

INTER- COMMENTS

VOL. 1—NO. 6

INTER-CONTINENTAL SERVICES CORPORATION
MISSION, KANSAS

DEC. 1970/JAN. 1971

ICSC EVALUATES BUSINESS OUTLOOK IN SYMPOSIUM

Mr. Jerome E. Baker, President, Inter-Continental Services Corporation recently joined with other executives of over-the-counter companies in a Business Outlook Symposium published by The Over-The-Counter Market Chronicle on February 25, 1971. We feel that our employees, clients, stockholders and friends will find particular interest in the following article presented by Mr. Baker.



JERRY E. BAKER

*Chairman and Chief
Executive Officer
Inter-Continental Services
Corporation
2000 Johnson Drive
Shawnee Mission, Kansas 66205*

The availability of large sums of equity capital for expansion and the entrepreneurial individual wanting to go public has come and gone. Financing of this nature in the future will be restricted and much more selective than in the 60's.

Significant problems in the nation's financial markets and liquidity problems of some of our major corporations have created an atmosphere of concern, not only for the investors in these companies, but for the management people who are responsible for operating them profitably.

We all know about the high interest rates of 1969 and 1970; the spiraling inflation;

social changes; rising unemployment in 1970; lack of mortgage money for housing; rising costs and the like.

My company, Inter-Continental Services Corporation, is probably more cognizant of these areas and the effects of them than many corporations. As a financial service organization, we have a close association with many corporations in the money markets and credit granting industry. It has been our purpose to aggressively carry out a plan to be a significant contributor in terms of offering service to those companies involved in the financial and credit markets.

One of our operations offers credit card recovery services to the credit granting industry. Another of our operations offers specialized collection and consulting services to major petroleum, retail, utility, and wholesale companies who find credit granting a necessity in their operations. In both operations, our objective is to protect the financial exposure of our customers. Another national operation of ICSC is offering a specialized on-line computer processing service to the financial community. We process on-line customer pass books, mortgage loans, installment loans, and share accounts for savings and loan associations and credit unions. This service improves customer relations and gives these concerns the ability to analyze and

evaluate their customers and at the same time provide them with meaningful management reports so they can more effectively manage their money.

Our nation is increasingly becoming more dependent on credit and computer needs. Almost everyone wants to charge now and pay later. This attitude is now a way of life. But the corporations are the ones who immediately put their money on the line. In 1971 and future years there will be a greater demand on service organizations to assist these concerns in limiting their risk.

Companies who are now providing money markets have a definite need for immediate verification of their customer's financial status. Our company, as well as others in the industry, is attempting to provide a point of sale credit verification and accounting service nationally through an on-line computer hook-up. The big obstacle to overcome here is the communication costs.

More specific demands will be made in 1971 on management. Many corporations will have a heavy debt load to operate under in the months ahead. I do not see the sort of financial crisis that was evident in 1969, nor do I see a return to excessive capital spending for expansion. Attention

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ICSC GOES NASDAQ

On February 8, 1971 The National Association of Security Dealers unveiled NASDAQ. Seven years in the offering NASDAQ is a system of giant computers and special electronic terminals that provide instantaneous quotations on over-the-counter securities, over-the-counter stock indices and volume figures on the over-the-counter market, and a myriad of statistics that will assist the NASD in supervising the activities in the O-T-C Market.

Through these electronic terminals located in brokerage houses across the country traders and market makers can receive and update quotes instantaneously. By the use of this system along with up-to-date bid and asked prices in the financial sections of newspapers, ICSC securities can be kept in the public eye. The system should help gain investor confidence in over-the-counter securities and should be of a great benefit to our company.

ICSC was one of 2400 companies out of approximately 30,000 over-the-counter securities selected to be listed on NASDAQ. ICSC for listing purposes on NASDAQ will be known by the symbol ICSR. According to the NASD officials, NASDAQ represents a major advance for the over-the-counter market. Traders can now gauge the market at a glance, and investors can be more certain they are getting the best execution for their over-the-counter transactions. The NASD will have information which has never before been available for use in strengthening its self-regulatory program for the over-the-counter market, and we are proud that ICSC is a part of this progress.

ICSC EVALUATES

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will be given to eliminating existing debts, which have carried high interest costs. The elimination of this expense could improve earnings substantially for some companies. However, this approach could reduce their flexibility and restrain them from participating in new opportunities in the next year or two. Corporate leadership must be improved . . . not only in effectively managing their companies, but in building them within a properly planned and administered parameter.

