

Pay'n Save Corporation

ANNUAL REPORT

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*for the Year Ended January 31, 1970*

ANNUAL REPORTS

PAY'n SAVE Corp. 1970

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## Pay'n Save Corporation

### FINANCIAL HIGHLIGHTS

	YEAR ENDED JANUARY 31,			
	1970	1969	Increase	Percentage
Sales	\$84,334,564	\$70,041,867	\$14,292,697	20%
Net Income	\$2,612,965	\$2,309,564	\$303,401	13%
Net Income per Share	\$1.25	\$1.18	\$.07	6%

#### OFFICERS AND DIRECTORS

Monte L. Bean, *Chairman of the Board and Director*  
 M. Lamont Bean, *President and Director*  
 Harold E. Oneal, *Vice President and Director*  
 Joshua Green, Jr., *Director*  
 James H. Clawson, *Director*  
 E. R. Erickson, *Vice President and Director*  
 Calvin Hendricks, *Treasurer and Director*  
 John E. Ryan, Jr., *Secretary*  
 Jennie K. Hauge, *Asst. Treasurer*  
 V. S. Heggen, *Asst. Secretary*



## To Our Stockholders



M. Lamont Bean, President and Monte L. Bean, Chairman of the Board

The dynamic growth that has long characterized your company continued during the last fiscal year. Records were achieved in both sales and net income. In addition, the company added more new stores than in any year in its history. Another notable event took place on March 2, 1970, with the announcement of the change in the name of the Rhodes-Bell's Division to "Lamonts."

**SALES**—Sales for the year were \$84,334,564 an increase of \$14,292,697 or 20% ahead of the previous year. All divisions experienced good sales increases.

**NET INCOME**—Net income was up by 13% to a new high of \$2,612,965. Net income on a per share basis was \$1.25 compared with \$1.18 for a year earlier. This was achieved even with a major expansion program and your company's practice of writing off all start up costs when stores begin operations. The opening of new stores was concentrated primarily in the last half of the fiscal year.

**EXPANSION**—Your company's entry into a new marketing area in Spokane, Washington, with a six store program was the largest expansion project in the 22 year history of the company. Five of the stores were opened during the year and the remaining store, a Lamonts Apparel store will open on April 1, 1970 in the Manito Shopping Center. The first Pay'n Save Drug store was opened in February in downtown Spokane. In September, both an Ernst-Malmo complex and a Pay'n Save Drug store were opened in a new shopping center in Opportunity, Washington, a suburb of Spokane. It was mid-November before the Pay'n Save and Ernst Hardware stores opened in the



Manito Shopping Center. This ten acre shopping center was developed by your company and also includes a Safeway store and several smaller specialty stores.

A Pay'n Save Drug store in the large regional Columbia Center Shopping Center, near Kennewick, Washington, was opened in October. An Ernst-Malmo complex was opened in the same center on March 16, 1970.

In booming Alaska, a second Pay'n Save store was opened during April, 1969 in Anchorage. This is a sister store to one opened just two years earlier. The largest Pay'n Save Drug store ever is under construction in fast growing Fairbanks, and is scheduled for a May opening.

Other stores opened last year include a large Ernst-Malmo complex in the Crossroads Shopping Center near Seattle and a smaller Ernst store on Mercer Island, also near Seattle.

Late summer 1970 openings are planned for a new Pay'n Save Drug store in Port Angeles, Washington and both a Pay'n Save and an Ernst-Malmo in Puyallup, Washington.

Several stores will be modernized during the year. The most significant modernization and enlargement project will be with the Everett, Washington, Pay'n Save Drug store. This store size will increase from 8,000 sq. ft. to 18,000 sq. ft., and will be like a new store.

Your company is in a very strong capital position and all new stores will be financed without additional equity or long-term financing.

**DIVIDENDS**—The Board of Directors have increased the semi-annual dividend from \$.12½ per share to \$.15 per share. The first dividend for this year will be paid on April 10, to shareholders of record as of March 18, 1970.

**FUTURE**—There has been concern by some stockholders in recent months as to what effect the employment reduction by the aero-space industry in our primary marketing area might have on your company's sales and income. At the present time, sales in the Seattle area are ahead of last year in most stores. It is important to note that much of the expansion of recent years has been outside of this area. We believe that the economy in the Northwest is sound and although there may be some temporary slowdown, the long-range outlook is very favorable.

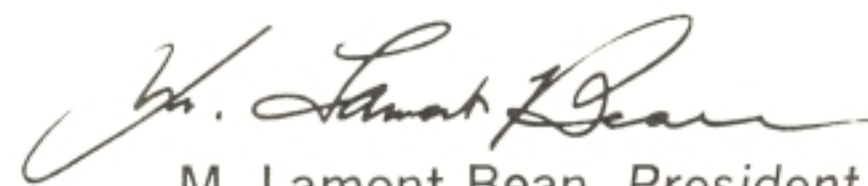
We expect the last half of the year to be stronger than the first half and we expect another year of record sales and net income.

The loyal, devoted service of all employees of the Pay'n Save Corporation's team is greatly appreciated. Also appreciated is the loyal support of our customers, suppliers and stockholders. Each has assisted in making the past year the best in the company's history and we look forward to their valued contribution in the challenging year ahead.

