

Third Quarter Report to the Shareholders of  
**Getz & Associates, Incorporated**  
(June 11, 1996 to September 10, 1996)

September 19, 1996

Fellow Shareholders,

After a spectacular opening, the third quarter brought the Corporation's Common Stock off highs reached earlier in 1996. Despite a more than 280% surge in corporate income, the sale of ninety additional shares of the Common Stock, and the successful registration of the Corporation's new retail operation, net assets declined amid interest rate fears and a weak stock market. Shares of the Common Stock finished the third quarter at a net asset value of \$8.11 per share with 1,545 shares outstanding to 15 Shareholders. Yet even at the quarter's lowest point, through a mixture of solid investment strategy and a good deal of fortune, the Corporation's first-half return to original Shareholders beat that of every mutual fund in the United States.

The Corporation closed the quarter with a net profit of \$26.81, the Corporation's first in the black, on income of \$68.98 and expenses of \$42.17 (including retail operations and before extraordinary gains and taxes). The bulk of income came from interest and dividend sources, while expenses were closely related to corporate supplies and retail operations. Including an extraordinary gain of \$1,569.00 on the sale of 150 shares of Optical Cable Corporation common stock and taxes of \$100.00, the Corporation's net profit was \$1,495.81 on income of \$1,637.98 and expenses of \$142.17. Independently, the Corporation's retail division recorded a profit of \$5.86 on income of \$18.50 and expenses of \$12.64.

Meanwhile, as sales and income rose, assets fell to \$12,642.77 from \$15,381.49, primarily due to a weak market and conflicting economic indicators which caused a market correction early in the quarter. As of September 10, 1996, assets consisted of investments (\$9,121.27), cash and cash equivalents (\$3,513.78), and other corporate assets (\$16.72), while long-term liabilities stood at \$109.11, payable through the end of 2000 at a rate of \$2.27 per month.

Virtually all of the Corporation's assets, in accordance with the Corporation's primary business, consisted of investments in various common stocks and mutual funds. As of the end of the third quarter, the Corporation held shares of the common stock of Atmos Energy Corporation (NYSE: ATO), Comair Holdings, Incorporated (NASDAQ: COMR), K-Mart Corporation (NYSE: KM), Magna Group, Incorporated (NYSE: MAGI), Optical Cable Corporation (NASDAQ: OCCF), Pulte Corporation (NYSE: PHM), and investments in shares of Franklin AGE High Income Fund (AGEFX) and the Templeton World Fund (TEMWX). Of these issues, Comair Holdings, Incorporated, is the only addition to the list. Comair Holdings is the parent company of Comair, a commuter airline that operates throughout the eastern United States in a close alliance with Delta Airlines. Comair's past performance and opportunities have helped propel Comair's rapid growth, a trend which continues today and should continue will into the future. These factors, among others, defined Comair as an excellent addition to the Corporation's investment portfolio.

Comair, however, isn't the only company the Corporation holds an investment in that expects rapid growth in the near and distant future. Early in the quarter, Pulte Corporation bought a Florida home-builder, adding to the company's service region in a very fragmented industry. Atmos Energy Corp. also agreed to acquire Tennessee-based United Cities Gas Company in a move that will nearly doubling its customer base. September brought Magna Group's purchase of Homestead Bancshares, the second largest bank in Iowa, in a deal some analysts have called a bargain for Magna's banking division. And on top of these, Optical Cable Corporation continues to report stellar sales and income growth as the company becomes more visible after its initial public offering. While the Corporation continuously reviews all of the investments that it holds, as well as other new prospective investments, the Corporation has determined that its current portfolio represents a strong position in terms of diversification and pure value. This benefits Shareholders in investment quality, helping ensure solid performance to come.

Aside from the Corporation's general activities, the third quarter also proved to be one filled with change and endless activity. After extensive discussion about the merits and necessities of adding a new member to the Corporation's executive board, the Board of Directors is proud to announce the election of

Mr. Martin E. Kofsky to serve as Vice President of the Corporation. In this capacity, Mr. Kofsky will handle the Corporation's affairs in the absence of the President. As with all of the executive offices of the Corporation, no compensation is paid to Corporate officers except for the simple appreciation of the Shareholders. Please join me in welcoming Marty Kofsky to the Corporation's executive team.