Many companies involved in computer manufacturing and services in recent months have either failed or shown significant losses. Either they did not recognize the immediate need for earnings or they assumed they were just around the corner. Companies are going to need attention directed towards earning growth and also return on equity. It is the responsibility of us who were fortunate to survive the economic crisis of 1970 to dedicate our companies to quality of product, service, reasonable prices and profits. We should define the markets in which we are most knowledgeable and capable of servicing and secure our portion. We should aim for volume and disregard the total spectrum of the environment.

I am optimistic that the companies involved in data processing whose leaders are dedicated to leading, to expensing research and development costs, to customer service, quality of product, reasonable prices, and profits will find the end of the rainbow. There is a tremendous need

for the computer service organization. Many companies who have had their own computer facilities will look to what ICSC calls resource sharing computer companies for their data processing needs in the future. Computer services are now very sophisticated and demanding. Those companies who do too much too soon will fall by the wayside. The computer service organization president who will show restraint with aggressiveness will have the best opportunity for survival. In the 70's service firms will become more dynamically involved in business, and I look with favor on the opportunities that exist for my company and others in this industry.

COLLECTION PANEL

Dick Wilson, Vice President of Operations for North American Credit Services, Inc., recently served as a guest panelist at the December Retail Credit Association Meeting.

Dick, who presided on a panel comprised of leading agency executives, both national and local, answered questions for the credit granting members regarding the role of professional collection agencies in the retail credit industry.

Mr. Bob Farrar, Regional Credit Manager of J. C. Penney Company, Inc., Mission, Kansas, monitored the session and stated that it was highly successful and informative for their Retail Credit Association members.

REGIONAL DIRECTOR



Jim Bybee has joined North American Credit Services, Inc. as Regional Director of Sales. He has extensive credit background in the fields of consumer finance, banking and retail credit. Previously Jim served with the Country Club Bank and Interstate Industries.

Jim, his wife Sharon, and their daughter Lisa live in Independence. He attended Maryville Business College in Northwest Missouri.

Jim's responsibilities will be to coordinate sales activities in the metropolitan and regional areas and to assist management in national sales, as the market expands.

ICSC SUGGESTIONS PROVE RESOURCEFUL

ICSC suggestion boxes have now been installed in all the branch offices per instructions from Mr. Jerry Baker, President. We are glad to see so many people responding with definite, constructive suggestions.

A suggestion was received requesting that North American subscribe to the DAILY RECORD NEWSPAPER, a local legal paper which prints address changes compiled from the records of the telephone company, water department and other public utility firms, and bankruptcy notices and other information that would be helpful in locating skip accounts. Management immediately acted upon this worthwhile suggestion and subscribed to the DAILY RECORD.

We received a number of suggestions to decorate the ICSC building with different colored lights along with our other Christ-

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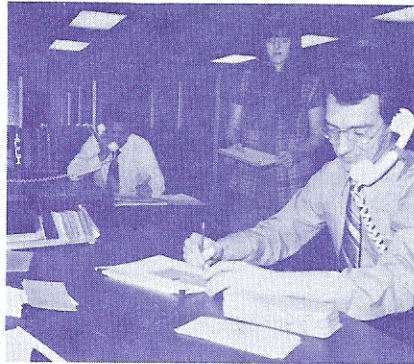
NACS Metro Unit Shows Rapid Gains After Ninety Days Operation

As previously announced in the last issue of INTER-COMMENTS, North American Credit Services, Inc. has opened its METRO UNIT, in order to isolate the local collection market from the national operation.

After its three months in operation, NACS is proud to report that rapid progress has been made, both through the establishment of several new Kansas City based clients and an upsurge in recovery percentages on existing local accounts. With the recent addition of NACS' Sales Director, Jim Bybee, METRO UNIT clientele will be maintained and secured.

Recovery percentages have increased, mainly due to the fact that NACS has matched special accounts with specifically trained personnel to handle this particular category of collection procedure. As retail accounts, utility bills, oil companies and bad checks all have their own characteristics, these areas will be exploited by North American's METRO UNIT members to assure the highest possible recovery. In addition, the METRO UNIT is prepared to

handle those clients placing under thirty accounts per month, assuring maximum coverage for our small volume clients.



