

THE ROCHESTER SOCIETY
OF SECURITY ANALYSTS, INC.

ANNUAL REPORT 1973 - 1974

FOUNDED - 1955

AFFILIATED F. A. F. - 1955

INCORPORATED - 1970

SPONSORED F. A. F. FALL CONFERENCE - 1970

THE ROCHESTER SOCIETY OF SECURITY ANALYSTS, INC.

OFFICERS - 1973 - 1974

Robert H. Shaw, C. F. A.	President
Charles B. Andrus, C. F. A.	Vice President
Eugene F. Miller	Treasurer
Trevor C. Lewis, C. F. A.	Secretary

Executive Committee

Charles B. Andrus, C. F. A.	Marine Midland/Rochester
Lawrence Broadhurst, C. F. A.	Central Trust Company
Richard W. Kozlowski	Monroe Savings Bank
Trevor C. Lewis, C. F. A.	Security Trust Company
Kevin A. Melich, C. F. A.	Security Trust Company
Eugene F. Miller	E. F. Miller & Company
Anthony J. Mordaci	Central Trust Company
Richard J. Notebaert	Community Savings Bank
Robert H. Shaw, C. F. A.	Lincoln First Bank of Rochester

Committees

Grievance	Richard W. Kozlowski, Chairman
Membership	Charles B. Andrus, C. F. A., Chairman
Nominations	Richard W. Kozlowski, Chairman
Program	Robert H. Shaw, C. F. A., Chairman

Past Presidents

Henry T. Maijgren	1955-56 and 1956-57
Elton T. Burgett	1957-58
Charles F. Seuffert, C. F. A.	1958-59
Bertrand H. Mallison, C. F. A.	1959-60
J. Franklin Teegardin	1960-61
Robert P. Larson, C. F. A.	1961-62
John H. Kitchen, Jr.	1962-63
Allan E. Kappelman, C. F. A.	1963-64
Lawrence Broadhurst, C. F. A.	1964-65
George F. Butterworth, 3rd, C. F. A.	1965-66
John R. Tracy	1966-67
Thomas B. Brown, C. F. A.	1967-68
Ernest J. Howe	1968-69
Burt Dorsett	1969-70
Ellison M. Patterson, C. F. A.	1970-71
Steven R. Hardis	1971-72
Richard W. Kozlowski	1972-73

President's Report

July 26, 1974

TO THE MEMBERS OF:
THE ROCHESTER SOCIETY OF SECURITY ANALYSTS, INC.

The 1974 fiscal year, ended June 30, 1974, was the nineteenth for the Society, and its fourth as a New York corporation.

It was a challenging year for your Society, and possibly the most demanding for your Executive Committee since the Society's founding. Throughout the year, the Rochester Society continuously supported the principles of investor protection, professional recognition, membership education, information dissemination, and service to the community. I believe no other Society outside the state has assumed - proportional to its size - such an ambitious undertaking.

Professional Security Analyst Proposal: Co-sponsoring this program with the leadership of the prominent New York Society of Security Analysts, your Society endorsed a far-reaching effort to assure the investor in Upstate New York of the technical and ethical competence of writers distributing their investment recommendations within the State, and to achieve official recognition of the profession of security analysis by the state most directly involved with professional investment organizations. Opposition within the membership of the New York Society itself precluded the actual introduction of this bill, but I believe it is highly desirable for the Society to continue to cooperate with the New York Attorney-General's office, which may take some action of its own in the future.

Noting the N. Y. S. S. A. -R. S. S. A. program, the Financial Analysts Federation felt compelled to rush through its own "self-regulation" proposal. You have received material on this from both the F. A. F. and the R. S. S. A., and you should carefully consider its features. The R. S. S. A. membership will probably be asked to vote on this program in the fall.

Programs: Sixteen meetings were held during the 1973-74 fiscal year. A list of these programs appears at the end of this report. Of perhaps particular interest were the series of three tours of different Eastman Kodak Company facilities, so competently handled by their investor relations staff, and the greater Society emphasis on non-corporate speakers.