Sincerely,



M. L. Bean, Chairman of the Board



M. Lamont Bean, President



#### **PAY'n SAVE DRUG DIVISION**

This division operates thirty-six super drug stores. Twenty-nine are located within the state of Washington, two in Oregon, two in Alaska and three in Canada. All stores have prescription departments, as well as specialty departments for cameras and related equipment and cosmetics. In addition, these stores carry small household appliances, household supplies, sporting goods, candy, tobacco, stationery, baby supplies and toys.

Emphasis is placed on giving the customer a pleasant shopping experience. The stores have wide aisles and low uncluttered display counters. Most stores are new or newly modeled and have a distinctive interior design with modern lighting and an attractive decor. This division accounts for approximately 63% of the company's sales.

#### **ERNST-MALMO DIVISION**

This division operates nineteen stores in the state of Washington, which sell all kinds of hardware items, tools, sporting goods,

paint, small household appliances, equipment, plumbing, electrical, building supplies, roofing materials and automobile accessories.

Most stores also sell pre-cut lumber and seven stores sell wet ready mixed concrete. Malmo Nursery departments which are included in most stores, sell plants, shrubs, flowers, insecticides, fertilizers, lawnmowers, garden tools and related merchandise. This division accounts for approximately 28% of the company sales.

#### **LAMONTS APPAREL DIVISION**

Lamonts is composed of four stores in the Seattle area. A fifth store will open on April 1, in Spokane, Washington.

Lamonts is a full line apparel store, specializing in smart clothing, accessories and gifts for the whole family. The emphasis is on quality, style and wide selections at sensible prices to meet the wants and needs of today's shopper. This division accounts for approximately 9% of the company sales.

