

A. G. BECKER & CO. INCORPORATED

ANNUAL REPORT

1962

A. G. Becker & Co.

INCORPORATED
ESTABLISHED 1893

Chicago · New York · San Francisco

MEMBERS
NEW YORK STOCK EXCHANGE
AMERICAN STOCK EXCHANGE
MIDWEST STOCK EXCHANGE
PACIFIC COAST STOCK EXCHANGE

120 South La Salle Street

FRANKLIN 2-6100

CHICAGO 3

April 1, 1963

To Stockholders of
A. G. BECKER & CO. INCORPORATED

Net income for the year ended December 31, 1962 was \$673,800, which compares with net of \$1,179,600 for 1961. The book value of our Common Stock at December 31, 1962 was \$20.04 per share, which was approximately 5.9% above the \$18.93 book value as of the preceding year-end.

Attached are the following schedules:

- (1) Balance Sheet - December 31, 1962
- (2) Statement of Earned Surplus - December 31, 1962
- (3) Comparative Profit and Loss Statement - 1962 and 1961
- (4) Comparative Statement of Operating Expenses - 1962 and 1961
- (5) Report of Pension Fund - February 28, 1963

While 1962 must be regarded in retrospect as an excellent year for general business, it nevertheless was a difficult year for the investment banking industry. As we all know, 1962 was marked by a severe stock market break which culminated in late May. This not only had an adverse effect on trading activity and security prices, but it also had a substantial impact on new issue activity. Our own experience, by quarters, is shown in the table below which compares our total corporate underwriting participations for the years 1961 and 1962: (000's omitted)

--- Stock* ---

<u>Quarters</u>	<u>Common</u>	<u>Preferred</u>	<u>Bonds*</u>	<u>Total</u>
<u>1961</u>				
First	\$ 1,847	\$ 150	\$ 4,389	\$ 6,386
Second	8,148	500	23,929	32,577
Third	5,640	450	6,224	12,314
Fourth	6,930	180	12,115	19,225
	<u>\$22,555</u>	<u>\$1,280</u>	<u>\$46,657</u>	<u>\$70,302</u>

<u>Quarters</u>	<u>Common</u>	<u>Preferred</u>	<u>Bonds*</u>	<u>Total</u>
<u>1962</u>				
First	\$ 3,509	\$ 663	\$ 9,189	\$13,361
Second	6,658	420	11,296	18,374
Third	1,340	1,250	5,380	7,970
Fourth	913	400	9,740	11,053
	<u>\$12,420</u>	<u>\$ 2,733</u>	<u>\$35,605</u>	<u>\$50,758</u>

* Stocks at offering price, bonds at principal amount.

Note: The foregoing figures include subscription offerings aggregating \$1,283,000 in the third and fourth quarters of 1961 and \$1,869,000 in the first and third quarters of 1962.

It should be noted that the table measures volume only and not profits. Many of the bond deals originated in competitive bidding and carried very low profit margins.

In the light of the conditions which the foregoing figures reflect, there is cause for some satisfaction in the comparative over-all results for the two years. Such results were due in part, certainly, to the diversification of income sources in our operations.

Operating Revenues

Gross operating revenue in 1962 amounted to \$10.04 million, 3.7% below the comparable figure of \$10.4 million in 1961.

Reported share volume on the New York Stock Exchange for 1962 declined 6% from the previous year. The 1962 figure was still the third highest volume level on record. Reported volume aggregated 962 million shares, an average of 3.8 million a day as against 1.02 billion shares and a daily average of 4 million for 1961. Our commission earnings on agency business compared as follows (gross basis):

	<u>1962</u>	<u>1961</u>	<u>% Decrease</u>
New York Stock Exchange	\$3,893,200	\$3,936,200	1.1
American Stock Exchange	410,400	527,600	22.2
Midwest Stock Exchange	408,600	517,500	21.0
Pacific Coast Stock Exchange	172,800	214,700	19.5
Other Stock Exchanges	99,200	100,700	1.5
Over-the-Counter	607,500	868,600	30.1
TOTAL	<u>\$5,591,700</u>	<u>\$6,153,300</u>	<u>9.3</u>

Gross profits on principal transactions decreased substantially over-all in 1962, especially following the mid-year market break. Over-the-counter trading and specialists' operations were also adversely affected by market conditions in the second half of the year.

