

Second Quarter Report
to the Shareholders of
Getz & Associates, Incorporated
(March 11, 2001 to June 10, 2001)

June 20, 2001

To Our Stockholders:

Volatile markets during the second quarter of 2001 reflected continuing uncertainty about the state of the economy. Conflicting economic indicators impacted markets throughout as hopes for a recovery during the second half of the year diminished. However, for the quarter ended June 10, 2001, the net asset value per share of the Corporation's common stock stood at \$16.40, a 3.4% increase from \$15.86 at the end of the first quarter.

Net income for the quarter was \$16.29 on revenue of \$575.04 and expenses of \$558.29. Revenues were generated from retail sales (41.4%), dividend income (37.6%), and interest income (21.0%). Expenses were concentrated in retail operations (45.8%) and income taxes (45.6%). Retail sales fell from the prior quarter due to fewer orders and a smaller average order size. Dividend income fell due to prior sales of investments while interest income declined on lower average cash balances and falling interest rates. Tax expense rose as the Corporation paid state income taxes for the prior year due in the second quarter.

Assets at the end of the quarter were \$55,852.55, a quarterly increase of 1.7%, while liabilities fell 39.2%, to \$1,292.23. Assets consisted primarily of investments (79.1%) and cash (20.3%), while deferred taxes on unrecognized capital gains represented the majority of liabilities.

The Corporation made one addition to its investment portfolio during the second quarter, purchasing an additional 75 shares of The Midland Company's common stock for \$2,748.75, increasing our holdings to 225 shares.

However, in recent months, I have become somewhat concerned about the relative dearth of investments offering the characteristics the Corporation typically looks for, particularly long-term growth potential at a reasonable share price. Simply stated, the Corporation is finding it difficult to identify promising investments. Although both the DJIA and Nasdaq are well off their respective highs, a wide variety of companies continue to carry what seem to be excessive valuations. Declining shares prices accompanied by deteriorating earnings kept the market's overall price-to-earnings ratio well above the historical average. A number of companies still trade at a P/E in excess of 50; even companies whose growth prospects are only marginally better than average remain priced well over the intrinsic value of the companies themselves.

The markets' declines have also generated a number of recent articles about the buy-and-hold investment strategy which I think deserve brief comment. In some cases, the approach's value has been questioned due to the losses incurred by individuals who held securities through the decline. Notwithstanding an argument over what defines "long-term," I believe most of these articles miss two essential points.

First, the buy-and-hold strategy emphasizes an investor should focus on purchasing shares of strong, durable companies with a proven track record. Many companies, particularly recent high-fliers which have never earned a profit and likely never will, do not fall in the category of strong and durable. True adherence to the strategy means acquiring shares in companies in such a manner as to essentially limit risk exposure to a question of how fast a company will grow rather than whether or not the company is economically viable at all. Therefore, the buy-and-hold strategy is not easily applied to young companies, and those suggesting it as their reason for holding beaten down shares in questionable firms misapply the theory.

Second, the buy-and-hold strategy is not meant as a buy-and-ignore strategy, as is often suggested. Buy-and-hold is not designed to permanently prevent an investor from selling an investment, but to prevent the investor from making rash decisions on temporary or transient events, such as a single earnings shortfall. Rather, an investor should look for changes which affect the long-term fundamentals of the business -- changes in the basic characteristics of the company or its markets. For example, an investor in Central Vermont Public Service should probably not sell shares on disappointing earnings caused by unusually cold weather reducing air conditioning demand -- this is a transient event. On the other hand, an investor should probably have long ago sold shares of Pacific Gas & Electric Company when it became apparent retail price caps established in California were well below the actual cost of electricity -- a fundamental change in the market relationship between the cost of goods and the price received for those goods.

Back to investments, two of the Corporation's holdings recently reported earnings which disappointed Wall Street. Earnings for CBRL Group, Incorporated, parent of Cracker Barrel Old Country Stores, were much higher than the prior year but fell short of expectations due to continuing upward pressure on labor, utility, a commodity food

expenses, such as eggs, beef, and dairy products. The cost of labor has been particularly troublesome, growing faster than revenue and impacting expenses and profitability.

Dillard's Department Stores also reported earnings below expectations due to a weak retail environment and the defection of customers from department stores. The Corporation does, however, see several encouraging developments. During 2000, Dillard's reduced average inventory per store by 13%, improving distribution and inventory mix. Cash derived from operations and reduced inventory allowed the company to repurchase 14 million shares of its Class A Common Stock (roughly 14% of total common shares outstanding) and reduce long-term debt by \$520 million, or nearly 18%. Although these factors alone will not substantially improve operating results, they should improve the company's overall financial position. Despite the likely impact of current economic conditions, the Corporation believes Dillard's is moving the right direction.

On a lighter note, I am pleased to report the Corporation continues to make progress on its web site. In addition to a contact information change form, almost all of my reports to the Shareholders since 1996 are now available, as well as the Corporation's current investment portfolio and related links. Other documents available include the Additional Stock Purchase Application for existing Shareholders, and the Irrevocable Stock Power form, for changes in share ownership. By the end of the third quarter, additional resources will be available, including the Corporation's Application Information & Terms Packet, our equivalent of a prospectus, and the Corporation's Form U-7 disclosure document, which discusses other matters pertaining to the Corporation's operations and management. I encourage you to visit the Corporation's web site at www.getzassoc.com to see the progress we are making for yourself. In addition, my special thanks to Martin Ohmes, our Director of Internet Resources, who has made so much of this a reality.

Finally, enclosed with this report, you will find a card offering you participation in our online quarterly report program. It costs the Corporation approximately \$0.64 to produce and mail a quarterly report, excluding the time required. By delivering quarterly reports online, the Corporation can save about \$44.16 annually, or \$0.013 per share, further leveraging the value of our web site. Hard copies of the annual report will continue to be mailed in addition to being available online.