Harold E. Oneal, Vice President and General Manager, Pay'n Save Drug Division



E. R. Erickson, Vice President and General Manager, Ernst-Malmo Division



J. Kenneth Green, General Manager, Lamonts Apparel Division



Calvin Hendricks, Treasurer and Controller







Pay'n Save is the Northwest's largest dispenser of prescription drugs



Ernst and Pay'n Save stores at Puyallup, Washington will open in late summer



Camera departments are busy places in Pay'n Save stores



Pay'n Save stores have the latest in sound equipment

Pay'n Save, Port Angeles, will open in late summer 1970



Self service, pre-cut lumber is a special feature for Ernst customers

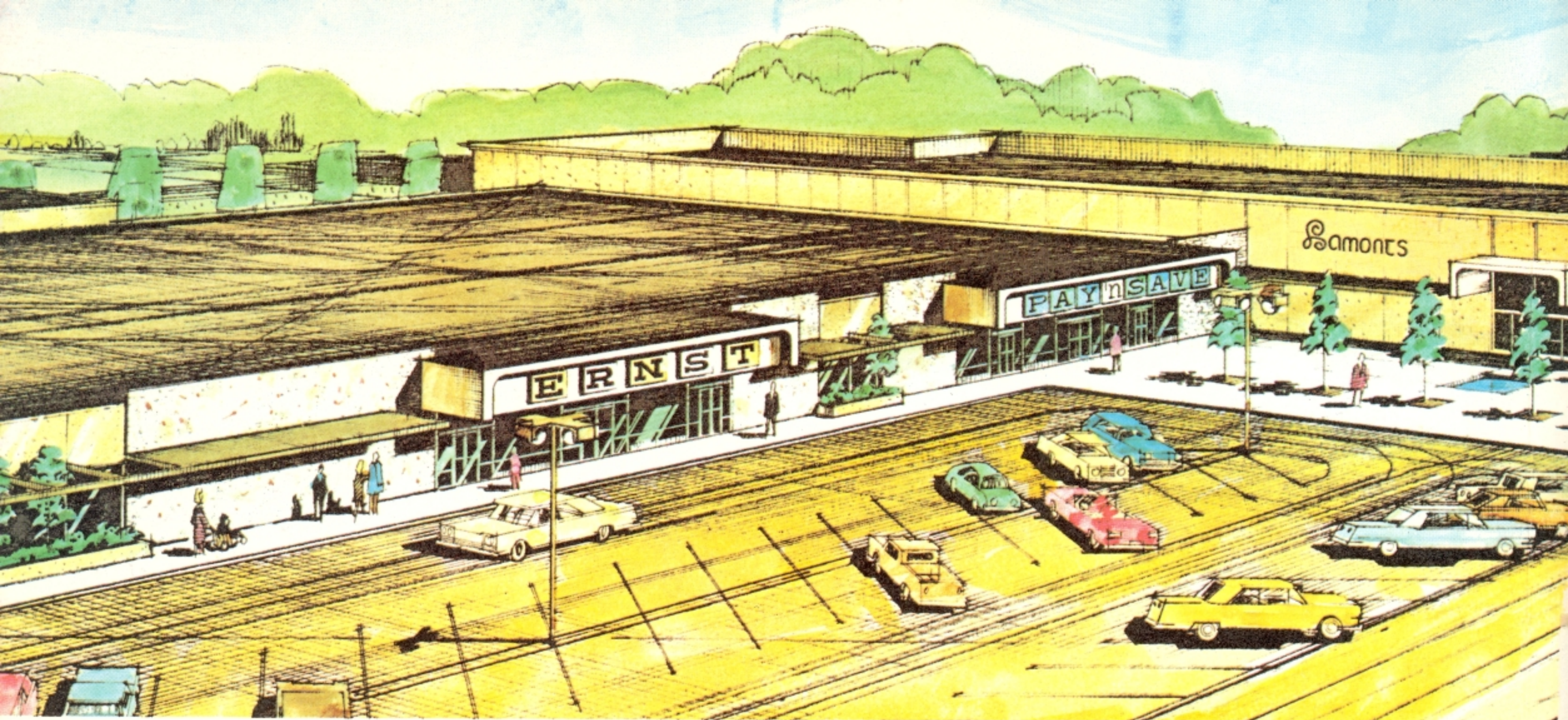