Having handled R. S. S. A. programs for four of the past five years, I am pleased to dispense with this assignment, but I know Charlie Andrus will appreciate your comments and suggestions for future programs.

The Rochester Society believes that presentations made to its membership at general meetings should not be of a confidential or private nature, and it is the policy of the Society that these meetings be open to your guests, to the investing public, and to the press.

Community Service: Your Society believes it has a responsibility to contribute to the overall welfare of its service area commensurate with the Society's size and purpose. We therefore commenced last year a program of contributing books on investment topics to the library of St. John Fisher College, a small but thriving educational institution in suburban Rochester. Income from the 1970 Fall Conference profit is being utilized, and will amount to about \$200 per year.

R. S. S. A. members are also encouraged to individually contribute investment books or money for such books to the College. It is our hope that the Society and its members can significantly benefit St. John Fisher in this field in future years.

The Society has also offered to consider acting as a sponsor of the business students' club at another Rochester-area college. We believe that the exposure of college students to our vocation may in time encourage qualified individuals to become portfolio managers and security analysts.

Membership: Our Society has approximately 90 regular and 60 associate members. A regular member has engaged in the professional analysis or management of investments for at least three years.

As part of its service to the community, associate membership in the Society is open to all interested investors in Upstate New York who conduct themselves in accordance with the Society's objectives. Associate members receive the same materials from both the F. A. F. and R. S. S. A. as, and have all of the privileges of, regular members, but may not vote or hold office. Many of our associates have been long-time supporters of the Society. We have benefited from their association with us, and hope this feeling has been mutual.

I am concerned with the current inability of the Society to provide the same level of service for members residing outside of Monroe

County. Approximately 20% of the membership is so located. One-half of this group lives in or near Buffalo, and the Society has contacted each of these members, offering to assist them in setting up local activities, which could in time even lead to the establishment of a separate society.

Finances and Dues: In large part because of the cost-slashing efforts of our past treasurer, Gene Miller, the Society maintained its dues at \$30 during the past fiscal year, and has reported a profit of \$462. A detailed fiscal 1974 financial statement and comparative statements for fiscal 1971-74 follow my comments. As with our meetings and membership, our financial operations are as open as possible.

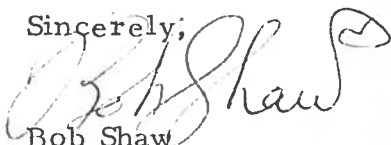
You probably know that we only retain \$12 (40%) of the current \$30 annual dues. The remaining \$18 must be sent to the Financial Analysts Federation for its activities. I regret that the F. A. F. is increasing its assessment by over 50% this year, and will probably charge the R. S. S. A. \$28 for each regular and associate member. This will force your Society to raise its dues \$10 to \$40, and pay 70% of this to the F. A. F.

I am personally concerned about the effect of this on junior, retired, and associate - and many regular - members and will offer an alternative proposal to the R. S. S. A. Executive Committee in the near future.

Summation: This has been quite a year, and I am indebted to many individuals for their aid and assistance. To the members of the Executive Committee for their 72% attendance at the monthly Committee Meetings, for their support of my actions throughout the year, and their willingness to review proposals and assume responsibility for Society functions. To Tom Brown and Pat Patterson for listening to numerous ideas and strategies in their rough stages. To Kathy Sherwood at the Chamber of Commerce for publishing all those rushed meeting announcements, and John Teegardin for tabulating the responses. And to my secretary, Debbie Dreyer, for keeping track of meeting dates, speaker plans, and the lunch money, and for preparing a multitude of letters, notices, announcements, and reports, including this one.

But most of all, my thanks to the Rochester Society membership across the state for your attendance at our meetings, and your interest in our activities. It has been a privilege to have been President of your Society, and a pleasure to remain active in R. S. S. A.

Sincerely,



Bob Shaw

President (1973-74)

ROCHESTER SOCIETY OF SECURITY ANALYSTS, INC.

