

Third Quarter Report
to the Shareholders of
Getz & Associates, Incorporated
(June 11, 1998 to September 10, 1998)

September 20, 1998

Fellow Shareholders,

In retrospect, last quarter's warning that a time when our dedication to our investment philosophy would be tested came none too soon. Although the market's gyrations may not have been the largest it is capable of, a Dow Industrials fall of more than one thousand points in any five day period is often substantial enough to identify the weak of heart. Where at the beginning of the quarter small investors were declaring their allegiance to holding stocks through thick and thin, the end brought a hint of doubt and a smattering of fear.

The events of the third quarter did substantially affect the Corporation's common stock and at the worst point (which, ironically, was the last day of the quarter), the Corporation's investment performance could have been fairly described as nothing short of dismal. These losses, however, were partially balanced by similarly large gains in sales of new shares of the common stock and record profits from World Wide Stamp Company, the Corporation's retail business. For the quarter, the Corporation sold a fraction more than 526 new shares, both to current and new Shareholders, exceeding the Corporation's goal for all of 1998. Retail sales were equally robust with the Corporation's World Wide Stamp Company unit reporting a profit margin of 52.5%, resulting in a profit of \$1,429.27 on sales of \$2,718.74. At this level, retail sales for the quarter also exceeded the Corporation's goal for all of 1998. The final result was that the common stock closed the quarter at a net asset value per share of \$10.92, down 6.5% from the previous quarter.

Net profit for the third quarter was \$1,459.99 on income of \$2,832.23 and expenses of \$1,372.24. Income was derived almost entirely from retail sales (96%) while ninety four percent (94%) of expenses were associated with retail operations. Interest income remained low due to smaller cash balances in the Corporation's accounts while dividends rose due to wider investment holdings and higher dividend rates. Retail sales were driven by a few large orders, particularly from other stock certificate retailers, who tend to buy in bulk and at high profit margins even at wholesale. However, without these large buyers, World Wide would still have posted record quarterly sales, adding customers in Japan, Austria, Italy, and Canada, to those it has in twenty eight U.S. states.

The Corporation continued in the third quarter its objective of reducing outstanding debt. The Corporation repaid of nearly \$170 in the quarter, eliminating all interest bearing debt with the exception of its long-term liabilities. Liabilities at the end of the third quarter stood at just more than a fourth of the balance that the Corporation carried at the end of the first quarter.

With respect to investments, many questions and comments have been received dealing with the Corporation's large cash holdings, slightly less than 33% of assets. A good deal of this cash was generated in the most recent quarter, either through the sale of additional shares of the common stock or through the retail unit's \$1,430 contribution to investment capital. Since the Corporation has no immediate plans for these funds (with the exception of continued repayment of outstanding debts), the Corporation intends to hold the funds in cash for the time being. Rest assured, however, that the Corporation does intend to invest, but we will not under any circumstances do so simply for the sake of investment. All investments should be and will be chosen by their individual merits, and until excellent potential investments are found, cash is what our cash shall remain.

Towards investing some of these funds, however, late September saw the Corporation triple its investment in Cracker Barrel Old Country Stores, Incorporated, from 50 to 150 shares, in spite of past losses on its shares of the company. The reason behind the purchase was that although Cracker Barrel's shares have fallen nearly 35% since the Corporation's initial investment, the same time period has brought no substantial change in Cracker Barrel's business or finances to justify such a steep decline. The result is an

investment that is better priced than it was when the original shares were purchased. The addition made Cracker Barrel the Corporation's second largest investment.

You may also note that the Corporation no longer owns shares of Magna Group, Incorporated. During the third quarter, Magna's merger with Union Planters Bank of Tennessee, a large bank holding company, was consummated with the exchange of 0.9686 shares of Union Planters Corporation for each share of Magna Group. The fractional share of Union Planters was automatically exchanged for cash, a standard procedure in any merger, resulting in a \$19.59 capital gain for the quarter. Union Planters has taken Magna Group's position on the Corporation's investment report for ease of reference, although it will be alphabetized in the annual report and thereafter.

The prospects for World Wide's retail operations also remain bright, particularly through the use of new sales outlets that the company has taken advantage of in recent quarters. The third quarter marked the company's first full quarter of offering certificates through on-line auction networks, such as eBay Auctions. While the final selling prices of many items vary, consistent sales through eBay have helped the company achieve a level of sustainable income. More importantly, the "teaser" offers that World Wide posts on these auction networks encourage potential customers to visit our Internet site and purchase other materials at retail prices. Sales of popular and high-margin certificates have been especially strong, and the low cost of eBay auction listings allows the company to post a large number of auctions without requiring very many bids to cover expenses and turn a profit. The company intends to continue to take advantage of these resources in the future so as to maximize sales and generate new and return customers through its on-line business.

Going forward, the Corporation believes that the outlook is very positive. The Corporation's current investment portfolio consists of growing companies with solid businesses and share prices that are well below the market average based on virtually any measure. The Corporation continues to research new potential investments, and the recent market downturn has provided a great many opportunities that only a month ago did not exist. Additionally, World Wide continues to take advantage of the Internet to increase sales and bring new customers to the web site. These efforts are paying off, as are represented by the quarter's high sales and record profits.

I look forward to the opportunity of sending an annual report to the Shareholders at the end of the next quarter that will highlight and emphasize the great success we have had this year. While the markets and their moods cannot be predicted, I believe that the companies that we own and the solidity and quality of their businesses offer us the best opportunity to build on our performance both in the next quarter and in the years beyond.