The "Isle of Beauty" was created for Pay'n Save customers

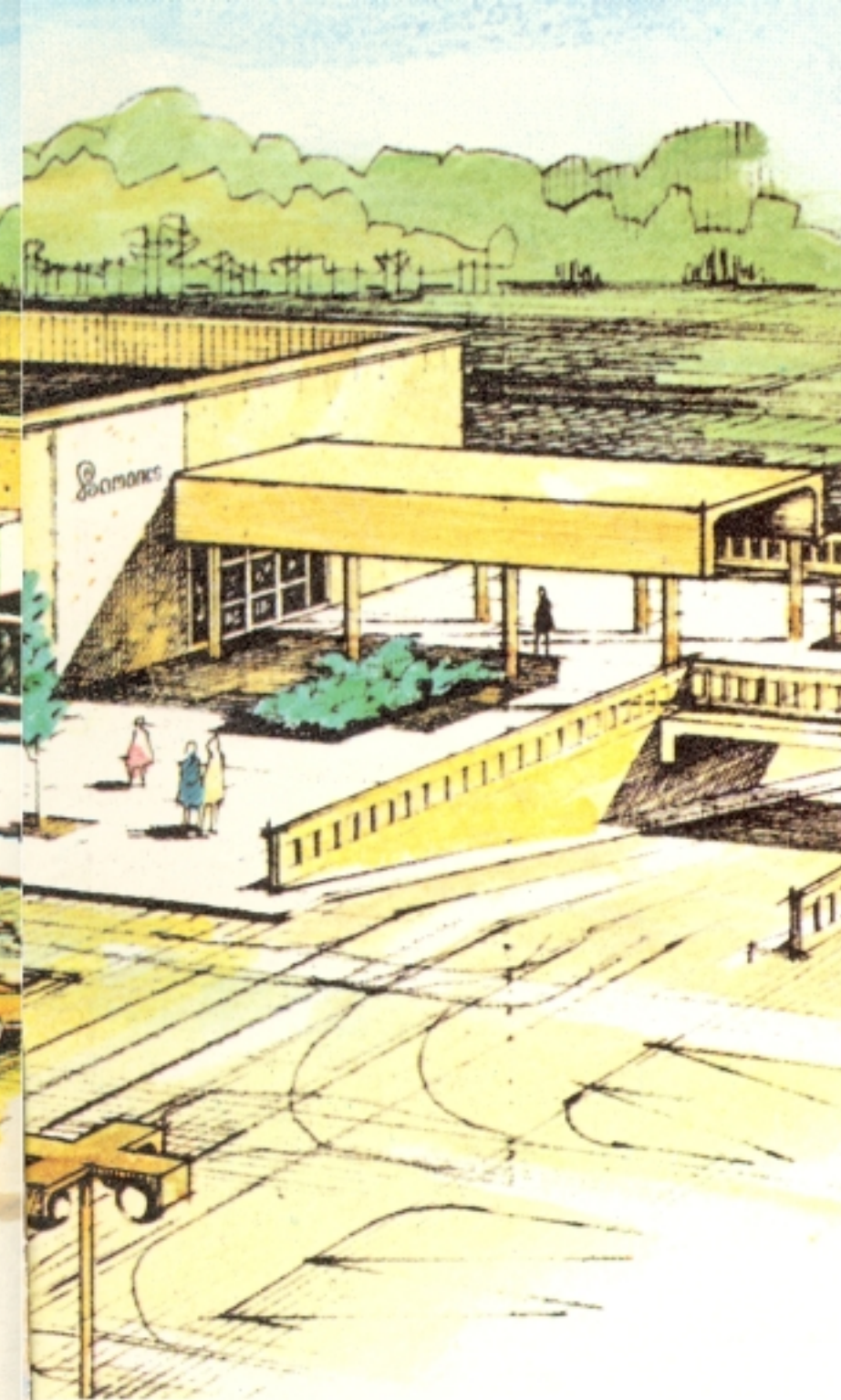


Malmo nursery departments include a wide selection of plants





Ernst, Pay'n Save and Lamonts dominate the Manito Shopping Center near Spokane



View inside newly remodeled Lamonts store, University Village, Seattle



Ernst sporting goods departments grow along with more leisure hours



Convenience merchandise is prominently displayed at Pay'n Save checkout stands



Lamonts' new symbol



At Lamonts, the apparel needs of the entire family are filled

View showing modern "boutique" design of Lamonts stores



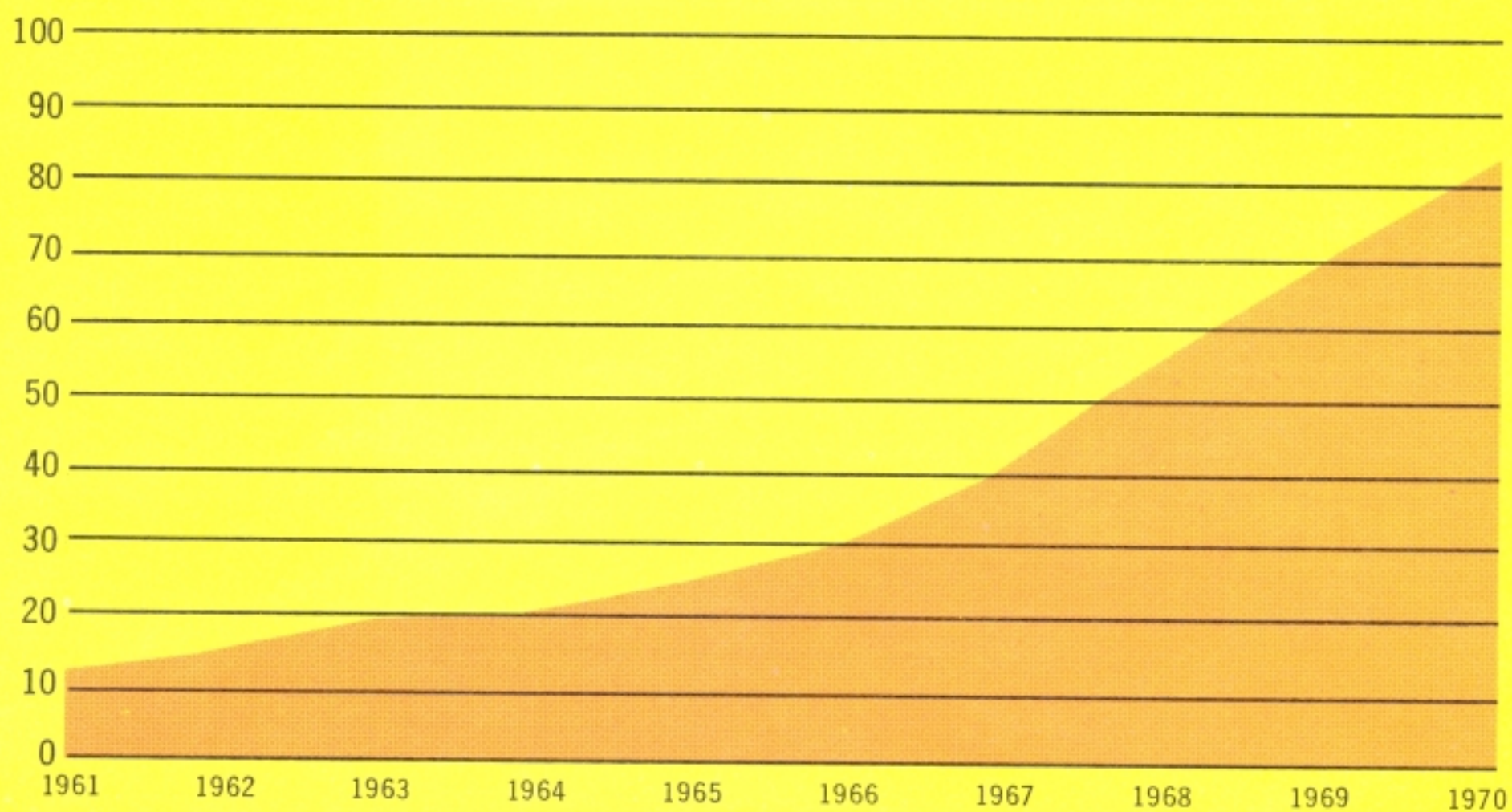
Building materials department in Ernst's new Manito store