Metro Unit personnel making contact with account responsibility are (pictured left to right): Ross Pinkepank, Lynn Park and Tom Madigan.

attended skiptracing classes conducted by Bill Wolff, NACS Manager, and John Smith, 30 Day Unit Manager. All unit girls were given instruction in basic skiptracing and collection procedures, giving credit to the theory that supporting collection personnel should know something about all production procedures. Little recognition seems to be given to those other than actual collectors, but NACS recognizes the importance of their "girl Fridays".

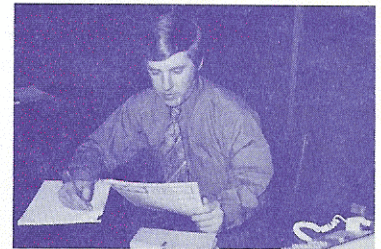
NACS has undertaken its final reorganization phase to promote the utmost service to clients and the characteristics of accounts. Units B, C and E are now known as National Petroleum Units. Units A and D are known as National Retail Units. Local area accounts are already being maintained by the Metro Unit, but will be broken down into the categories of local petroleum, local retail, medical and utility accounts. Each individual unit leader receives training and information as to billing and collection procedures of each client, plus customer characteristics and paying habits for each type of account.

NACS would like to extend a special welcome to three recent newcomers. Jim Bybee comes to North American Credit Services, Inc. as Sales Director. Carolyn Terbovich joins our staff as Administrative Assistant, and Theresa Pula is a newcomer to our 30 Day Unit.

We would like to report that Henry Swayze has taken over responsibility for the 30 Day Unit, upon John Smith's leaving for his Air Force duty. In addition, we now find Barbara Maddux in her new assignment to Unit B.

Suggestion Box! Let's keep those cards and letters coming in. This is your chance to sound off and offer your comments for total operational efficiency.

A final note of appreciation is extended to the officers of ICSC for the tremendous Christmas Party they gave us this year! Not many companies would have gone to the lengths that ICSC demonstrated in their generous scheduling of holiday time-off and social activities. Perhaps it might best be explained by the fact that our executives (average age 38) communicate with us (average age 26) . . . and that's the formula for success!!



NACS is happy to announce the appointment of Earl Scheuer as its "Reporter-in-the-Field" for INTER-COMMENTS. Earl is a recent transplant from All State Credit where he started in March of 1969.

ICSC SUGGESTIONS

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mas decorations. No time was lost in having the lighting company change our outside lights from white to red . . . the building looked great!

Another Christmas suggestion was to allow female employees to wear pantsuits to the Christmas party. Although the company policy is that women are not to come to work attired in pantsuits, an exception to this rule was made for the day of the party.

We are pleased that you are finding the suggestion boxes useful, and we would like to thank the people who have taken the time to make suggestions and hope others will contribute also.

Please excuse the delay in getting this issue of Inter-Comments out to our readers, as we have been busy with year-end report deadlines . . . our apologies, please!

NORTH AMERICAN CREDIT SERVICES

In looking back over the last twelve months of successful operation, we find that many glowing reports have been published about our growth and future potential. But we, as the operations people, would like to take this opportunity to express pride in this accomplishment and state with satisfaction that it is a pleasure being a part of an organization where everyone's efforts are noticeable in this success.

Although there were no school bells ringing, school was in session for the collectors and skiptracers who recently attended a Collection Clinic. The classes, held for full and part time collectors, stressed the importance of professionalism in the collection industry. A set of approved collection training records was used as a base for discussion. It was recognized that North American's continuance of high quality training and ethical practices would cause it to far-outdistance competitors who cling to outdated, 'hard sell' collection tactics. The skip unit consisting of Sondra Tarelton, Kay Graglia and Nancy Estrada

CITIZEN'S CREDIT EXCHANGE

I C C R
Kansas City

Hi everyone!

Has everyone recovered from New Year's Eve? I certainly hope so because there is an exciting and prosperous year in store for all of us.

Citizen's Credit Exchange is very happy to report that we expect our net profit for 1970 to exceed \$20,000.00. We wish to thank all of our employees for their help in making this possible.

We have expanded our operations to coincide with our growth. During the year of 1970 we increased our staff from twelve to seventeen. Our new facilities include a coffee and lunchroom and additional collection space.

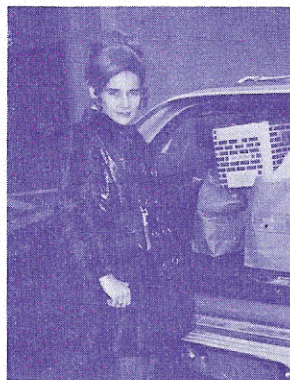
Citizen's Credit Exchange predicts 1971 to be a year of even greater profitability than that of 1970. Management feels that the California collection climate will be conducive in 1971 to meet our goals. We are expecting a great increase in placements due to the economic conditions in California. We are all looking forward to a very prosperous year here and wish you the same.

