points and service points for all eligible employees.

An employee becomes eligible on the first day of the month after which he has completed three months of continuous employment. He then receives one compensation point for each \$100 of salary or wages (excluding overtime) received while eligible. He also receives two service points for each full year (ending December 31) that he has been with Memorex.

To estimate the total points for all employees, it may help to review the employment figures over the past several years. At the end of 1965, Memorex had 442 employees; at the end of 1966, 918 employees; at the end of 1967 1,304 employees; and at the end of 1968, there were 1,940 people working at Memorex.

After estimating the total points for all eligible employees, divide the Profit Sharing contribution by the total points. The result is your estimate of the 1968 POINT VALUE. Good luck!



## HELPFUL CONTEST HINTS

First, read your booklet, "How Profit Sharing Works." Pages 2, 3 and 4 explain how compensation points and service points are computed. Page 4 also shows, by an example, how the POINT VALUE is determined. To help you estimate the 1968 POINT VALUE, let's review the 1967 Point Value computations:

The 1967 Profit Sharing Contribution .....	\$751,717
Total employees at year's end .....	1,304
All eligible employees .....	1,118
Their compensation & service points .....	74,174

Contribution	\$751,717		
Total Points	74,174	=	\$10.1345

## WHAT DOES PROFIT SHARING MEAN TO YOU?

Let's look at the Point Values in past years:

1965 .....	\$10.67 per point
1966 .....	\$13.44 per point
1967 .....	\$10.13 per point

Therefore, the Profit Sharing account of each eligible employee received more than \$10 for every \$100 of salary or wages he received each year he was eligible. That meant a more than 10% increase in annual compensation for Profit Sharers since the Plan was started.

When you estimate the Point Value for 1968, you are actually estimating the *percentage increase in your annual compensation* that will be allocated to your Profit Sharing savings and investment account.

# FOLLOW EASY CONTEST RULES, GUESS THE PS POINT VALUE!

The Profit Sharing Point Value Contest is open to all employees of Memorex Corporation and its subsidiaries. Contestants will attempt to guess the exact dollar value of the Profit Sharing point figures to the nearest hundredth of a cent.

The first prize goes to the person submitting the most accurate Point Value estimate. The second prize is for the next most accurate estimate, and the third prize is for the third most accurate guess.

If complete audit figures are available in time, contest winners will be announced in the February INTERCOM. If not available then, results of the contest will appear in the following issue.

## CONTEST RULES

1. All employees of Memorex and its subsidiaries are eligible, whether or not you're a member of the Plan.
2. Only one entry per person. More than one entry will disqualify a contestant.
3. Entries must be on the contest blank printed in the INTERCOM.
4. Deadline: Entries must be received in the Profit Sharing Office on or before 5:00 P.M., Friday, February 7, 1969.
5. Contestants may place their entries in the Suggestion Box in the Cafeteria or deliver them to the Profit Sharing Office.

6. In case of ties, the entries received earliest will be given preference.
7. The Profit Sharing Executive Committee members will be judges of the contest, and their decisions will be final.
8. The following are excluded from participating in the contest: Employees of the Finance Division, the Internal Auditor, members of the Profit Sharing Executive Committee, and Company officers.

## POINT VALUE FORMULA

The Point Value is computed as shown in the Profit Sharing booklet, HOW PROFIT SHARING WORKS (pages 2-4). Essentially, the value of each Profit Sharing point is determined in the following manner:

1. Each eligible employee receives one point for every \$100 of salary earned in 1968. (Salary earned in excess of \$16,300 does not count.)
2. Each eligible employee receives 2.18 points for each full year (ending December 31) of continuous employment.
3. The Company's contribution to Profit Sharing (10% of net profits before taxes) is divided by the total number of points of all employees eligible under the Plan. This will give the dollars and cents value per point.

★ ★ CONTEST ★ ★

### Guess the Dollar Value of the Profit Sharing Point

(Official Entry Blank)

I estimate that the value of each Profit Sharing point for 1968 is

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

NAME.....

DEPARTMENT.....

Deadline — February 7, 1969, 5:00 P.M. Entries must be placed in the Suggestion Boxes or delivered to the Profit Sharing Office by that time.