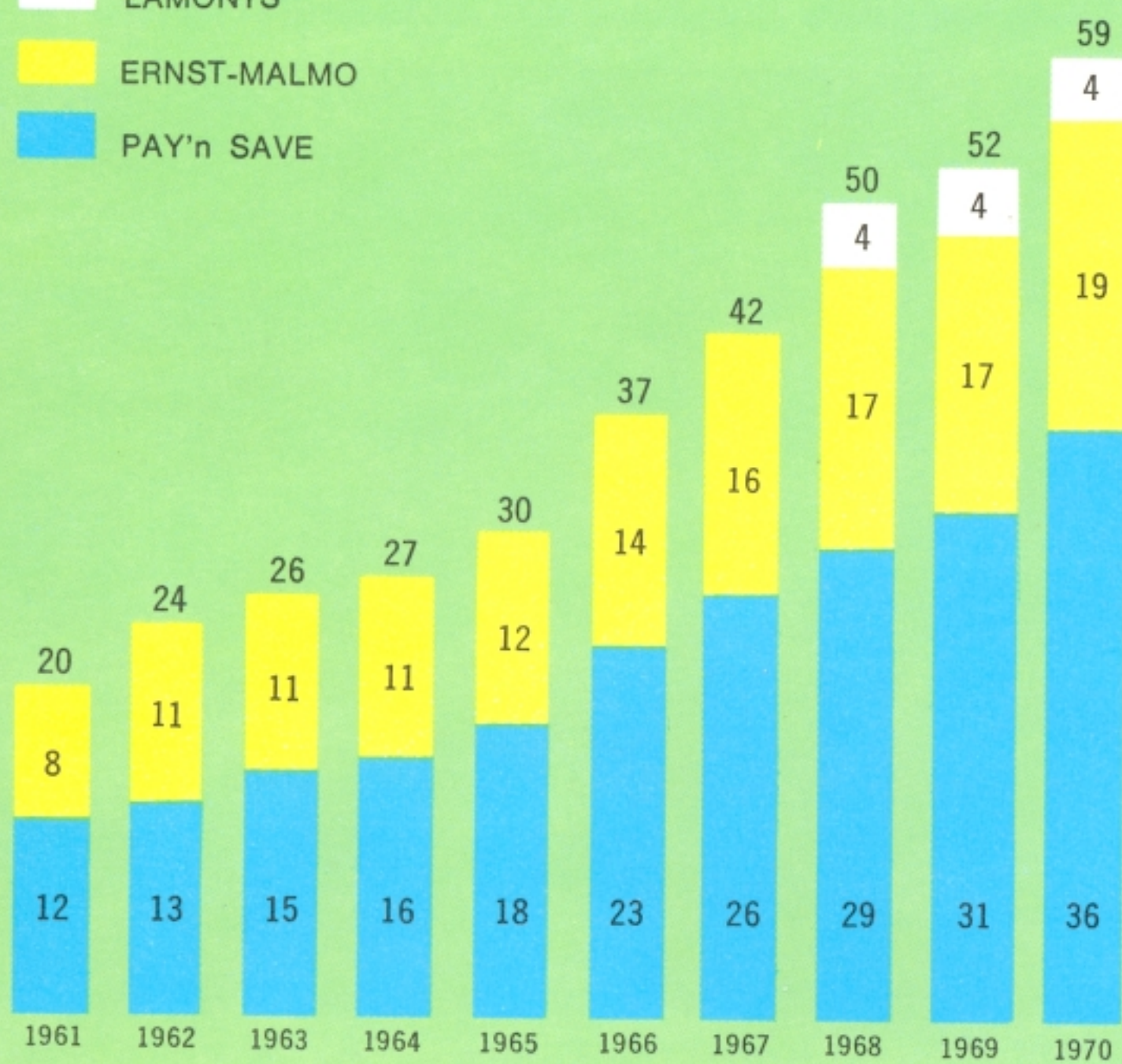


NET SALES (in millions)