Income Statement
July 1, 1973 - June 30, 1974

Revenues - Members' Dues		\$ 4,635.00
Expenses - Members' F. A. F. Dues (\$18 x 150 members 12/31/73)		<u>-2,700.00</u>
Retained for use of R. S. S. A.		\$ 1,935.00
Less:		
Chamber of Commerce Support	\$787.50	
Stationery and Postage	382.27	
Net Loss on Programs	232.97	
Travel	<u>69.52</u>	
Total Fiscal '74 Expenses		<u>\$ 1,472.26</u>
Net Profit		\$ 462.74

Checking Account:
Balance July 1, 1973 \$ 393.29

Receipts:

Programs	\$ 820.50	
'74 R. S. S. A. Dues	<u>4,635.00</u>	
Total Receipts		<u>\$ 5,455.50</u>
		\$ 5,848.79

Disbursements:

Dues to F. A. F.	\$2,700.00	
Programs	1,053.97	
Chamber of Commerce	787.50	
Stationery and Postage	382.27	
Travel	<u>69.52</u>	
Total Disbursements		<u>\$-4,993.26</u>
Checking Account Balance June 30, 1974		\$ 855.53
Savings Account Balance June 30, 1974		\$ 2,967.81

ROCHESTER SOCIETY OF SECURITY ANALYSTS, INC.

Comparative Income Statement

	<u>1973-74</u>	<u>1972-73</u>	<u>1971-72</u>	<u>1970-71</u>
Revenues (Members' Dues)	\$4,635	\$4,855	\$4,600	\$4,631
National Expenses:				
Members' F. A. F. Dues	<u>2,700</u>	<u>2,960</u>	<u>3,078</u>	<u>3,852</u>
Retained for use of R. S. S. A.	\$1,935	\$1,895	\$1,522	\$ 779
Local Expenses:				
Chamber of Commerce	788	750	750	750
Postage and Stationery	382	639	680	543
Net Loss on Programs	233	383	364	488
C. F. A. Foundation	0	0	50	0
Legal Fees - Incorporation	0	0	0	569
Travel	<u>70</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$1,473	\$1,772	\$1,844	\$2,350
Net Operating Profit (Loss)	\$ 462	\$ 123	\$ (322)	\$(1,571)
Non-recurring Income (Fall Conf.)				2,932
Net Income (Loss)	\$ 462	\$ 123	\$ (322)	<u>\$1,361</u>

ROCHESTER SOCIETY OF SECURITY ANALYSTS, INC.

List of Programs 1973-74

1. July 19 Eastman Kodak Field Trip I Kodak Park
2. August 16 Kraftco Corporation M. Joseph Lambert
Senior V. P. - Finance
William B. Jordan
Vice Pres. & Treasurer
3. August 21 Eastman Kodak Field Trip II Elmgrove Plant
4. September 13 Eastman Kodak Field Trip III Marketing Education Center
Reception with Senior Mgt.
5. October 23 General Signal Corp. Nathan R. Owen
Chairman
Edward W. Franklin
Vice Pres., Sect., & Counsel
Robert T. David
Vice Pres. & Treasurer
6. November 7 Electric Utility Industry Charles Benore
Salomon Brothers
7. November 28 Rochester Telephone Corp. George S. Beinetti
President
8. December 18 Universal Instruments Corp. Floyd H. Lawson
President
Harold J. Flinn
Vice Pres., Finance
9. January 10 The Market Outlook Edson Gould
10. February 14 Voplex Corporation Raymond A. Lander, Jr.
Chairman
Donald C. Greenhouse
Divis. Vice Pres. & Controller
Joseph C. Tolley
Executive Vice Pres.
11. March 20 Hospital Corp. of America John C. Neff
President

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| 12. April 3 | The Economic Outlook | Raymond F. DeVoe, Jr.
Spencer Trask & Company |
| 13. April 16 | The Market Outlook | Heath B. McLendon
Shearson, Hammill & Co. |
| 14. May 9 | Gleason Works Field Trip | Howard Carver
Chairman
Alfred Murrer
President |
| 15. May 28 | Canandaigua Wine Field Trip | Marvin Sands
President & Treasurer
Bertram Silk
Vice Pres. - Wine Opers.
Robert Meenan
Vice Pres. for Sales |
| 16. June 24 | Investment Policy | Thomas C. Pryor
White Weld & Co. |