

A. G. BECKER & CO. BULLETIN

DECEMBER 21, 1965

TO ALL EMPLOYEES OF A. G. BECKER & CO. INCORPORATED

1965 IN REVIEW

Looking back can provide valuable perspective for future plans and expectations. Thus we thought it would be helpful and pleasing if everyone would join us in a brief review of 1965 highlights.

Developments in the field of personnel were concentrated both on increasing our organizational strength and depth and moving younger persons into positions of increased responsibility. Our total number of employees increased from 515 at the end of 1964 to some 600 at present. The breakdown of our employment as of the end of the year was approximately as follows: Sales division - 190; Corporate Banking division - 85; Investment Dealers and Markets division (prospective organization) - 45; Operating division - 250; Executive and Administrative staff - 30.

Particularly impressive was the expansion in the sales force. We now have 89 salesmen, excluding our Institutional department staffs and our trainees, compared with some 74 salesmen a year earlier. Our additions included a number of established producers whose affiliation has added increasing strength to our distribution capabilities.

The Commercial Paper department welcomed Tom York and Jim Hayes (New York), Gerald Phifer (Philadelphia) and Bob Anderson (Chicago). Bill Kabacker initiated our representation in Los Angeles. Corporate Finance added John Bacon and Phil Greer (Chicago), and Dan Kirby, Bob Henkle, Peter Gross and Milton Walters (New York). Our Municipal department welcomed Dave Hunt and Bud Canaday (New York). Other newcomers included Dave Peterson (Chicago); Don Wehmann, Exchange Fund department (New York); Charles Connor, Exchange Fund department (presently operating out of New York); and Dick Magnuson, Research (Chicago). Eliot Benson, Research (New York), will join us early in January.

Elections and assignments saw Paul R. Judy elected chairman of the executive committee. Bill Cockrum was elevated to manager of the Corporate Finance department, New York, and John Griner to assistant manager of the Corporate Finance department, Chicago. Burt Weiss became assistant to the sales manager, New York. Don Pearson has just been appointed head of the new Investment Dealers and Markets division; Larry Novak succeeds him as sales manager, Chicago and Jack Arnesen joins the management team as assistant sales manager, Chicago. It is interesting to note that the average age of these men is 35.

Unfortunately, our gains were not all net. Bill Davis retired early in the year, Russell Boyd in September, and Joseph Levin, Charles Sachweh and Marguerite Ryan at yearend. Joe Levin will, of course, continue to contribute importantly to our corporate finance efforts. Also, we were grieved by the death of David G. Skall, and L. William Riba, Jr.

Underwritings and dealer solicitations under our management during the year included the offerings of Second Empire Fund, Halo Lighting, Wolverine Shoe and Tanning, Beeline Fashions, E. R. Moore, Presidential Exchange Fund, General Exchange Fund, and, under joint management, Civic Finance. Along with a wide range of financial service activities and a number of sale-lease transactions, private placements included those for Stephenson Finance, Southwestern Electric Service, Economy Finance, Interstate Securities, Commercial Securities, Acceptance Finance, Government Employees, Colonial Acceptance, Alabama-Tennessee Natural Gas, Board of American Missions of The Lutheran Church, E. R. Moore, and, concomitant with negotiation of the merger, Scrivner-Boogaart, Inc.

In April, the acquisition of Weil, Pearson and Company provided us with offices in Boston and Philadelphia. It also brought us the valuable services of J. Lennard Larson, Norman Martin and George Stearns, all of whom will be retiring at yearend, and Bob Goodwin, Al Doughty, and Bill Hale (Boston); Bob Neild (Philadelphia), and Ralph Hill and Charlie Nimitz (New York), plus many important new commercial paper accounts, including Beneficial Finance Company. Other important new issuers obtained during the year included G. C. Murphy, Vulcan Materials, Virginia Electric & Power, Utah Idaho Sugar and U. S. Pipe and Foundry.

We were also successful in again being appointed the exclusive distributor of the short-term discount notes by the Federal National Mortgage Association.

DECEMBER 21, 1965

PAGE 2

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Our Exchange Funds department, first in the industry, was instrumental in inaugurating Presidential Exchange Fund and General Exchange Fund. We presently have an important responsibility and opportunity as dealer-manager of Constitution Exchange Fund, under the sponsorship of Keystone Custodian Funds. Teams of our representatives are intensively traveling the country to promote the success of this fund.

Physical expansion proceeded at a rapid pace. The Chicago office was able to obtain the remaining space on the seventh floor, and extensive work is now nearing completion on much needed additional Sales department space, as well as new space for all departments of the Corporate Banking division. The Indianapolis and San Francisco offices moved to significantly larger facilities during the year, and a Los Angeles office, specializing initially in commercial paper, has been opened. As noted earlier, a Boston and Philadelphia office was added by acquisition. We should not pass over, without special mention again, the tremendous team effort in New York to restore and re-arrange the office after the fire in May.

The Chicago Business Development program, concentrating initially on intensive advertising, developed an increasing awareness of A. G. Becker and its services through monthly advertisements in Chicago newspapers as well as the mid-western editions of the Wall Street Journal, Time and Fortune. The A. G. Becker Guide to Publicly-held Corporations in the Chicago Area, an ambitious and expensive project designed to be published annually, also strengthened our identity. Plans have been approved for extending our corporate advertising campaign to the East Coast on a coordinated basis.

Especially pertinent to a review of 1965 is mention of the Management Training Seminar in which over 50 of our managerial personnel participated in October and December. This intensive four-day course stimulated great interest in our organizational climate and in managerial methods. With ample followup we believe it will assist us in meeting the continued organizational growth which lies ahead.

A. G. Becker & Co. enjoyed a successful year in 1965, facilitated by an expanding economy and an active securities market. Though we can all be proud of our growth and achievements, we have not rested on our laurels, but have continued to invest heavily in people and facilities. With the dedication and commitment of all personnel, we believe that 1966 can be another year of progress in building our organizational capability and teamwork and in further enhancing our position in the various markets we serve.

All those in management join us in extending to you and your families warmest holiday greetings and best wishes for a prosperous and healthful New Year.

James H. Becker
Chairman

William D. Mabie
President

Paul R. Judy
Chairman-Executive Committee