The Corporate Finance Division did extremely well in the first half of the year but, of course, their results were greatly affected after the severe market break. The department's results are compared with those of 1961 in the following table:

	<u>1962</u>	<u>1961</u>
Management Fees and Underwriting Profits	\$ 362,000	\$245,200
Fees for Financial Services	413,800	466,200
	<u>\$ 775,800</u>	<u>\$711,400</u>
Related Retail Profit	262,400	130,700
	<u>\$1,038,200</u>	<u>\$842,100</u>

Gross profits on our participation in deals of other underwriters in the two years were as follows:

	<u>1962</u>	<u>1961</u>
Underwriting Gross	\$302,300	\$397,800
Retail Gross	<u>291,900</u>	<u>536,200</u>
TOTAL	<u>\$594,200</u>	<u>\$934,000</u>

Although gross income on mutual fund business was considerably greater in 1962 than in 1961, the market break served to reduce materially the expected return from the management and sale of Empire Fund shares. The sales department contest in fund shares toward the end of the year was an outstanding achievement, particularly in the Roseland and Chicago offices.

Commercial Paper

Once again, the Commercial Paper Department turned in a superlative performance. While the figures speak for themselves, we want to call special attention to the doubling of not only gross but also of net income.

	<u>1962</u>	<u>1961</u>
Income: Commercial Paper	\$1,172,654	\$613,564
F.N.M.A. Notes	217,278	198,154
Other Income	296,457	62,832
	<u>\$1,686,389</u>	<u>\$874,550</u>
Less: Interest Carry	<u>353,169</u>	<u>136,339</u>
	<u>\$1,333,220</u>	<u>\$738,211</u>
Miscellaneous Income	22,161	18,461
	<u>\$1,355,381</u>	<u>\$756,672</u>
Expense and Compensation	742,808	439,476
Net	<u>\$ 612,573</u>	<u>\$317,196</u>

Municipal Department

Over-all Municipal Department results for the year are compared with those of 1961 in the following table:

	<u>1962</u>	<u>1961</u>
Total Income	\$390,608	\$341,314
Total Expenses including overhead allocations	<u>286,997</u>	<u>256,769</u>
Net	<u>\$103,611</u>	<u>\$ 84,545</u>

Included in the income figure is tax-free interest which would be equivalent to \$53,183 in ordinary income (the comparable figure for 1961 would be \$40,977). Net income of the department, on a comparable basis with other departments, would for this reason be increased by \$27,655 for 1962 and \$21,308 for 1961.

Trading and Floor Specialists

The difficult market conditions in 1962 made for marked reductions in the results for our various trading divisions and the floor specialists' activity. Total income from these sources last year was \$1,274,350 as compared with \$1,720,246 in 1961. Profit was off substantially more at an aggregate of \$215,517 against the comparable figure of \$612,086 in 1961.

Over-All Operating Results

The 1962 operating profit before payments to the Pension Plan, other income, charges and taxes, as shown in the appended income statement, was \$1,627,100, which was \$760,500 less than the comparable figure of \$2,387,600 in 1961.

The contribution to the Pension Plan was \$7,200 higher than a year ago, profits on firm investments were \$79,000 less, and two new charges aggregating \$211,100 were made. The latter item consisted of a charge of \$166,200 for extraordinary costs related to our conversion to the Midwest Stock Exchange computer system, plus providing a reserve of \$66,000 for possible costs in connection with the Szabo matter. The balance of \$44,900 represents additional depreciation which is shown separately, in order to maintain year to year comparability in reporting of operating results, to reflect additional allowance under the 1962 tax law.

Pre-tax income for the year was \$1,328,800 and net income, as reported above, was \$673,800. The 1961 comparable figures were \$2,386,600 and \$1,179,600.

It should be noted that unrealized losses in our Investment Account (net) are not taken into the Income Account but are reflected in the valuation surplus account in the accompanying balance sheet. These were \$218,200 larger at December 31, 1962 than they were a year earlier.

Approximately \$130,000 of this was attributable to a further decline in the value of our Lionel Preferred Stock holding.