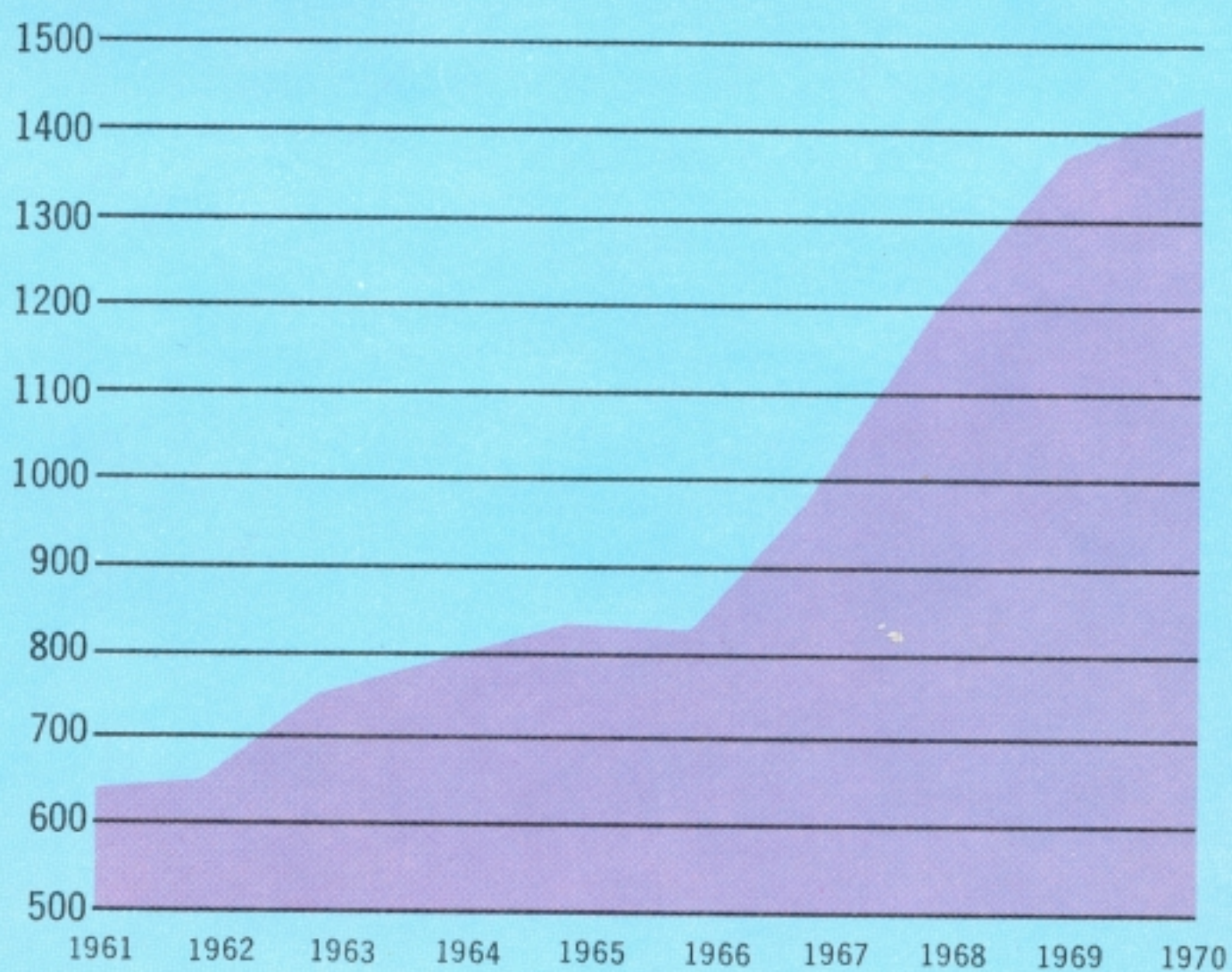


NUMBER OF STORES IN OPERATION

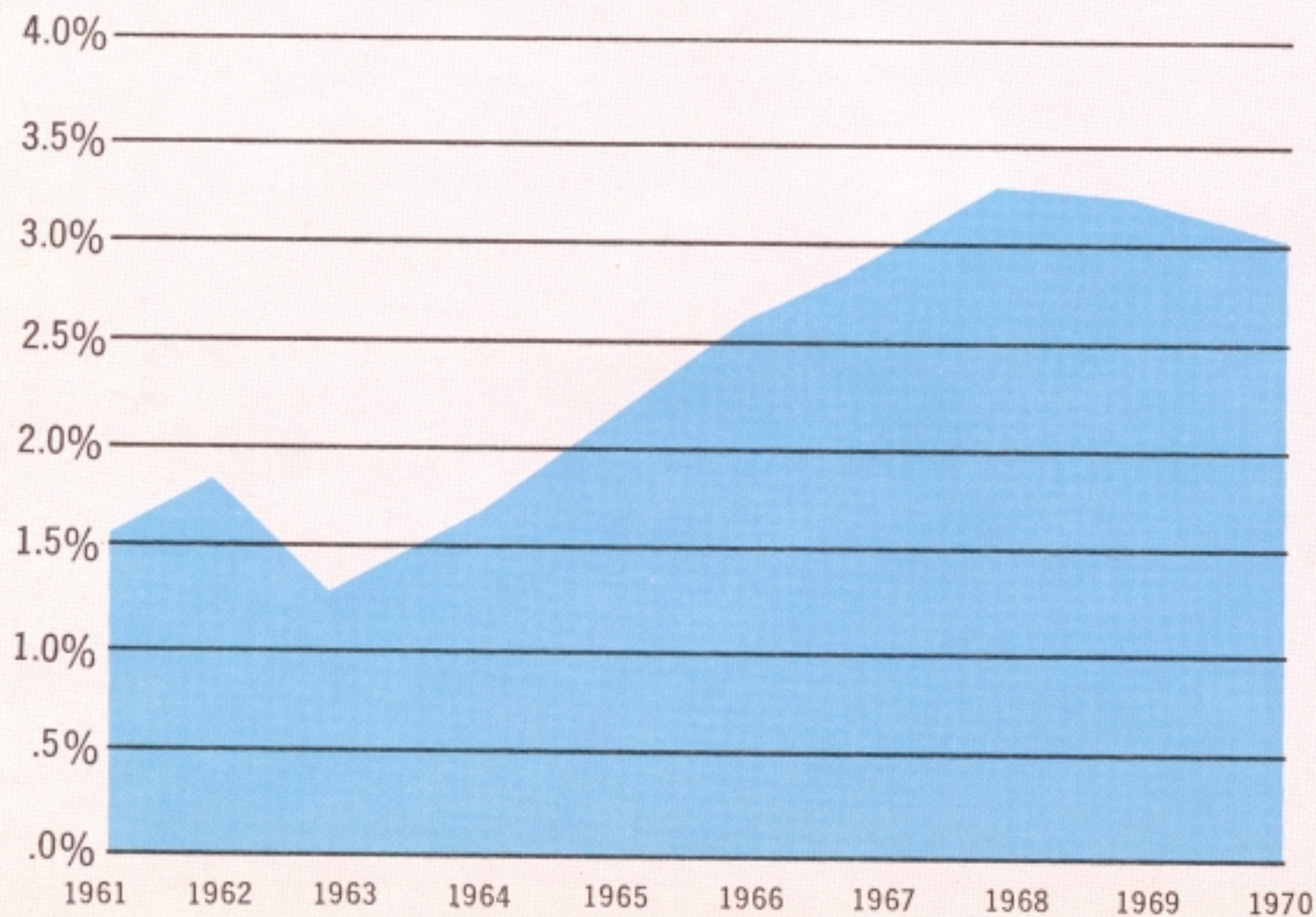