Only one entry may be submitted per employee.

MEMOREX EMPLOYEES' PROFIT SHARING PLAN 1968 POINT VALUE CONTEST

# EMPLOYEES ON THE MOVE

By JUDY BONINO

**Kenneth Dobbs** has been promoted from packager in Production to in-process inspector in In-Coming Inspection.

Disc Pack Production lost **Calmer Borsgard**, a production set-up operator, when he was promoted to mechanical maintenance technician in Manufacturing Engineering.

Inventory Control has a new inventory control clerk in the person of **Bob Saulsbury**, who was previously a surface treater.

**Richard Pisano** has moved from Packaging to take over the mix utility operator's job in Production which was vacated by **Bill Byrnes**. Bill was promoted to mix operator.

The Mix area also added **Norman Lopes**, as a new mix operator. Norman was a production set-up operator at Disc Pack.

**Orlando Garza** was promoted from his job in the Warehouse to production scheduler, in Scheduling.

The Chemical Development division received four new chemical technicians. **Bobby Joe Jenkins**, previously in the Mix area for the Disc Pack plant, and **Art Kunkel**, Mix area tape plant, have joined the team working under **Emile Houle** in Process Development.

**Bernie Donahue**, substrate operator from Disc Pack, and **Fred Siau**, mechanical inspector from In-Coming Inspection, are the other new chemical technicians. They will be working on the Tape Pilot Line for **Howard Earhart**.

**Art Antonio** has moved from his production set-up job to take over the substrate operator's job vacated by **Bernie Donahue**.

**Bob Harris**, a foreman in Disc Pack Production, has been promoted to a supervisor's position in the same area. Bob has been a foreman with Memorex since he was hired in December, 1966.

**Darlene Anderson** moved to a new desk, in the Personnel Lobby, and a new job as personnel clerk. She was receptionist in the Central Lobby.

We also want to acknowledge the promotions which took place in September, October, and November, when this column did not appear in the paper:

**Roger Anderson**—Substrate operator at Disc Pack to mix operator, Tape Production.

**Norbert Broussard**—Maintenance helper to grinder operator in Maintenance.

**Allen Miyatake**—Technician, Product Development to foreman, Instrumentation.

**Raymundo De Herrera**—Heavy duty cleaner, Contamination Control, to slitter operator, Production.

**Roger Espin**—Maintenance helper to facilities technician, Maintenance.

**Bill Jackson**—Mix Operator, Disc Pack, to chemical technician, Chemical Development.

**Leland Sears**—Warehouseman to substrate operator, Disc Pack.

**Glenna Hinrich**—Finishing operator, Instrumentation, to in-process inspector, Test.

**Joseph Maher**—Senior electronic engineer, Product Development, to recording specialist, Quality Control.

**Richard Linzmeir**—Surface treater, Production, to substrate operator, Disc Pack Production.

**Walter Vierra**—Mix operator, Tape Production, to mix operator, Disc Pack Production.

**Gene Madison**—Project manager, Engineering, to manager, Tape/Disc Development, Chemical Development.

**Larry Olsen**—Engineering project leader, Engineering, to supervisor, Process Engineering, Disc Pack.

**Phil Gahr**—Supervisor, Advanced Development, to project manager, Engineering.

**John Cusimano**—Technician, Manufacturing Test, to quality control auditor, Quality Control.

**Robert Padalino**—Reclaim operator, Salvage, to production set-up operator, Disc Pack Production.

**Cliff Walker**—Coating operator, Tape Production, to foreman, Coating.

**Pat Kostelnik**—Personnel clerk to personnel specialist, Industrial Relations.

**Doug Harrison**—Production set-up operator, Disc Pack Production, to slitter operator, Tape Production.

**Jerry Jenkins**—Production set-up operator, Disc Pack Production, to coating operator, Tape Production.

**Jeff Riggs**—Electronic technician, Maintenance, to test lab technician, Quality Control.

## Miniature Golf Sponsored by MAG

MAG's first big event of the new year will be a miniature golf tournament for MAG members, announces Mel McPherson, director of the tourney.

MAG has arranged to have exclusive use of Golfland U.S.A. on Saturday, January 25, beginning at 7:30 p.m. Golfland is located on El Camino Real, just past Wolfe Rd. and next to Spivey's Restaurant.