Expenses

Despite the shrinkage in volume during the year, total expenses were \$372,900 higher, of which \$107,600 represented higher interest costs. However, this increase in interest cost was more than offset by interest income from correspondent accounts. Other operating expenses, including rent, travel and promotion, and telephone, particularly, were up a total of \$297,600. While some of this increase, as in rent, is not directly related to volume, it is nonetheless disturbing to see these figures mount so regularly almost irrespective of the trend of income generation. It cannot be emphasized too strongly or too often that expenses must be watched closely and reduced wherever possible. The new regulations on expense account reporting should make us all more conscious than we have been of an important area of cost.

Capital Changes

The following new stockholders were admitted as of the beginning of 1963:

Kenneth E. Alm
Mrs. Jane L. Brett
Kingman Douglass, Jr.
Robert A. Pearson
Warner A. Rosenthal

The new stockholders and a few other present stockholders subscribed for a total of 11,750 shares for an aggregate consideration of \$226,000. Of this amount, \$45,200 has already been paid, \$22,600 will be paid in prior to December 31, 1963 and the balance of \$158,200 is to be paid prior to March 1, 1968. The total amount due on stock subscriptions is \$1,059,200. Unpaid subscriptions are not included in our capital shown in our published statements.

Stock options for an additional 2,000 shares were granted at the end of 1962 at a price of \$20.05 per share. Total options in effect at this time cover 14,000 shares, exercisable at an average price of \$14.55 per share.

The balance sheet shows the number of issued and outstanding shares, the additional shares subscribed for and the shares subject to option.

Personnel

Since the date of the last annual report, changes in the organization have occurred as follows:

After forty-one years of service, Henry Getz retired at the end of 1962. Over this long period, he headed the Credit Department, participated in several important corporate reorganizations, served the firm for

a period in the New York office, and contributed significantly to the Corporate Finance Division and Operating Department in recent years. He was elected a Vice President in 1928 and a Director in 1955, and was a member of the Executive and Management Committees since their inception.

Edward Jennett, of the Corporate Finance Division, retired at the end of January, 1963 after a useful association of three years with our firm.

Lawrence Kahn, Vice President and head of the Research Department, resigned as of May 31, 1962, in order to accept a fine opportunity in the investment company industry.

At the annual meeting of stockholders on April 12, 1962, Maurice J. Cann and Alwin L. Pearson were elected to the Board of Directors.

Karl A. Stegemeier of our Indianapolis office was elected an Assistant Vice President and Oliver Maggard, Jr. was appointed manager of that office.

Andrew M. Baird was named Treasurer in October, 1962, and also Senior Vice President in February, 1963.

In connection with the new alignment of management responsibilities in the New York office, Paul Judy moved to New York to supervise Corporate Finance activities in the East; D. N. Dattelbaum took over-all responsibility for the enlargement of our Eastern sales force by attempting to find other organizations in our line of business which we might be able to acquire; Harry F. Weber, Jr. returned to head the block department and was assigned to administrative responsibilities and James P. Lewis was appointed New York Sales Manager to succeed Harry Weber. Mr. Lewis was named a Vice President soon after the move.

John C. Colman, a Vice President and Director, was named head of the Corporate Finance Division and was elected a member of the Executive Committee.

H. V. Flett was assigned to administer the Research and Operations Divisions and relieved of over-all responsibility for the Sales Division which was assigned to William D. Mabie. David B. Heller was transferred from the Corporate Finance Division to become administrative assistant to Mr. Flett.

C. Roderick O'Neil came to us as an Assistant Vice President in charge of the Chicago section of the Research Division. This appointment permitted Stanley Winter to devote full time to his new responsibility of following companies with which we are closely associated through management of underwritings, directorships or otherwise. At the same time, John W. Earle was placed in charge of the New York section.

In October, 1962, the following were named Assistant Vice Presidents:

Donald E. Pearson, who had moved downtown from the Roseland office in May, as Assistant Sales Manager in the Chicago office.

Warner A. Rosenthal of the Corporate Finance Division.

Stanley S. Wirt, Assistant to Kent Sykes.

Lawrence N. Marr, head of the Trading Department in the Chicago office.