July brought final approval by the Board of Directors for the registration of World Wide Stamp Company as a wholly-owned region of the Corporation dedicated to retail sales of collectibles and related materials via the Internet. By the middle July, the Corporation had received final registration from the State of Missouri of the name and the applicable sales tax license necessary for a retail business. World Wide was formed as a source of secondary income for the Corporation and is intended to remain secondary to the Corporation's primary focus, accounting for no more than 1% of the Corporation's assets at any point in time. Current projects now include working on World Wide's Internet home page for on-line customers, expected to be completed by late November. Early response has been positive, and the Corporation expects that World Wide, which carries virtually no inventory and operates with minimal cash needs, will become an excellent asset as exposure grows. Almost as a testament to the versatility available to the Corporation over the world wide network of computers, the Corporation's first retail order came from a customer in Pittsburgh, Pennsylvania.

However, the quarter also brought the discovery of two accounting errors in the Corporation's books. The first error was discovered while transferring checking accounts to Magna Bank of Missouri, a necessary change for the Corporation's expansion and retail operations. Due to a check which had been issued but had not been recorded, the second quarter report gave a checking account balance \$40.00 above the actual amount. This error resulted in the overstatement of the net asset value per share at the end of the second quarter by \$0.02. The second error was discovered in a review of the Corporation's debts. Due to a mistake in calculations, the time period over which the Corporation's outstanding debts were to be paid was understated, resulting in overpayments. The overpayments have been reimbursed to the Corporation and it has been determined that the event did not have a material effect on the value of the Corporation's Common Stock. The Corporation has corrected these errors and has reviewed the books for additional mistakes, finding none. While discouraging in the fact that these errors were made, please rest assured that the Corporation is doing everything possible to ensure correct reporting of its financial status and will accurately maintain and regularly check records in order to prevent reoccurrence of errors such as these. All of the stated results in the accompanying balance sheet have been restated to reflect the corrections noted above.

Despite the rougher than usual ride experienced during the third quarter, the Corporation's finances remain strong and filled with promise. Investments continue to report strong earnings growth and income gains, building on past success while working toward additional progress in the future. In terms of Corporate expansion and growth, several new potential investors have approached the Corporation with an interest in purchasing shares of the Common Stock and the Corporation's retail operations are in an excellent position for future growth via the Internet. Yet for Shareholder involvement, these and other issues must be discussed with Shareholders so that your Corporation can understand and take into account your concerns. In order to discuss these and other important topics, the Corporation invites you to the Second Annual Meeting of Shareholders, currently scheduled to be held at 1:00 PM on January 3, 1997, at the offices of the Corporation located in Maryland Heights, Missouri. Official notice of the final date and time will be sent to Shareholders on record as of December 10, 1996, with the necessary proxy cards and materials.

Overall, with the continued dedication of Shareholders such as yourself and those who will join us in the future, little stands in the way of the Corporation's continued growth. The Corporation believes that the near and distant future is bright and filled with opportunities waiting to be seized.

Sincerely,

Carlton Getz  
President, Getz & Associates, Incorporated

**Balance Sheet (Includes Unrealized Gains)**  
**As of September 10, 1996**

**Assets**

| CASH & ACCOUNTS:            | Qtr. One        | Qtr. Two          | Qtr. Three        |
|-----------------------------|-----------------|-------------------|-------------------|
| Cash On Hand:               | \$14.33         | \$20.08           | \$11.21           |
| Corporate Checking:         | \$0.00          | \$3,225.63        | \$1,015.54        |
| Cash Reserves:              | \$623.28        | \$26.37           | \$2,387.03        |
| Cash Equivalents:           | \$100.00        | \$0.00            | \$0.00            |
| Other Cash & Accounts:      | \$0.00          | \$0.00            | \$0.00            |
| <b>CASH &amp; ACCOUNTS:</b> | <b>\$737.61</b> | <b>\$3,272.08</b> | <b>\$3,413.78</b> |

**INVESTMENTS**

|                           |                   |                    |                   |
|---------------------------|-------------------|--------------------|-------------------|
| Brokerage Account:        | \$1,787.50        | \$7,275.00         | \$7,853.12        |
| Direct Investments:       | \$718.08          | \$4,784.49         | \$1,259.15        |
| <b>TOTAL INVESTMENTS:</b> | <b>\$2,505.58</b> | <b>\$12,059.49</b> | <b>\$9,112.27</b> |

**OTHER ASSETS**

|                            |                |                |                 |
|----------------------------|----------------|----------------|-----------------|
| Cash Equivalent:           | \$10.00        | \$10.00        | \$6.72          |
| Retail Division Assets:    | \$0.00         | \$0.00         | \$0.00          |
| Other Assets:              | \$0.00         | \$0.00         | \$110.00        |
| <b>TOTAL OTHER ASSETS:</b> | <b>\$10.00</b> | <b>\$10.00</b> | <b>\$116.72</b> |

