

First Quarter Report
to the Shareholders of
Getz & Associates, Incorporated
(December 11, 2001, to March 10, 2002)

March 12, 2002

Fellow Shareholders,

Uncertainty about the direction of the economy and the nature of the recession marked the first quarter of 2002. Although unemployment rose dramatically by percentage change, the overall unemployment rate remained relatively low. Meanwhile, even as a number of companies reported revenue and profitability forecasts that exceeded expectations, others' projections indicated a continued slowdown, raising some speculation that the current recovery may be an apparition. Regardless, the Corporation performed well in a generally cautious market: the net asset value per share of the Corporation's Common Stock was \$18.12 at the end of the quarter, an increase of 5.5% from \$17.18 at the end of the previous quarter.

The Corporation recorded net quarterly income before extraordinary items of \$96.91 on revenues of \$358.94 and expenses of \$262.03. Income was primarily derived from dividends (43.1%), retail sales (29.5%), and interest (27.4%). Expenses consisted of retail operating costs (69.7%), regulatory fees (17.2%), postage (11.6%), and supplies and general expenses. Interest income was lower than previous periods due to low prevailing interest rates on cash, in which the Corporation presently holds an unusually large position, while dividend income and expenses remained relatively stable from prior quarters.

Retail operations generated a net loss of \$76.76 on revenues of \$105.75 and expenses of \$182.51. Retail expenses rose substantially during the first quarter of 2002 as the Corporation shifted from a monthly to a bi-annual payment cycle for web hosting services. This change will reduce annual expenses, although it resulted in the concentration of several months' payments in the current quarter. After the transition period, the Corporation expects to account for recoverable prepaid services as an asset and expense prepaid services as the services are used.

Including an extraordinary loss of \$590.97, the Corporation recorded a loss of \$494.06 for the first quarter of 2002. The extraordinary loss was related to the sale of all of the Corporation's shares of K-Mart Corporation, on which the Corporation recorded a loss of \$2,699.46, and half of the Corporation's holdings in K-Swiss, Incorporated, on which the Corporation recorded a gain of \$2,108.49.

The Corporation sold its 400 shares of K-Mart Corporation as the company headed towards bankruptcy. Shortly after the critical holiday season, K-Mart reported sales which fell below the company's expectations. The resulting liquidity concern, inspired in part by excess winter inventory which the company would likely find difficult to sell at reasonable prices in time for the spring season, prompted an analyst with Prudential Securities to downgrade the company to a rare "sell," citing a potential bankruptcy filing. The disappointing sales, coupled with a falling stock price and perhaps in part influenced by the recent events surrounding Enron, prompted major credit ratings agencies to aggressively reduce K-Mart's credit ratings, eliminating sources of funds for the company while increasing the cost of existing debt. Although K-Mart faced a similar situation in 1996, in which the company avoided bankruptcy through a \$3.7 billion line of credit from its banks, the abrupt fall in credit ratings made such a solution impossible in 2002. Although the Corporation sold its investment shortly before K-Mart's official bankruptcy filing, the Corporation recorded a substantial loss on its investment.

The Corporation also sold half of its holdings in K-Swiss, Incorporated, during the first quarter. After reviewing additional information concerning K-Swiss' recent acquisition of Royal Elastics, a manufacturer of laceless shoes, the Corporation determined the acquisition does not reflect K-Swiss' strategies of producing lines of shoes with long product cycles and avoiding products manufactured specifically to fulfill current market trends. While laceless shoes are presently popular, the Corporation believes they are a trend item which risks becoming a commodity produced by a number of manufacturers. Although laceless shoes may remain popular for many years, the Corporation does not believe the Royal

Elastic brand name is sufficiently linked to the product itself to prevent broad competition from substantially eroding the company's business.

In part due to the sale of these investments and the sale of slightly more than 161 additional shares of the Common Stock during the quarter, the Corporation held slightly more than \$20,000 in cash on March 10, 2002. By any measure, this is a substantial cash reserve far larger than the Corporation generally maintains. It is also invested at the moment in cash accounts with relatively low yields. As I have mentioned before, the Corporation continually reviews potential investments, and continues to do so as you read this report, but I will also repeat my commitment to investing for a reason. The Corporation will not invest available funds simply for the sake of investing.

I believe this approach is particularly important in present economic conditions. The stock market decline which began in 2000 has certainly reduced prices to more reasonable levels, but to the extent that revenues and earnings have also declined, sometimes at a faster pace than the underlying stock valuations themselves, the decline itself does not mean that stocks in general are less expensive than they were before the decline began. It is not uncommon to hear some investors suggest that at these prices, stocks simply have to recover, and some will, particularly those of dominant companies. Yet one of the principles to remember when investing is that in the stock market, especially when emotions are mixed with financial decisions, nothing ever *has* to happen.

Generally speaking, the immediate future will likely be challenging for investors as the economy attempts to find a distinct course and investors try to predict what course that will be, resulting in regular gyrations in stock market averages. Times such as these create opportunities, especially when markets are prompted to undervalue investments based on future fears which themselves may be unreasonable, although times such as these also make it particularly important to maintain the objectivity all investors should hold.