Best wishes to each and everyone of you from all of us here at Citizen's Credit Exchange, San Bernardino, California.

NEEDY FAMILY SUPPORTED AT CHRISTMAS

In keeping with the true spirit of Christmas giving, ICSC adopted a needy family for Christmas. And due to the overwhelming generosity on the part of ICSCans, a truly enjoyable Christmas Holiday was made possible for our family.

The family, whose name was secured through the Christmas Exchange of Wyandotte County, consisted of two grandparents and four children, ranging in age from sixteen to five. Through the organization and hard work of both Rose Ravenscraft (pictured at right) and Mary Hollowell of the Accounting Department, the family was presented with quite a handsome array of foods, clothing, and of course what would be Christmas without toys!



No one is any better than you, but you are no better than anyone else until you do something to prove it.

Donald Laird

ICSC collected slightly over \$400 in monetary donations, \$100 of which was contributed to the Mennonite Children's Home of Kansas City. ICSC is proud to have given this support, and special thanks to all of you who helped in extending a 'Merry Christmas'.

Many hours have been spent compiling and creating a demonstration portfolio for all ICCR branches, which will be used to supplement our presentations to prospective customers. Ed Newland, Sales Engineer, has arranged a series of slides illustrating ICCR's reports, equipment and branch buildings, both inside and out, at all three locations. To complete the demonstration, Ed has prepared a script for the slides. With the completion of this new marketing tool, ICCR in Los Angeles, Kansas City and Houston will all benefit greatly.

Christmas is over for another year, but everyone here at ICCR still has visions of a very special dinner dancing in their heads. Gladys and her keypunch girls really outdid themselves this year in their annual holiday feast. Two desks were laden with salads, casseroles, breads, relishes and desserts which had been furnished by the employees and their families. The barbecued beef and fried chicken added the final touch to a ravishing display. Wives, husbands and children attended the dinner . . . including little Dianna Davis, 17-month old daughter of Jack, who seemed more interested in making friends with Mathew McWilliams, 18-month old son of Ed, than in eating. Mat, after leading her on a merry chase and losing her somewhere amongst keypunch machines, soon was able to get down to serious business of eating and having fun! It was a wonderful Christmas dinner, and special thanks to Gladys, Sandra, Judy and Sally for their efforts in making it possible. We all look forward to another holiday feast again next year.

Success isn't how far you got, but the distance you traveled from where you started.

Tact is changing the subject without changing your mind.

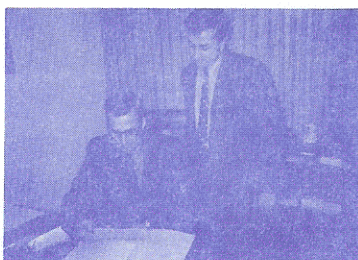
The trouble with the guy who talks too fast is that he often says something he hasn't thought of yet.

People can be divided into three groups: those who make things happen, those who watch things happen, and those who wonder what happened.

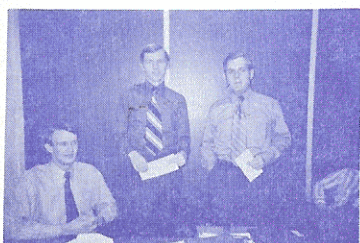
John W. Newbern

ALL STATE CREDIT, K. C. WELCOMES THE NEW YEAR

All State Credit says good-bye to 1970 and welcomes 1971 with the hopes for another very productive year. Business was very profitable last year, and expectations for an even better one are expressed by Tom Fangrow, Executive Vice President, and Dave Ulses, Supervisor.



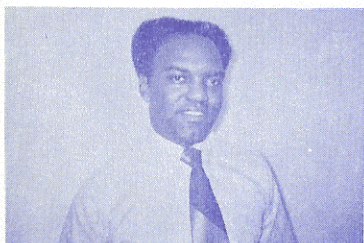
In reviewing 1970 achievements, Exec. V.P., Tom Fangrow, along with Dave Ulses, can project a prosperous 1971.