LAMONTS  
 ERNST-MALMO  
 PAY'n SAVE



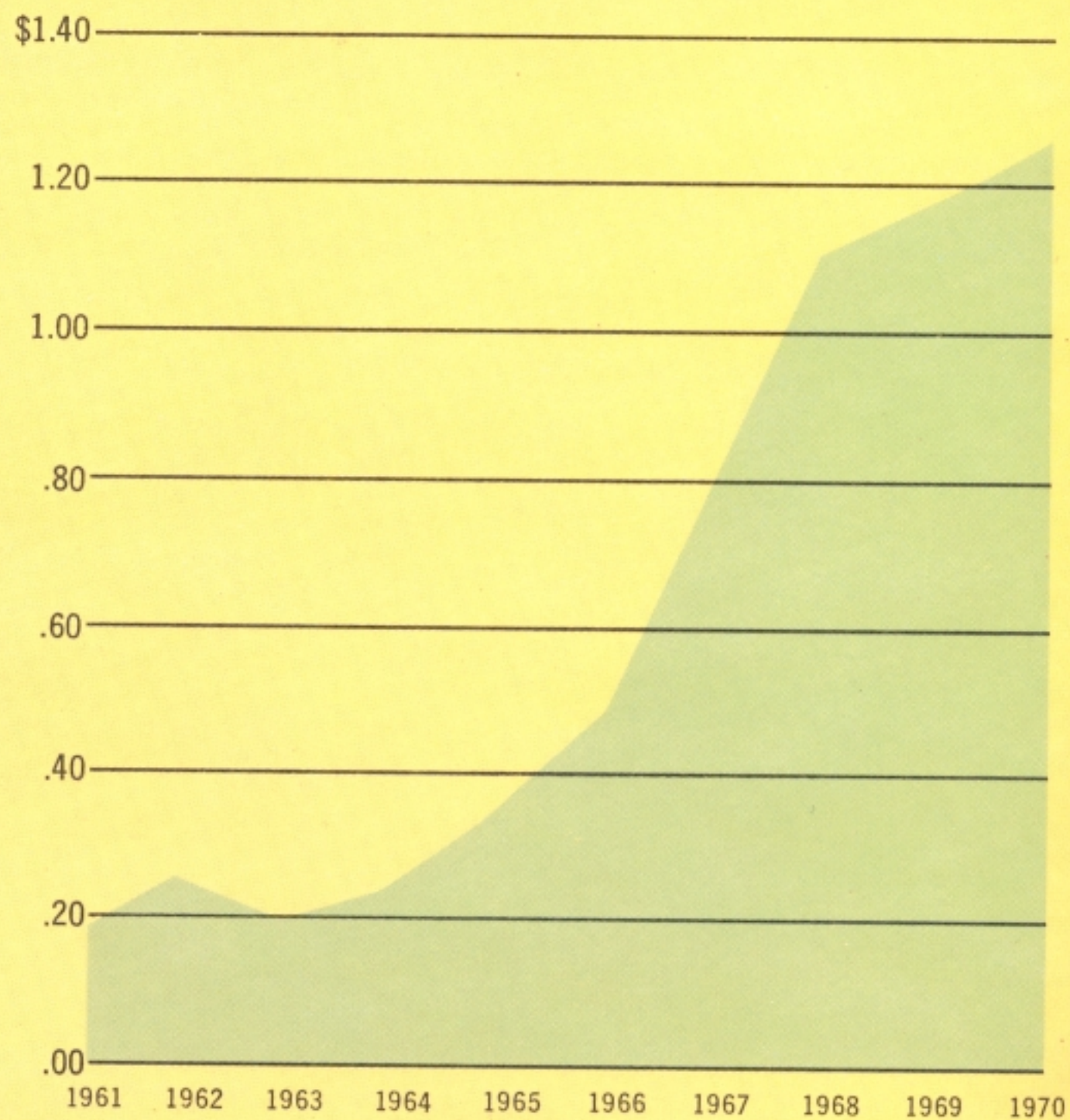
AVERAGE SALES PER STORE (in thousands)