In addition to the uncertain course of the economy, there are also some signs that the enthusiasm which drove the markets to their heights in 1998 and 1999 has not been fully purged, and many investors appear to remain focused on the prospect of substantial future gains in technology shares as the economy recovers. Reflecting this is the recent trend of substantial share price gains for individual companies, especially technology companies, which report even slightly better performance or expectations than expected, whether or not the announcement truly justifies the increased valuation. This belief is in part reinforced by the general perception that technology will reemerge as a prominent force in any economic recovery. However, while technology likely will play a key role in such a recovery, and the best companies in the industry will certainly benefit substantially from it, I believe the general perception of a widespread redemption of technology valuations is exaggerated.

Nonetheless, the Corporation has confidence in the future. Our emphasis on finding and investing in companies with strong long-term prospects should assist us in overcoming immediate challenges so that we may focus on long-term results. While some economists have forecast an economic recovery by the second half of 2002, the quality and duration of the recovery, if it should occur on that schedule, remains open to question. However, whatever the future holds, I believe we are up to the challenges before us.

Sincerely,

Carlton A. Getz, President
Getz & Associates, Incorporated

Balance Sheet (Includes Unrealized Gains and Losses)
As of March 10, 2002

Assets

CASH & ACCOUNTS:	Qtr. One
Cash On Hand:	\$13.65
Corporate Checking:	\$3,460.19
Cash Reserves:	\$15,826.86
Retail Cash & Accounts:	\$732.38
Accounts Receivable:	\$2.50
Other Cash & Accounts:	\$0.00
CASH & ACCOUNTS:	<u>\$20,035.58</u>

INVESTMENTS

Available For Sale:	<u>\$50,199.00</u>
TOTAL INVESTMENTS:	<u>\$50,199.00</u>

OTHER ASSETS

Cash Equivalent:	\$20.61
Retail Division Assets:	\$371.18
Prepaid Expense:	\$35.00
Other Assets:	\$0.00
TOTAL OTHER ASSETS:	<u>\$426.79</u>

Assets: **\$70,661.37**

Liabilities & Equity

CURRENT LIABILITIES:

Accounts Payable:	\$126.76
Unearned Revenues:	\$175.45
TOTAL CURRENT LIABILITIES:	<u>\$302.21</u>

LONG-TERM LIABILITIES:

Long-Term Debt:	\$0.00
TOTAL LONG-TERM LIABILITIES:	<u>\$0.00</u>

DEFERRED LIABILITIES:

Deferred Taxes:	\$2,368.03
TOTAL DEFERRED LIABILITIES:	<u>\$2,368.03</u>

EQUITY:

Shareholder's Equity:	\$67,991.13
TOTAL EQUITY:	<u>\$67,991.13</u>

Total Liabilities & Equity: **\$70,661.37**

Shareholder's Data:

	Qtr. One
Number of Shares Outstanding:	3751.5590
Net Asset Value Per Share:	\$18.12
Net Gain (Loss) Per Share:	\$0.94
Percentage Net Change:	5.5%
Number of Shareholders:	25

Profit & Loss Statement**First Quarter 2002 - (December 11, 2001 to March 10, 2002)**

INCOME:	Qtr. One
Interest Income:	\$98.43
Dividend Income:	\$154.75
Realized Gain (Loss):	(\$590.97)
Retail Operations:	\$105.75
Other Income:	\$0.01
TOTAL INCOME:	<u>(\$232.03)</u>

EXPENSES:	
Fees:	\$45.00
Mailings:	\$30.35
General Expenses:	\$1.20
Supplies:	\$2.97
Taxes (State & Federal):	\$0.00
Retail Operations:	\$182.51
Interest:	\$0.00
Other Expenses:	\$0.00
TOTAL EXPENSES:	<u>\$262.03</u>

NET INCOME (EXPENSE):	<u>(\$494.06)</u>
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Cash Earnings (Loss) Per Share:	(\$0.13)
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Portfolio Analysis**(Includes unrealized gains and losses; as of March 10, 2002.)**

Shares	Company	Symbol	Cost	Current	Gain (Loss)	Return
200	AAON, Incorporated	AAON	\$3,510.95	\$5,054.00	\$1,543.05	43.95%
150	CBRL Group, Inc.	CBRL	\$4,558.50	\$4,350.00	(\$208.50)	-4.57%
150	Dillard's Capital Trust I	DDT	\$2,674.50	\$3,148.50	\$474.00	17.72%
200	Dillard's Dept. Stores	DDS	\$3,799.50	\$4,560.00	\$760.50	20.02%
400	FPIC Insurance Group	FPIC	\$4,187.00	\$4,984.00	\$797.00	19.04%
100	K-Swiss Corporation	KSWS	\$1,403.50	\$3,818.00	\$2,414.50	172.03%
225	The Midland Co.	MLAN	\$7,181.06	\$9,499.50	\$2,318.44	32.29%
200	Owens-Illinois Pref.	OI-A	\$2,612.00	\$4,810.00	\$2,198.00	84.15%
100	Pulte Corporation	PHM	\$1,320.25	\$5,223.00	\$3,902.75	295.61%
200	United Capital Corp.	AFP	\$3,015.39	\$4,752.00	\$1,736.61	57.59%
Totals:			<u>\$34,262.65</u>	<u>\$50,199.00</u>	<u>\$15,936.35</u>	<u>46.51%</u>