Bonuses were awarded to Unit Managers for their success in recovering the most credit cards during the month of December. Pictured (left to right) are First Place Winner, Kent Breckenridge; Second Place, Bill Pearson; and Third Place, Dennis Jean. The entire office enjoyed another steak dinner for surpassing their projection in December.



All State's accounting books will soon be turned over to our new Bookkeeper, Jeannine Young (seated). Jeannine will replace Bev Toomay, who shall be leaving shortly to prepare for a new addition to her family . . . the baby is due in April. Jeannine was previously Receptionist for All State.



Unit Manager, Roy Phillips, who has been employed with All State Credit since September 1969, is leaving with his family for Denver, Colorado on January 11th. Roy is taking a one-month leave of absence to visit with his relatives in the mile-high city. We hope that he returns soon.



John Gurera has joined us as Unit Manager after serving more than a year in a part-time capacity. John came to All State in September 1969, working evenings until he entered the Air Force Reserves last February. He returned after four months of active duty.

ICCR Los Angeles

Due to the fact that we have been extremely busy with quarter-end processing on savings and loans and two conversions on credit unions, we had to postpone our Christmas party until the near future.

However, it makes us very happy to report that one of our severest critics, Century Federal Savings & Loan, has taken the time to call us personally to indicate their satisfaction with the quarter-end processing, stating that this has been the finest quarter-end they have ever gone through.

Three members of the Control Department, Jane Drennen, Helen Magee, and

Manny Prupes, attended and successfully completed a Savings and Loan League data processing twelve week course.

Our lucky keypunch supervisor, Lois Arnote, won a \$125 pool on the Rose Bowl game, as well as a weekend trip to San Francisco. That's certainly starting the year out right!

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Judy Klick from our Keypunch Department spent the Christmas Holidays with her parents in Illinois, where she really had a White Christmas when it snowed on Christmas Day.

The following excerpt appeared in the January 1971 Issue of Newsletter for Certified & Spartan Employees:

ON LINE—REAL TIME

"Your Credit Union has been on 'On Line-Real Time' Computer Service (ICCR) for over a year. With this service we are able to pay quarterly dividends, interest refund, and also receive all of our complete statistical reports in a short time. This system is beyond a doubt the best available. They have the most sophisticated programs which give us an all out report of all transactions. We believe this system is saving us two fulltime employees."

ICCR Houston

Things have been really buzzin' around the Houston Data Center the past couple months. We have completed our first quarter-end, year-end processing and reinvestment period. Branch Manager, CLYDE TEW reports all went very well although he plans a few improvements for first quarter-end, 1971.

Our Systems/Programming staff has temporarily deserted us. Since our quarters are rather small in the First Pasadena State Bank Building, they have moved across the street to the National Motel. BOB SCROGGINS and his programming staff have taken a lot of kidding about their new quarters, but from all indications they have really been burning the midnight oil the past few weeks. Our programming staff will soon be increased as soon as a qualified individual is located.

The Houston Data Center's Marketing Manager, DAVE MCKENZIE has been a busy busy man introducing ICCR to the state of Texas. The St. Anthony Hotel in San Antonio was the scene for demonstrations given by ICCR on February 3, 4 and 5. Assisting Dave with the demonstrations were JUNE ANDERSON from the Houston Branch and CHUCK DOLLAR from the Kansas City Branch. ICCR's on-line credit union system was exposed to some 300,000 accounts at this meeting. Plans are in the

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ICCR HOUSTON

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preparatory stages for a similar demonstration to be held in Beaumont the later part of February. The Houston Data Center's goal for 1971 is to add two new accounts to our system each month. We are proud to announce we met our goal in January with the signing of Lackland Federal Credit Union and San Antonio Youth Organization Credit Union. Both of our new customers are located in San Antonio.

A little Christmas cheer was had by all at our branch Christmas party December 11. Gifts were exchanged and everyone enjoyed the refreshments provided by the female members of our staff. Flashbulbs were

busily snapping throughout the party—we fully intended to send a couple snapshots in to INTER-COMMENTS. However, when the pictures were developed, they didn't exactly turn out to be the best in the world. Our trusty cameraman, MR. HARRY BUZEK swears the camera was faulty!!!

One of our Account Supervisors, BEVERLY BONHAM recently spent a short stay in the hospital. However, we're happy to report that Bev's all healthy again and back to work.

That's about it from down Texas way except for one very exciting item—ICCR will soon be announcing the new location for the Houston Branch. Our Branch Manager, CLYDE TEW has been investigating many possible sites the past several weeks, but more of this later . . .



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