Other changes of significance were the addition of Alvin R. Shapiro to the Chicago section of the Research Department, John R. Murphy as a credit analyst, Leif Jacobsen in the New York office, Municipal Bond Department, and Orest E. Bliss who joined the Corporate Finance staff in New York.

In the latter part of 1962, we expanded our operations in Milwaukee by moving to larger quarters and acquiring the services of Messrs. Harry P. Leadingham as Manager, Wallace M. Krier as Associate Manager, and Cornelius Young, all of whom had had previous sales experience with The Milwaukee Company.

Recently, Joseph Goeschl was appointed head of the New York Operating Department.

During 1962, the net increase in personnel was 21 as compared with an increase of 54 in the preceding year. The figures are compared below:

<u>Total Personnel at December 31, 1960</u>		<u>416</u>
1961 Additions	190	
1961 Severences	<u>136</u>	<u>54</u>
<u>Total Personnel at December 31, 1961</u>		<u>470</u>
1962 Additions	132	
1962 Severences	<u>111</u>	<u>21</u>
<u>Total Personnel at December 31, 1962.</u>		<u><u>491</u></u>

Miscellaneous Developments

During the course of 1962, the Operations Division proceeded with its conversion to the Midwest Stock Exchange system. The dual operations during conversion and the necessary internal changes in equipment and personnel created major problems for all concerned. In the face of an

upward price revision for the use of the Midwest computer early in 1963, a major effort is being made to improve performance, tighten up procedures and provide better service to our customers.

Operating Data

During the year 1962, 249,800 purchase and sale items were processed for an average of 991 per day. This compared with 310,000 and 1239 , respectively, for 1961. The daily averages in January and February, 1963, were 952 and 907.

Conclusion

With the uncertain outlook for trading volume and new financing, it is going to require intensive effort to maintain the levels of income input that we have experienced in the last two years and unflagging attention to cost-reducing measures to produce respectable net profit figures.

Although our net operating income last year was slightly under 60% of 1961, in view of the general results in our industry we feel it was a reasonable performance. For this diligent effort, we wish to extend our gratitude to the entire organization.

By Order of the Board of Directors:

James H. Becker

Chairman

Wm. A. Maki

President

Incumbent Directors - A. G. Becker & Co. Incorporated

Andrew M. Baird
James H. Becker
Roger O. Brown
Maurice J. Cann
John C. Colman
David N. Dattelbaum
H. Vincent Flett
John Friedlich
Joseph J. Levin
William D. Mabie
Alwin L. Pearson
William L. Saunders
Herbert T. Schaffner
Irving H. Sherman
David G. Skall
Harry F. Weber, Jr.

It is not proposed that any new nominations for the position of director be made at the present time although the Board is not up to its authorized maximum number.

March 25, 1963

Schedule 1.

A. G. BECKER & CO. INCORPORATED
STATEMENT OF FINANCIAL CONDITION
 DECEMBER 31, 1962

A S S E T S

CURRENT ASSETS:

Cash		\$ 3,071,851
Receivables:		
Customers' Accounts - Secured	\$16,645,445	
Customers' Accounts - Unsecured	4,267	
Brokers for undelivered securities	8,143,589	
Deposits for securities borrowed	2,537,567	
Miscellaneous	916,433	28,247,301
Trading Securities at Market:		
Long Value	2,810,364	
Short Value	609,371	2,200,993
Commercial Paper on Hand	30,365,000	
Less: Unearned Discount	92,357	30,272,643
		63,792,788

INVESTMENTS:

Securities held for Investment Account at Market	536,210	
Stock Exchange Memberships at Market	291,650	827,860

DUE ON CAPITAL STOCK SUBSCRIPTIONS

1,059,225

FURNITURE - FIXTURES AND IMPROVEMENTS:

Depreciated Value		392,518
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OTHER ASSETS:

Deposits with Stock Clearing Corp.	61,000	
Prepaid Insurance	24,184	
Prepaid Expense	15,502	
Inventory - Stationery and Supplies	28,000	128,686

\$66,201,077

Notes: (1) The Common Stock and Capital Surplus items (and due on Capital Subscriptions) above give effect to capital stock subscriptions for 11,750 shares made subsequent to December 31, 1962, as follows:

Common Stock Account - \$ 11,750
 Capital Surplus - \$214,338

(2) As of April 1, 1963, there were outstanding stock options on 14,000 shares of common stock exercisable at an average price of \$14.55.