All activity group members, regardless of their miniature golfing skills, are invited to sign up for the tourney at the MAG Box Office.

As a bonus to those who play, MAG will be providing about \$40 worth of prizes.

This event is only for the adults (MAG members, their spouses and their guests) and badges or MAG cards will be required for admittance to Golfland.

Mel says a similar tournament may be held at a later date for the children, depending on the amount of enthusiasm generated by the adult tourney.

## DECENT ENGLISH IS BEST

Rudolf Flesch, writing about communications in Advertising Age Magazine, says, "There's no easier way to be noticed in a large organization than by writing a letter, memo or report in ordinary decent English. It will stick out and immediately catch the eye of someone upstairs."

**William Phillips**—Process test technician, Disc Pack, to engineering technician, Industrial Engineering.

**Bob Florio**—Warehouseman to traffic analyst, Traffic.

**Reason Guilbeaux**—Heavy duty cleaner, Contamination Control, to slitter operator, Tape Production.

**Frederick Taylor**—Reclaim operator, Salvage, to slitter operator, Tape Production.

**Frank Batista**—Mix utility operator to mix operator, Tape Production.

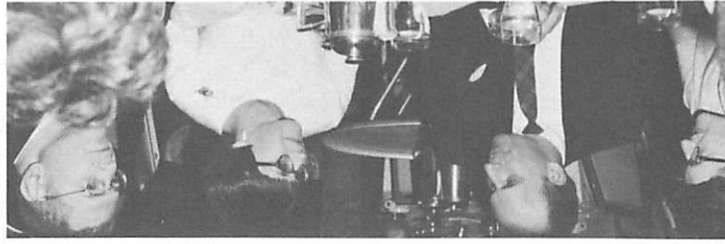
**Bob Aird**—Process test technician to foreman, Disc Pack Test and Inspection.

**Paul Ward**—Quality control engineer, Quality Control, to Industrial Engineer, Industrial Engineering.

**Mike Rogers**—Sales service specialist to pricing administrator, Marketing.

WHILE MAG MEMBERS were dancing and dining to the music of Walt Tolleason at the San Francisco Hilton, the newly formed Peripheral Activity Club (PAC) was preparing for a holiday dance at Alpine Lodge in San Jose—PAC's first activity since its inception.

Both dances were well attended and extremely well received, as evidenced by the photos on this page. The two pictures directly above are from the PAC dance and the others are from the Hilton.



MAG, PERIPHERAL SYSTEMS DANCES HIGHLIGHT HOLIDAY SEASON



### FALL JOINT COMPUTER CONFERENCE

FOR THE FIRST TIME IN company history, the Advertising/Promotion Department made use of a spectacular billboard to welcome Memorex customers and friends to the Fall Joint Computer Conference, held December 9-11 in San Francisco. The illuminated billboard was produced in color and located next to the Bayshore Freeway, between the airport and downtown San Francisco.

FJCC show management estimated that 25,000 people visited the conference each day. Many of them spoke with Disc Pack Product Manager Bill Borman (left, photo at left) and Bob Fox and Dave Duncan (left and center, photo at right) from PSC.



## INPUT-OUTPUT LEADS TO BUY 'N' SELL BOARD

Thanks to the person who submitted a suggestion through the INPUT/OUTPUT program, the Santa Clara plant now has a Buy n' Sell board hanging in the main cafeteria.

Any employee can post an ad or notice by simply sending the information to Doris Wilcox, in Personnel. Doris types ads and notices on 3 x 5 cards, and they are then posted on the board for a maximum of two weeks.

Anything not posted on the board by Personnel will be removed. It is also requested that those who have ads posted remove them if their transactions are completed in less than two weeks.

## SOFTBALL PRACTICE

All men interested in playing fast or slow-pitch B-League softball should be at the first practice Sunday, February 9, from 10 a.m. to 12, at Lafayette Field in Santa Clara.

## Social Security Tax Increased as of Jan. 1, But Don't Worry, You Get it Back—Eventually

The Social Security tax will bite further into your paycheck after January 1, 1969, taking as much as \$31 more each year from the gross pay of those earning \$7800 or more.