Assets: **\$3,253.19** **\$15,341.57** **\$12,642.77**

**Liabilities & Equity**

**LIABILITIES:**

|                           |                 |                 |                 |
|---------------------------|-----------------|-----------------|-----------------|
| Accounts Payable:         | \$0.00          | \$0.00          | \$0.00          |
| Long-Term Debt:           | \$122.73        | \$115.92        | \$109.11        |
| <b>TOTAL LIABILITIES:</b> | <b>\$122.73</b> | <b>\$115.92</b> | <b>\$109.11</b> |

**EQUITY:**

|                       |                   |                    |                    |
|-----------------------|-------------------|--------------------|--------------------|
| Shareholder's Equity: | \$3,130.46        | \$15,225.65        | \$12,533.66        |
| <b>TOTAL EQUITY:</b>  | <b>\$3,130.46</b> | <b>\$15,225.65</b> | <b>\$12,533.66</b> |

Total Liabilities & Equity: **\$3,253.19** **\$15,341.57** **\$12,642.77**

**Shareholder's Data:**

|                               | Qtr. One | Qtr. Two | Qtr. Three |
|-------------------------------|----------|----------|------------|
| Number of Shares Outstanding: | 637      | 1455     | 1545       |
| Net Asset Value Per Share:    | \$4.91   | \$10.46  | \$8.11     |
| Net Gain (Loss) Per Share:    | (\$0.59) | \$5.55   | (\$2.35)   |

**Profit & Loss Statement**  
**Third Quarter - (June 11, 1996 - September 10, 1996)**

|                                |                   |                  |                   |
|--------------------------------|-------------------|------------------|-------------------|
| INCOME:                        | Qtr. One          | Qtr. Two         | Qtr. Three        |
| Interest Income:               | \$2.40            | \$10.33          | \$18.11           |
| Dividend Income:               | \$0.00            | \$13.94          | \$32.37           |
| Realized Gain (Loss):          | \$0.00            | \$0.00           | \$1,569.00        |
| Retail Operations:             | \$0.00            | \$0.00           | \$18.50           |
| Other Income:                  | \$0.00            | \$0.00           | \$0.00            |
| <b>TOTAL INCOME:</b>           | <b>\$2.40</b>     | <b>\$24.27</b>   | <b>\$1,637.98</b> |
| EXPENSES:                      |                   |                  |                   |
| Fees:                          | \$95.00           | \$50.00          | \$7.00            |
| Mailings:                      | \$18.43           | \$11.60          | \$0.64            |
| General Expenses:              | \$2.77            | \$0.05           | \$0.85            |
| Supplies:                      | \$6.07            | \$0.00           | \$21.04           |
| Taxes (All Types):             | \$0.00            | \$0.00           | \$100.00          |
| Retail Operations:             | \$0.00            | \$0.00           | \$12.64           |
| Other Expenses:                | \$0.00            | \$0.00           | \$0.00            |
| <b>TOTAL EXPENSES:</b>         | <b>\$122.27</b>   | <b>\$61.65</b>   | <b>\$142.17</b>   |
| <b>TOTAL INCOME (EXPENSE):</b> | <b>(\$119.87)</b> | <b>(\$37.38)</b> | <b>\$1,495.81</b> |

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**Portfolio Analysis**

(Includes unrealized gains and losses; as of September 10, 1996.)

| Shares         | Company               | Symbol | Cost              | Current           | Gain (Loss)       | Return        |
|----------------|-----------------------|--------|-------------------|-------------------|-------------------|---------------|
| 11.17          | Atmos Energy Corp.    | ATO    | \$252.65          | \$266.68          | \$14.03           | 5.55%         |
| 100            | Comair Holdings, Inc. | COMR   | \$2,491.50        | \$2,200.00        | (\$291.50)        | -11.70%       |
| 183.566        | Franklin AGE Income   | AGEFX  | \$525.00          | \$512.15          | (\$12.85)         | -2.45%        |
| 100            | Kmart Corporation     | KM     | \$797.50          | \$1,025.00        | \$227.50          | 28.53%        |
| 45             | Magna Group, Inc.     | MAGI   | \$1,086.25        | \$1,130.62        | \$44.37           | 4.08%         |
| 150            | Optical Cable Corp.   | OCCF   | \$375.00          | \$2,250.00        | \$1,875.00        | 500.00%       |
| 50             | Pulte Corporation     | PHM    | \$1,320.25        | \$1,237.50        | (\$82.75)         | -6.27%        |
| 30.24          | Templeton World Fund  | TEMWX  | \$500.00          | \$490.32          | (\$9.68)          | -1.94%        |
| <b>Totals:</b> |                       |        | <b>\$7,348.15</b> | <b>\$9,112.27</b> | <b>\$1,764.12</b> | <b>24.01%</b> |