LIABILITIES

CURRENT LIABILITIES:

Bank Loans Payable:	
Secured by customer securities	\$10,260,000
Secured by firm securities	30,460,000
Accounts Payable:	
Customers - for securities not received	2,538,153
Customers - free credit balances	7,985,189
Brokers for securities not received	3,414,419
Brokers for securities loaned	1,190,300
Salesmen's drawing accounts	599,722
Other	707,789
Accruals and Reserves	658,645
Reserve for Federal Income Taxes	<u>515,074</u>

58,329,291

DEFERRED COMPENSATION

323,362

DEFERRED SYNDICATE INCOME

17,874

NET WORTH

Preferred Stock par value \$50	
Authorized and outstanding	
2,952.40/100 shs. stated	
at redemption value	\$ 295,240

Common Stock par value \$1	
Authorized - 400,000 shares	
Issued & Outstanding - 309,019 shares	
Subscribed - 68,197 shares	377,216
Capital Surplus	1,705,567
Valuation Surplus	138,298
Earned Surplus	5,216,626
Reserve for Tax on Deferred Compensation	<u>140,414</u>
	7,873,361

Less: Reacquired Common Stock held	
in Treasury (17,740 shares)	<u>342,811</u>

7,530,550

\$66,201,077

Schedule 2.

A. G. BECKER & CO. INCORPORATED
STATEMENT OF EARNED SURPLUS
YEAR ENDED DECEMBER 31, 1962

Balance January 1, 1962		\$ 4,652,561
Add: Net Income for the Year		<u>673,817</u>
		5,326,378
Less:		
Dividends A. G. Becker & Co.		
Incorporated Preferred Stock	\$ 11,808	
Loss on cancellation of stock purchase contracts and acquisition of treasury stock	26,645	
Prior Year Deferred Compensation	37,500	
Prior Year Income and Tax		
Adjustments - net	<u>33,799</u>	<u>109,752</u>
Balance - December 31, 1962		<u><u>\$ 5,216,626</u></u>

A. G. BECKER & CO., INCORPORATED

COMPARATIVE STATEMENT OF OPERATING EXPENSES1962 - 1961

	<u>1962</u>	<u>1961</u>	<u>Increase (Decrease)</u>
OPERATING EXPENSES:			
Advertising	\$ 45,700	\$ 34,200	\$ 11,500
Audit & Legal	75,700	77,700	(2,000)
Clearance Charges	37,600	37,100	500
Dues & Licenses	28,800	28,400	400
Depreciation	70,100	60,000	10,100
Donations	25,800	19,800	6,000
Errors & Bad Debts	25,400	23,200	2,200
Exchange Fees	48,200	41,200	7,000
Insurance	92,800	73,000	19,800
State & Local Taxes	73,000	52,100	20,900
Taxes - Payroll	100,100	86,900	13,200
Publications & Subscriptions	50,900	68,600	(17,700)
Postage	67,900	66,700	1,200
Rent & Light	280,600	212,600	68,000
Rental of Equipment-IBM	79,100	68,700	10,400
Repairs & Maintenance	39,300	20,000	19,300
Stationery & Supplies	147,400	127,000	20,400
Statistical Research Studies	5,800	5,200	600
Sundry Expense	45,300	54,000	(8,700)
Suppers & Lunches	35,400	49,900	(14,500)
Telegraph	3,600	2,800	800
Telephone	334,500	290,800	43,700
Tickers	45,600	42,600	3,000
Travel & Promotion	255,700	191,800	63,900
Wire Service	73,900	75,600	(1,700)
Transfer Taxes & Bank			
Service Charges	51,000	45,000	6,000
Miscellaneous Services			
Purchased	<u>119,900</u>	<u>106,600</u>	<u>13,300</u>
Total	<u>\$2,259,100</u>	<u>\$1,961,500</u>	<u>\$ 297,600</u>

TRUSTEES A. G. BECKER & CO. INCORPORATED PENSION PLAN

FEBRUARY 28, 1963

Schedule 5.

