

First Quarter Report
to the Shareholders of
Getz & Associates, Incorporated
(December 11, 1996 to December 10, 1997)

Friends and Shareholders,

The close of the Corporation's first quarter of 1997 brought continued success in terms of investment and retail growth, an increase in share value, and the addition of new Shareholder. As the value of shares of the Corporation's common stock continued to rise, recording a return of 4.76% for the first quarter alone, the Corporation sold an additional 62 shares of the common stock and added its first Kansas Shareholder to its ranks. At the close of the quarter, the Corporation had 1,677.4459 shares issued and outstanding to eighteen Shareholder residing in Missouri, Illinois, and Kansas.

The Corporation recorded a net profit of \$7.37 for the quarter on income of \$71.20 and expenses of \$63.83. Income was primarily derived from interest, dividends on investments, and retail sales while expenses concentrated around regulatory fees, shipping and postal costs, and retail operations. After extraordinary expenses of \$100.00 relating to tax payments on capital gains from the previous year, the Corporation recorded a net loss of \$92.63 for the quarter. This, however, will be the last quarter during which tax payments will be recorded as an extraordinary expense and from the second quarter forward will be reported quarterly as a regular expense of business.

Corporate assets finished the quarter at \$14,846.17 versus \$13,661.65 at the end of the fourth quarter of 1996 and \$3,253.19 at the end of the first quarter of last year. Assets rose due to increased retail sales activity, solid investment performance, and the sale of an additional 62 shares of the common stock over the quarter which raised roughly \$540.00 for new capital investment.

In terms of investment operations, the value of the Corporation's investment portfolio grew 7.3% for the quarter as the Corporation continued to hold the same stock and fund investments as it held at the end of the fourth quarter of 1996. Except for the reinvestment of dividends paid on the shares of Atmos Energy Corporation held by the Corporation, no new capital investments were made during the quarter as the Corporation continued to review a number of investment possibilities as well as tried to gauge the condition of the current market. Although the Corporation, due to its long-term time horizon, is relatively unconcerned about short-term market results, the Corporation does believe that it is getting harder and harder to find reasonably priced investments and has extended its time horizon for investment and review to better judge the individual condition of each company currently under consideration.

Retail operations grew slightly to produce a net profit of \$3.60 on sales of \$15.00 and operating expenses of \$11.40. While profit margins on individual sales continued to be very good, freight expenses and advertising cut into the profitability of the Corporation's retail operations. Retail sales for the quarter were also below the Corporation's goal, only 25% of the planned \$60.00 in sales for the quarter. However, the Corporation's continuing work on the retail operation's comprehensive product home page is expected to substantially increase sales through visibility and ease of use, and much enthusiasm has been shown by prospective customers towards the company's dealings in collectible stock and bond certificates. The Corporation hopes to have the retail operation's home page fully operational by the end of the second quarter while currently only selected portions, such as how to place orders and selected lists of packets and special items, are available.

Other business completed by the Corporation over the first quarter included the Second Annual Meeting of Shareholders, held at the offices of the Corporation on January 3, 1997. Attendance was much higher than at previous meetings, and a good discussion was held concerning the Corporation's many investments, the retail operations, and the future prospects and possibilities for the Corporation's expansion. No Shareholder proposals were presented to the meeting and, once again by unanimous vote, Mr. Carlton A. Getz was elected to serve a one year term as a Director of the Corporation.

The first quarter also brought the adoption of the Corporation's new policy regarding the purchase of illiquid investments. Some investments, such as small issues of non-public companies, are not generally traded on stock exchanges or other active markets and are limited only to private sales between individuals.

While some such issues may hold excellent long-term prospects, the difficulty of valuing such investments and, if needed, selling them would create a hardship for the Corporation and the Shareholders if a buyer could not be found. The Corporation has decided that it will generally not invest in such illiquid investments for the above reasons.

Also, the Corporation has begun the process of researching an expansion of its securities registration with the State of Missouri to quadruple the maximum number of Shareholders that the Corporation may have from 25 to 100. Taking advantage of recently approved regulations, such a move would also qualify the Corporation for automatic securities registration with the states of Illinois, Iowa, Indiana, Kansas, Michigan, and Wisconsin, greatly expanding the region available for finding new Shareholders and increasing the opportunities to raise new capital from potential investors currently unrelated to the Corporation. However, these moves towards expanding the Corporation's registration could prove costly in terms of registration fees and legal expenses, and the Corporation is currently attempting to estimate the total cost such a move would incur. It is generally policy of the Corporation that, after the expenses are estimated, the Corporation will then determine the estimated number of additional shares needed to be sold to cover the estimated expense and, before registration, solicit and accept subscriptions for shares before the registration is filed. In this way, the Corporation can guarantee financial backing of the costs associated with the registration without a major effect on current Shareholders while both expanding assets and gaining additional Shareholders through the registration process.

