

Public Stock Sale Booked By Tektronix

Beaverton Electronics Company
To Change Financial Tradition

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Tektronix, Oregon's No. 1 glamor industry and one of the world's foremost electronics manufacturing firms, will go to the public this fall with the issue for sale of five per cent of the company's stock on the open market.

Tektronix was formed 16 years ago by Jack Murdock and Howard Vollum and sev-

eral other ex-servicemen but it is controlled and largely held by Murdock and Vollum today.

The size and extent of the company's business have always been closely guarded Tektronix secrets but the Tektronix growth, to an astounding 5,000 employees in Oregon as well as hundreds in foreign plants, has made this one of the state's largest industries and the third largest in-Oregon payroll.

While there has been no determination of the value of the company's stock, security analysts predict the offering will amount to several millions of dollars.

U.S. Holds Key

A study of the company's ownership position reveals there could be some inheritance factors affected by the public issue. In event of the death of either of the principal owners while the stock is not issued publicly, the government could set valuation on the company. A high valuation, perhaps higher than the public issue, would wipe out some 90 per cent or more of the worth of the owners in inheritance tax.

With the public market in the stock the valuation will be predetermined.

But the public offering, aimed at broadening the base of the Tektronix ownership and giving the employees a direct ownership in company shares, will be important for Tektronix' 5,000 Oregon employees as well. They now hold more than five per cent of the Tektronix stock through a type of mutual fund called "Tekem" which in turn holds direct ownership of the company stock.

Employees To Gain Power

With the public issue, the Tekem stock will be converted to common stock and each employee will have some direct ownership of common stock. Under the Tekem setup employees did not have an outside market for their stock but with the conversion to direct ownership they will be able to trade their stock in the market.

The offering of approximately five per cent of Tektronix' four million shares, will come from existing stock and not as the result of a new issue. It is assumed the stock will come from the Murdock and Vollum holdings.

The stock will be sold to a New York securities syndicate headed by Lehman Brothers and then sold to the public through investment bankers and brokerage firms.

Sales Spurt Follows

Tektronix has undergone some sharp changes in management the past year after Howard Vollum, the president, returned to active leadership, replacing Bob Davis. Officials close to the firm said a heavy spurt in oscilloscope sales, the main product of Tektronix, caused a sharp surge in the company's growth chart. When sales slipped back to the projected growth, the company reduced staff by some 500 employees. However, Tektronix has more employees in Oregon than it had at this time last year and a company spokesman said the growth rate has been reestablished at the projected pace.

Under the leadership of Murdock and Vollum Tektronix has grown from a tiny east-side radio-electronics shop to a Beaverton area factory and then to a vast electronics complex in Beaverton. The firm has for the past decade or more been acclaimed the world's leading manufacturer of oscilloscopes, dominating the field in the United States and Europe. Sales in Japan have been slower due to that country's local industry development regulations.

The oscilloscope is an electronic measuring device that projects on a screen the plotting of any factor that can be reduced to electric impulses.