Cash in Bank - First National Bank of Chicago
Securities Account at Cost (see detail below)
Accrued Interest and Dividends Receivable

\$ 13,870.41
1,129,772.30
8,109.93
\$1,151,752.64

Contribution by A. G. Becker & Co. Incorporated to Pension Plan
Interest and Dividends Earned thru 12/31/62 less Pensions Paid \$ 35,375.92
Loss on Sale of Securities thru 12/31/62 (3,352.02)

32,023.90
\$1,142,410.90

1963 Interest and Dividends Earned
1963 Profit on Securities Sold

6,348.26
11,439.92
\$1,160,199.08

1963 Pensions Paid

8,829.68
\$1,151,369.40

Accounts Payable - Withholding Tax

383.24
\$1,151,752.64

SECURITIES ACCOUNT DETAIL:

Par	High Grade Bonds	Cost		Market		Yield*
		Per \$100	Amount	Per \$100	Amount	
\$ 50,000	Amer. Tel & Tel Deb. 4 3/4% 6/1/98	\$ 100.50	\$ 50,250.00	\$ 106.50	\$ 53,250.00	4.38
25,000	Amer. Tel & Tel Deb. 5% 11/1/83	101.74	25,434.69	106.875	26,718.75	4.49
25,000	Belt Rlwy. Co. of Chgo. 1st Mtg. "A" 4 5/8% 8/15/87	100.814	25,203.50	103.50	25,875.00	4.39
23,000	Col. Gas System Deb. 5 1/8% 10/1/85	105.125	24,178.75	105.75	24,322.50	4.70
50,000	Dallas Pwr. & Lt. 1st Mtg. 4 1/4% 2/1/93	100.125	50,062.50	99.875	49,937.50	4.26
50,000	Idaho Power Co. 1st Mtg. 4 7/8% 11/15/90	99.75	49,875.00	105.00	52,500.00	4.55
5,000	Louisville & Nashville R.R. Co. 1st & Ref. H 3 3/4% 4/1/2003	76.125	3,806.25	76.25	3,812.50	5.15
25,000	Louisville & Nashville R.R. Co. Coll. Tr. 4 7/8% 12/1/87	99.25	24,812.50	100.25	25,062.50	4.86
25,000	Nat. Gas Pipeline Deb. 4 3/4% 7/1/78	99.38	24,845.66	102.00	25,500.00	4.56
25,000	Nat. Steel Corp. 1st Mtg. 4 5/8% 6/1/89	97.38	24,343.75	103.50	25,875.00	4.40
20,000	Puget Sound P & L 1st Mtg. 4 1/8% 5/1/88	91.00	18,200.00	94.50	18,900.00	4.49
50,000	Richfield Oil Conv. Sub. Deb. 4 3/8% 4/15/83	120.94	60,470.00	126.00	63,000.00	2.69
25,000	Southern Bell Tel. Deb. 5% 6/1/86	102.70	25,673.75	106.50	26,625.00	4.55
25,000	So. Calif. Ed. 1st & Ref. "I" 4 3/4% 7/1/82	100.85	25,212.19	104.50	26,125.00	4.40
25,000	Tenn. Gas Transmission Co. 1st Mtg. 4 7/8% 3/1/83	100.95	25,237.50	101.625	25,406.25	4.75
25,000	U. S. Treasury 4% 2/15/72	100.31	25,078.13	100.50	25,125.00	3.94
<u>\$473,000</u>	Total High Grade Bonds		<u>\$482,684.17</u>		<u>\$493,035.00</u>	<u>4.28</u>

TRUSTEES A. G. BECKER & CO., INCORPORATED PENSION PLAN (Cont'd.)

Par	Other Bonds	Cost	Market	% Yield*
		Per \$100	Per \$100	
		Amount	Amount	
\$ 50,000	City Prod. Conv. Sub. Deb. 5% 6/1/82	\$ 100.25	\$ 108.00	4.05
50,000	Fruehauf Trailer Co. Conv. Sub. Dbn. 4% 3/1/76	104.98	112.50	2.85
25,000	Mans. Tire & Rub. Conv. Sub. Deb. 5% 6/1/74	100.625	84.00	7.00
50,000	Jim Walter Corp. 1st Sub. Deb. 5 7/8% 6/1/81 W.W.	85.00	85.00	7.40
\$175,000	Total Other Bonds	\$170,268.75	\$173,750.00	5.09

* The above yields are yields to maturity at bid side of market.