While offering this option, I admit I have some reservations about reaching the Shareholders in this manner because it eliminates one of the best lines of communication between the Corporation and its Shareholders. I believe that connection is invaluable since it keeps each of the Shareholders tangibly linked to the Corporation, and finding a report in your mailbox serves as a regular reminder of our mission and progress. However, I am also responsible for ensuring the best use of the Corporation's assets, and the web site is certainly a powerful tool.

If you wish to receive e-mail alerts when the quarterly report is available online, generally on the 25th day of March, June, and September, please return the enclosed card to the Corporation. If the Corporation does not receive a card from you, you will continue to receive paper copies of the quarterly report in the mail.

I look forward to reporting another quarter of progress in September.

Sincerely,

Carlton A. Getz, President
Getz & Associates, Incorporated

Balance Sheet (Including Unrealized Gains and Losses)
As of June 10, 2001

Assets

CASH & ACCOUNTS:	Qtr. One	Qtr. Two
Cash On Hand:	\$26.39	\$32.52
Corporate Checking:	\$1,889.07	\$399.40
Cash Reserves:	\$12,546.78	\$10,132.14
Retail Cash & Accounts:	\$539.40	\$721.33
Accounts Receivable:	\$55.75	\$55.75
Other Cash & Accounts:	\$0.00	\$0.00
CASH & ACCOUNTS:	\$15,057.39	\$11,341.14

INVESTMENTS

Available For Sale:	\$39,435.13	\$44,161.50
TOTAL INVESTMENTS:	\$39,435.13	\$44,161.50

OTHER ASSETS

Cash Equivalent:	\$2.85	\$19.53
Retail Division Assets:	\$409.38	\$295.38
Prepaid Expense:	\$0.00	\$35.00
Other Assets:	\$0.00	\$0.00
TOTAL OTHER ASSETS:	\$412.23	\$349.91

Assets: **\$54,904.75** **\$55,852.55**

Liabilities & Equity

CURRENT LIABILITIES:

Accounts Payable:	\$51.14	\$89.95
Unearned Revenues:	\$236.21	\$193.25
TOTAL CURRENT LIABILITIES:	\$287.35	\$283.20

LONG-TERM LIABILITIES:

Long-Term Debt:	\$0.00	\$0.00
TOTAL LONG-TERM LIABILITIES:	\$0.00	\$0.00

DEFERRED LIABILITIES:

Deferred Taxes:	\$2,126.24	\$1,292.23
TOTAL DEFERRED LIABILITIES:	\$2,126.24	\$1,292.23

EQUITY:

Shareholder's Equity:	\$52,491.16	\$54,277.12
TOTAL EQUITY:	\$52,491.16	\$54,277.12

Total Liabilities & Equity: **\$54,904.75** **\$55,852.55**

Shareholder's Data:

	Qtr. One	Qtr. Two
Number of Shares Outstanding:	3309.4773	3309.4773
Net Asset Value Per Share:	\$15.86	\$16.40
Net Gain (Loss) Per Share:	\$1.62	\$0.54
Percentage Net Change:	11.3%	3.4%
Number of Shareholders:	24	24

Profit & Loss Statement
Second Quarter 2001 - (March 11, 2001 to June 10, 2001)

INCOME:	Qtr. One	Qtr. Two
Interest Income:	\$156.67	\$120.94
Dividend Income:	\$218.31	\$216.10
Realized Gain (Loss):	\$4,250.76	\$0.00
Retail Operations:	\$327.01	\$238.00
Other Income:	\$0.00	\$0.00
TOTAL INCOME:	\$4,952.75	\$575.04

EXPENSES:		
Fees:	\$55.00	\$25.00
Mailings:	\$23.83	\$10.15
General Expenses:	\$34.79	\$8.55
Supplies:	\$23.38	\$4.16
Taxes (State & Federal):	\$0.00	\$255.00
Retail Operations:	\$294.87	\$255.89
Interest:	\$0.02	\$0.00
Other Expenses:	\$0.00	\$0.00
TOTAL EXPENSES:	\$431.89	\$558.75

NET INCOME (EXPENSE):	\$4,520.86	\$16.29
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Cash Earnings (Loss) Per Share:	\$1.37	\$0.00
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Portfolio Analysis

(Includes unrealized gains and losses; as of June 10, 2001.)

Shares	Company	Symbol	Cost	Current	Gain (Loss)	Return
150	CBRL Group, Inc.	CBRL	\$4,558.50	\$2,550.00	(\$2,008.50)	-44.06%
150	Dillard's Capital Trust I	DDT	\$2,674.50	\$3,067.50	\$393.00	14.69%
200	Dillard's Dept. Stores	DDS	\$3,799.50	\$3,516.00	(\$283.50)	-7.46%
400	FPIC Insurance Group	FPIC	\$4,187.00	\$5,232.00	\$1,045.00	24.96%
200	K-Swiss Corporation	KSWS	\$2,807.00	\$4,904.00	\$2,097.00	74.71%
400	Kmart Corporation	KM	\$3,284.50	\$4,480.00	\$1,195.50	36.40%
225	The Midland Co.	MLAN	\$7,181.06	\$8,415.00	\$1,233.94	17.18%
200	Owens-Illinois Pref.	OI-A	\$2,612.00	\$3,010.00	\$398.00	15.24%
100	Pulte Corporation	PHM	\$1,320.25	\$4,217.00	\$2,896.75	219.41%
200	United Capital Corp.	AFP	\$3,015.39	\$4,770.00	\$1,754.61	58.19%
Totals:			\$35,439.70	\$44,161.50	\$8,721.80	24.61%