Sincerely,

Carlton A. Getz, President
Getz & Associates, Incorporated

Balance Sheet (Includes Unrealized Gains)
As of September 10, 1998

Assets

CASH & ACCOUNTS:	Qtr. One	Qtr. Two	Qtr. Three
Cash On Hand:	(\$21.25)	\$13.35	\$69.10
Corporate Checking:	\$1,212.28	\$1,147.17	\$1,050.32
Cash Reserves:	\$3,442.09	\$1,463.13	\$3,690.95
Retail Cash & Accounts:	\$576.80	\$468.15	\$2,129.76
Cash Equivalents:	\$0.00	\$0.00	\$1,100.00
Other Cash & Accounts:	\$0.00	\$0.00	\$0.00
CASH & ACCOUNTS:	\$5,209.92	\$3,091.80	\$8,040.13

INVESTMENTS

Brokerage Account:	\$14,312.80	\$16,811.87	\$15,967.23
Direct Investments:	\$1,563.39	\$1,581.60	\$1,368.25
TOTAL INVESTMENTS:	\$15,876.19	\$18,393.47	\$17,335.48

OTHER ASSETS

Cash Equivalent:	\$11.53	\$26.67	\$14.19
Retail Division Assets:	\$369.44	\$265.94	\$472.24
Pending Retail Sales:	\$427.24	\$27.75	\$151.14
Other Assets:	\$117.31	\$117.31	\$100.00
TOTAL OTHER ASSETS:	\$925.52	\$437.67	\$737.57

Assets:	\$22,011.63	\$21,922.94	\$26,113.18
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Liabilities & Equity

LIABILITIES:

Accounts Payable:	\$713.50	\$326.81	\$146.75
Long-Term Debt:	\$72.12	\$65.92	\$59.67
Unearned Income:	\$427.24	\$133.13	\$148.78
TOTAL LIABILITIES:	\$1,212.86	\$525.86	\$355.20

EQUITY:

Shareholder's Equity:	\$20,798.77	\$21,397.08	\$25,757.98
TOTAL EQUITY:	\$20,798.77	\$21,397.08	\$25,757.98

Total Liabilities & Equity:	\$22,011.63	\$21,922.94	\$26,113.18
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Shareholder's Data:

	Qtr. One	Qtr. Two	Qtr. Three
Number of Shares Outstanding:	1831.9715	1831.9715	2358.6516
Net Asset Value Per Share:	\$11.35	\$11.67	\$10.92
Net Gain (Loss) Per Share:	\$1.71	\$0.33	(\$0.76)
Percentage Net Change:	17.7%	2.9%	-6.5%

Profit & Loss Statement**Third Quarter 1998 - (June 11, 1998 - September 10, 1998)**

INCOME:	Qtr. One	Qtr. Two	Qtr. Three
Interest Income:	\$39.95	\$32.36	\$32.52
Dividend Income:	\$48.12	\$43.62	\$55.12
Realized Gain (Loss):	\$0.00	\$0.00	\$19.59
Retail Operations:	\$1,091.46	\$842.65	\$2,718.74
Other Income:	\$6.00	\$0.00	\$6.26
TOTAL INCOME:	\$1,185.53	\$918.63	\$2,832.23

EXPENSES:			
Fees:	\$45.00	\$25.00	\$0.00
Mailings:	\$5.62	\$9.88	\$6.40
General Expenses:	\$0.81	\$53.09	\$2.00
Supplies:	\$6.80	\$4.99	\$35.13
Taxes (State & Federal):	\$0.00	\$17.07	\$35.00
Retail Operations:	\$884.92	\$682.72	\$1,289.47
Interest:	\$7.09	\$5.85	\$4.24
Other Expenses:	\$0.00	\$0.00	\$0.00
TOTAL EXPENSES:	\$950.24	\$798.60	\$1,372.24

TOTAL INCOME (EXPENSE):	\$235.29	\$120.03	\$1,459.99
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Earnings (Loss) Per Share:	\$0.13	\$0.07	\$0.62
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Portfolio Analysis**(Includes unrealized gains and losses; as of September 10, 1998.)**

Shares	Company	Symbol	Cost	Current	Gain (Loss)	Return
12.09	Atmos Energy Corp.	ATO	\$276.58	\$311.54	\$34.96	12.64%
50	Central Maine Power	CTP	\$645.25	\$865.62	\$220.37	34.15%
150	Comair Holdings, Inc.	COMR	\$2,491.50	\$3,834.37	\$1,342.87	53.90%
150	Cracker Barrel Stores	CBRL	\$4,558.50	\$3,478.12	(\$1,080.38)	-23.70%
183.566	Franklin AGE Income	AGEFX	\$525.00	\$491.96	(\$33.04)	-6.29%
200	Greyhound Lines, Inc.	BUS	\$897.50	\$875.00	(\$22.50)	-2.51%
100	Kmart Corporation	KM	\$797.50	\$1,312.50	\$515.00	64.58%
43	Union Planters Corp.	UPC	\$1,071.62	\$1,832.87	\$761.25	71.04%
150	Optical Cable Corp.	OCCF	\$375.00	\$1,050.00	\$675.00	180.00%
100	Pulte Corporation	PHM	\$1,320.25	\$2,718.75	\$1,398.50	105.93%
36.98	Templeton World Fund	TEMWX	\$618.14	\$564.75	(\$53.39)	-8.64%
Totals:			\$13,576.84	\$17,335.48	\$3,758.64	27.68%