No. Shs.	Security Stocks	Cost		Market		Yearly Div. Rate	Total to be Received	% Yield at	
		Per Share	Amount	Per Share	Amount			Cost	Mkt.
914	Ayrshire Colleries, Common	\$ 48.17	\$ 44,029.65	\$ 44.25	\$ 40,444.50	\$ 1.00	\$ 914.00	2.08	2.26
666	Cummins Engine Co., Common	17.24	11,465.56	53.50	35,631.00	.60	399.60	3.49	1.12
1,000	Firestone Tire & Rubber	26.17	26,169.26	36.00	36,000.00	1.00	1,000.00	3.82	2.78
551	Hammermill Paper Co., Common	29.28	16,133.55	32.875	18,114.13	1.20	661.20	4.10	3.65
1,000	Hammond Organ, Common	26.56	26,555.00	21.75	21,750.00	1.375	1,375.00	5.18	6.32
800	Iowa Southern Utilities, Common	36.61	29,286.00	46.125	36,900.00	1.55	1,248.00	4.26	3.38
1,700	Richard D. Irwin, Common	18.63	31,662.50	10.25	17,425.00	.20	340.00	1.07	1.95
700	Kentucky Utilities Co., Common	46.56	32,592.25	54.50	38,150.00	1.80	1,260.00	3.87	3.30
428	Monsanto Chemical Co., Common	43.35	18,553.82	50.00	21,400.00	1.20	513.60	2.77	2.40
600	Montgomery Ward	25.82	15,490.50	33.25	19,950.00	1.00	600.00	3.87	3.01
800	N.Y. State Elec. & Gas, Common	41.40	33,116.00	44.25	35,400.00	1.40	1,120.00	3.38	3.16
1,000	Olin Mathieson Chem., Common	40.72	40,724.39	33.25	33,250.00	1.00	1,000.00	2.46	3.01
800	J. C. Penney Co., Common	54.88	43,904.26	45.375	36,300.00	1.50	1,200.00	2.73	3.31
328	Radio Corp. of America, Common	32.58	10,684.64	60.00	19,680.00	1.00	328.00	3.07	1.67
400	Red Owl Stores, Common	46.88	18,750.00	47.25	18,900.00	1.80	720.00	3.84	3.81
1,100	Royal Dutch Petroleum (20 gldrs.)	30.95	34,039.79	45.75	50,325.00	1.55	1,705.00	5.01	3.39
200	U. S. Steel Co., Common	61.74	12,348.76	45.75	9,150.00	2.75	550.00	4.45	6.01
900	Utah Power & Light, Common	34.79	31,313.45	39.125	35,212.50	1.32	1,188.00	3.79	3.37
	Total Stocks		\$476,819.38		\$523,982.13		\$16,122.40	3.38	3.08

TRUSTEES A. G. BECKER & CO., INCORPORATED PENSION PLAN (Cont'd.)

<u>SUMMARY</u>		<u>Cost</u>		<u>Market</u>	
\$473,000	Total High Grade Bonds	\$ 482,684.17	43%	\$ 498,035.00	42%
<u>175,000</u>	Total Other Bonds	<u>170,268.75</u>	<u>15%</u>	<u>173,750.00</u>	<u>14%</u>
\$648,000	Total all Bonds	\$ 652,952.92	58%	\$ 671,785.00	56%
<u> </u>	Total Stocks	<u>476,819.38</u>	<u>42%</u>	<u>523,982.13</u>	<u>44%</u>
	Total Bonds & Stocks	<u>\$ 1,129,772.30</u>	<u>100%</u>	<u>\$ 1,195,767.13</u>	<u>100%</u>

TRUSTEES A. G. BECKER & CO. INCORPORATED PENSION PLAN (Cont'd.)