At this point, I would like to bring the quarterly report to the Shareholders to a more personal level. The Corporation to date has done extremely well, and as President, it is my full intention to continue this success to the best of my, and the Corporation's, ability. I believe that the Corporation should remain dedicated to the principals that have in the past guided us to success: constant review of current and potential investments, a continuing search for new investment capital through new and current Shareholders, and the expansion of the Corporation's retail operations through the completion of the company's home page and advertising through various web search engines. As these are Corporate goals that are directly managed by the executive officers, I can guarantee that both myself and Mr. Kofsky will continue to work towards these goals for the coming quarter and throughout the coming year.

There are, however, certain concerns which I cannot directly address from my position as President, and to this extent, I must ask the Shareholders to bring to me their ideas, comments, suggestions, and anything else that each may believe important or profitable to the Corporation. How can quarterly reports be made more clear, understandable, or comprehensive? What information would you like to see in these reports that is not currently reviewed? What suggestions might you have for Corporate investments or expansion of investment capital? To a great extent, the executive officers can change the direction of the Corporation's progress and activities, but it is not without the input of the Corporation's Shareholders that this can be done. I certainly hope that I will hear from several of you in the coming weeks concerning these and other questions so as to better serve both the Shareholders and the Corporation as a whole.

Once again, I thank you for the opportunity to serve as the President of your Corporation and to continue in my role as the Corporation's only member of the Board of Directors. Yet it is not simply through my efforts that success is achieved; the future of the Corporation depends on the continued dedication and confidence of the Corporation's many valued Shareholders.

Sincerely,

Carlton A. Getz, President
Getz & Associates, Incorporated

Balance Sheet (Includes Unrealized Gains)
As of March 10, 1997

Assets

CASH & ACCOUNTS:	Qtr. One
Cash On Hand:	\$2.26
Corporate Checking:	\$1,349.39
Cash Reserves:	\$2,536.41
Cash Equivalents:	\$0.00
Other Cash & Accounts:	<u>\$0.00</u>
CASH & ACCOUNTS:	\$3,888.06

INVESTMENTS

Brokerage Account:	\$9,453.12
Direct Investments:	<u>\$1,388.55</u>
TOTAL INVESTMENTS:	\$10,841.67

OTHER ASSETS

Cash Equivalent:	\$6.44
Retail Division Assets:	\$0.00
Other Assets:	<u>\$110.00</u>
TOTAL OTHER ASSETS:	\$116.44

Assets: **\$14,846.17**

Liabilities & Equity

LIABILITIES:

Accounts Payable:	\$0.00
Long-Term Debt:	<u>\$96.37</u>
TOTAL LIABILITIES:	\$96.37

EQUITY:

Shareholder's Equity:	<u>\$14,749.80</u>
TOTAL EQUITY:	\$14,749.80

Total Liabilities & Equity: **\$14,846.17**

Shareholder's Data:	Qtr. One
Number of Shares Outstanding:	1677.4459
Net Asset Value Per Share:	\$8.79
Net Gain (Loss) Per Share:	\$0.40

Profit & Loss Statement
First Quarter 1997 - (December 11, 1996 - March 10, 1997)

INCOME:	Qtr. One
Interest Income:	\$20.73
Dividend Income:	\$35.47
Realized Gain (Loss):	\$0.00
Retail Operations:	\$15.00
Other Income:	<u>\$0.00</u>
TOTAL INCOME:	\$71.20
EXPENSES:	
Fees:	\$45.00
Mailings:	\$4.23
General Expenses:	\$2.19
Supplies:	\$0.00
Taxes (All Types):	\$100.00
Retail Operations:	\$11.40
Other Expenses:	<u>\$1.01</u>
TOTAL EXPENSES:	\$163.83
TOTAL INCOME (EXPENSE):	(\$92.63)

Portfolio Analysis

(Includes unrealized gains and losses; as of March 10, 1997.)

Shares	Company	Symbol	Cost	Current	Gain (Loss)	Return
11.41	Atmos Energy Corp.	ATO	\$258.43	\$280.97	\$22.54	8.72%
50	Central Maine Power	CTP	\$645.25	\$568.75	(\$76.50)	-11.86%
100	Comair Holdings, Inc.	COMP	\$2,491.50	\$2,262.50	(\$229.00)	-9.19%
183.566	Franklin AGE Income	AGEFX	\$525.00	\$534.18	\$9.18	1.75%
100	Kmart Corporation	KM	\$797.50	\$1,262.50	\$465.00	58.31%
45	Magna Group, Inc.	MGR	\$1,086.25	\$1,490.62	\$404.37	37.23%
150	Optical Cable Corp.	OCCF	\$375.00	\$2,137.50	\$1,762.50	470.00%
50	Pulte Corporation	PHM	\$1,320.25	\$1,731.25	\$411.00	31.13%
32.48	Templeton World Fund	TEMWX	\$535.40	\$573.40	\$38.00	7.10%
Totals:			\$8,034.58	\$10,841.67	\$2,807.09	34.94%