The increase represents a 4/10% rise in the tax rate—the first in a series of gradual increases built into the law which went into effect last January—which brings the tax for each individual wage earner to 4.8% on the first \$7800 of annual income. Since this amount is matched by Memorex, the total *combined* tax after the first of the year will be 9.6%, nearly 10% of gross pay up to \$7800.

Under the present Social Security law, the wage base will remain at \$7800 indefinitely. The tax rate, however, is scheduled to inch upward every few years until, in 1987, it reaches 5.9% *each* for employee *and* employer.

But the tax hike isn't all bad, benefits increase too. The single payroll deduction for Social Security pays for

retirement, disability, survivors' and Medicare benefits, although none of the 1969 increase will go to Medicare.

Here's how the January increase will affect Memorex people:

Annual Pay	Employee & Employer Each Pay:		Total Tax	
	1968	1969	1968	1969
\$4000	\$176	\$192	\$352	\$384
5000	220	240	440	480
6000	264	288	528	576
7800	343	374	686	748
or more				

The tax rate will remain at these levels through 1970, then go to 5.2% for 1971 and 1972.

A descriptive booklet regarding Social Security-Medicare Law will be included with paychecks during January. If you have questions regarding this federal program please direct them to the Employee Benefits Desk in the Personnel Department.

RETURN REQUESTED

## MAG BOARD ELECTS JOE RICHARDS PRESIDENT

Joe Richards was elected president of MAG at a Tuesday, January 6, luncheon meeting of the Santa Clara plant activities group.



OUTGOING MAG Board members (from left) Don Caselas, Kit Weaver, Ron Cavender and Mary Nelson meet with the new board. Your MAG representatives for the next six months are Mike Hopkins, (next to Mary), Mel McPherson, Pat Kostelnik, Gary Toms, Suzanne Larmer, Don Mumm and John Morrison (not pictured).

"It's with a combination of reluctance and a sigh of relief that I hand this gavel to Joe," said outgoing president Don Caselas. The "sigh of relief" undoubtedly came because of the hundreds of hours of hard work (on their own time) each MAG director puts into the numerous MAG sponsored activities.

Before stepping down as president, Don recalled a few of those events, including the summer picnic, spring dance and Christmas party — all of which were extremely well received by activity group members.

Other new officers elected at the meeting are Mike Hopkins, vice president; Suzanne Larmer, secretary; and Gary Toms, treasurer. Gary, Suzanne, John Morrison and Don Mumm are the four new board members, replacing Mary Nelson, Don Caselas, Ron Cavender and Kit Weaver.

Board members serve one year terms, with half of the board being elected each six months. Pat Kostelnik, Mel McPherson, Mike Hopkins and Joe Richards are the four who are just starting the last half of their terms.

## MEMOREX ACTIVITIES GROUP FINANCIAL REPORT

JANUARY 1, 1968 - DECEMBER 31, 1968

### INCOME

CASH ON HAND — JANUARY 1, 1968		\$ 7,634.38
Employee Contribution	\$13,134.00	
Employer Contribution	13,134.90	
Vending Machines	18,160.89	
Interest on Savings Account	353.10	
Fishing Trip	250.00	
Football	225.50	
Miscellaneous	15.14	
Coke Machines Receipts	721.20	
		-----
		\$45,995.63

### EXPENDITURES

Athletic Equipment	\$ 191.04	
Athletic Activities	3,679.87	
Flowers and Gratuities	358.45	
Coke Machine Fund	635.09	
Spring Dance	2,102.37	
Summer Picnic	19,256.55	
Children's Christmas Party	685.35	
Christmas Dance	14,389.38	
Miscellaneous Expense	240.78	
		-----
		\$41,538.88
CASH ON HAND — DECEMBER 31, 1968		\$12,091.13



MAG ORDERED more than enough stockings of candy and toys for the Children's Christmas Party, but 850 underprivileged Santa Clara County children couldn't have been happier. Here Mary Nelson (left) gives Mrs. McIntosh, from Santa Clara County Juvenile Hall, 350 of the stockings. San Jose Rescue Mission also welcomed MAG's gift of candy, accepting 500 sacks for its December 23 children's party.