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Par	Security	Call Price	Non-Callable Prior To	Bid 9/30/62	Bid 10/31/62	Bid 11/30/62	Bid 12/31/62	Bid 1/31/63	Bid 2/28/63
\$50,000	Amer. Tel & Tel 4 3/4% 6/1/98	103.725	6/1/71	105.75	106.00	105.50	106.00	106.50	106.50
25,000	Amer. Tel & Tel 5% 11/1/83	106.461	30 days	106.625	107.00	106.875	106.75	106.875	106.875
25,000	Belt Rlwy. Co. of Chicago "A" 4 5/8% 8/15/87	105.45	8/15/67#	103.625	103.50	103.50	102.50	103.00	103.50
50,000	City Prd. Conv. Sub. 5% 6/1/82	*104.75	30 days#	102.00	100.00	106.00	104.00	108.00	108.00
23,000	Col. Gas System 5 1/8% 10/1/85	*105.70	30 days#	104.50	105.625	104.375	104.75	105.50	105.75
50,000	Dallas Pwr. & Lt. 1st Mtg, 4 1/4% 2/1/93	*105.27	30 days#	Not Held	Not Held	Not Held	Not Held	Not Held	99.875
50,000	Fruehauf Trailer Co. Conv. Sub. Debn. 4% 3/1/76	*104.25	30 days#	95.00	93.50	104.75	106.50	111.25	112.50
50,000	Idaho Power 4 7/8% 11/15/90	107.88	30 days#	104.00	104.00	105.00	104.00	105.00	105.00
5,000	Louisville & Nashville R.R. 1st Ref. H 3 3/4% 4/1/2003	104.00	60 days#	Not Held	Not Held	Not Held	Not Held	76.00	76.25
25,000	Louisville & Nashville R.R. Coll. Trust 4 7/8% 12/1/87	104.90	12/1/67#	Not Held	Not Held	Not Held	Not Held	99.50	100.25
25,000	Mans. Tire & Rub. Conv. Sub. Deb. 5% 6/1/74	*103.50	30 days#	84.00	84.00	84.00	82.00	84.00	84.00
25,000	Nat. Gas Pipeline 4 3/4% 7/1/78	*103.37	30 days# (Note A)	100.625	100.00	100.00	102.00	99.50	102.00
25,000	Nat. Steel Corp. 4 5/8% 6/1/89	*103.00	30 days# (Note B)	102.875	103.00	103.875	103.75	103.50	103.50
20,000	Puget Sound P & L 4 1/8% 5/1/88	*104.85	30 days#	95.00	96.75	95.50	95.00	96.00	94.50
50,000	Richfield Oil Cv. Sub. Deb. 4 3/8% 4/15/83	*103.50	30 days#	117.50	112.00	124.00	123.00	126.75	126.00
25,000	Southern Bell Tel. 5% 6/1/86	*106.82	30 days	105.50	106.25	105.50	105.50	106.25	106.50

TRUSTEES A. G. BECKER & CO. INCORPORATED PENSION PLAN (Cont'd.)

Par	Security	Call Price	Non-Callable Prior To	Bid 9/30/62	Bid 10/31/62	Bid 11/30/62	Bid 12/31/62	Bid 1/31/63	Bid 2/28/63
\$25,000	So. Calif. Ed. 4 3/4% 7/1/82	*104.54	30 days	103.75	104.00	104.00	104.00	104.00	104.50
25,000	Tenn. Gas Transmission 1st 4 7/8% 3/1/83	*105.83	30 days# (Note C)	Not Held	Not Held	Not Held	Not Held	101.25	101.625
25,000	U. S. Treasury 4% 2/15/72			Not Held	Not Held	100.50	101.03	101.03	100.50
50,000	Jim Walter Corp. 5 7/8% 6/1/81 WW	106.00	6/1/66#	79.00	80.00	80.50	81.00	84.00	85.00

* = Price declines within 12 mos.

= Also Callable for Sinking Fund.

30 days = Callable as a whole or in part at any time on 30 days' notice.

Note A = Except not prior to 7/1/63 at int. cost less than 4.8930%.

Note B = Except not prior to 6/1/64 at int. cost less than 4.687%.

Note C = Except not prior to 3/1/68 at int. cost less than 4.80%.