NET INCOME AS A PERCENTAGE OF SALES



NET INCOME PER SHARES OUTSTANDING





# Pay'n Save Corporation and Subsidiary Companies

## STATEMENT OF CONSOLIDATED INCOME AND RETAINED EARNINGS

	1970	January 31, 1969
Sales and other revenue		
Net sales . . . . .	\$84,334,564	\$70,041,867
Interest and other income . . . . .	834,286	650,013
	<u>85,168,850</u>	<u>70,691,880</u>
Costs and expenses		
Cost of merchandise sold . . . . .	59,063,675	49,041,363
Operating and administrative expenses . . . . .	20,853,455	17,292,102
Interest . . . . .	164,755	203,851
	<u>80,081,885</u>	<u>66,537,316</u>
Income before federal income taxes and extraordinary item . . . . .	5,086,965	4,154,564
Provision for federal income taxes—Note 4 . . . . .	2,626,000	2,088,000
Net income before extraordinary item . . . . .	2,460,965	2,066,564
Extraordinary item—Note 5 . . . . .	152,000	243,000
Net income for the year . . . . .	<u>2,612,965</u>	<u>2,309,564</u>
Retained earnings at beginning of year		
As previously reported . . . . .	6,216,295	4,358,328
Adjustment—Note 4 . . . . .	70,200	18,600
As restated . . . . .	<u>6,286,495</u>	<u>4,376,928</u>
	<u>8,899,460</u>	<u>6,686,492</u>
Cash dividends—\$.25 and \$.20, respectively . . . . .	510,092	399,997
Retained earnings at end of the year—Note 3 . . . . .	<u>\$ 8,389,368</u>	<u>\$ 6,286,495</u>
Per common and common equivalent share—Note 8		
Income before extraordinary item . . . . .	\$1.18	\$1.05
Extraordinary item . . . . .	.07	.13
Net income . . . . .	<u>\$1.25</u>	<u>\$1.18</u>

The accompanying notes are an integral part of these financial statements.

### Auditors' Report

#### To the Stockholders of Pay'n Save Corporation

In our opinion, the accompanying consolidated balance sheet and related statement of consolidated income and retained earnings present fairly the financial position of Pay'n Save Corporation and its subsidiaries at January 31, 1970 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

PRICE WATERHOUSE & CO.

Seattle, Washington, March 6, 1970



**Pay'n Save Corporation and Subsidiary Companies**  
**CONSOLIDATED BALANCE SHEET**

**Assets**

	1970	January 31, 1969
<b>CURRENT ASSETS</b>		
Cash . . . . .	\$ 1,032,724	\$ 1,416,922
U.S. Government securities, at cost . . . . .	999,152	3,984,665
Accounts receivable, less allowance for doubtful accounts of \$162,680 and \$105,566, respectively . . . . .	5,065,055	2,879,916
Receivable for construction advances—Note 2 . . . . .	2,041,214	
Inventories, at lower of cost or market . . . . .	14,662,292	12,394,394
Prepaid insurance and miscellaneous . . . . .	279,817	88,525
Total current assets . . . . .	<u>24,080,254</u>	<u>20,764,422</u>
<b>INVESTMENTS, at cost</b>		
Cash value of life insurance . . . . .	73,100	55,957
Other investments . . . . .	36,086	34,976
	<u>109,186</u>	<u>90,933</u>
<b>PROPERTY, PLANT AND EQUIPMENT, at cost—Note 2</b>		
Furniture, fixtures and equipment . . . . .	5,589,963	4,120,868
Leasehold improvements . . . . .	1,381,142	1,167,289
	<u>6,971,105</u>	<u>5,288,157</u>
Less—Accumulated depreciation and amortization . . . . .	3,151,279	2,565,728
	<u>3,819,826</u>	<u>2,722,429</u>
Land . . . . .	373,839	129,400
	<u>4,193,665</u>	<u>2,851,829</u>
<b>DEFERRED CHARGES AND OTHER ASSETS . . . . .</b>	<u>273,241</u>	<u>316,360</u>
	<u>\$28,656,346</u>	<u>\$24,023,544</u>



## Liabilities

	<u>1970</u>	January 31, <u>1969</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable . . . . .	\$ 3,673,460	\$ 2,692,599
Withheld and accrued taxes . . . . .	952,174	645,496
Accrued salaries and bonuses . . . . .	453,332	368,354
Other accrued expenses . . . . .	515,072	293,623
Current maturities on long-term indebtedness . . . . .	214,236	197,394
Federal income taxes . . . . .	739,834	20,675
Total current liabilities . . . . .	<u>6,548,108</u>	<u>4,218,141</u>
 <b>LONG-TERM INDEBTEDNESS—Note 3 . . . . .</b>	 <b>2,607,709</b>	 <b>2,651,550</b>
Less—Current maturities . . . . .	<u>214,236</u>	<u>197,394</u>
	<u>2,393,473</u>	<u>2,454,156</u>
 <b>DEFERRED CREDIT—Note 4 . . . . .</b>	 <b>249,200</b>	 <b>86,200</b>
 <b>STOCKHOLDERS' EQUITY—Notes 3, 5 and 7</b>		
Capital stock—authorized 4,000,000 shares without par value; outstanding 2,059,211 and 2,040,323 shares respectively . . . . .	 <b>11,076,197</b>	 <b>10,978,552</b>
Retained earnings . . . . .	<u>8,389,368</u>	<u>6,286,495</u>
	<u>19,465,565</u>	<u>17,265,047</u>
 <b>COMMITMENTS—Note 2</b>		
	 <u><b>\$28,656,346</b></u>	 <u><b>\$24,023,544</b></u>

The accompanying notes are an integral part of these financial statements.



# Pay'n Save Corporation and Subsidiary Companies

## NOTES TO FINANCIAL STATEMENTS JANUARY 31, 1970

### NOTE 1—BASIS OF CONSOLIDATION

The financial statements include the accounts of Pay'n Save Corporation and its subsidiaries, all of which are wholly-owned.

### NOTE 2—PROPERTY AND EQUIPMENT

The company's operations are conducted on leased premises. Leases are generally for periods of from ten to twenty-five years with renewal options and, in most cases, provided for minimum rentals plus additional amounts based on a percentage of sales. The company also leases certain store fixtures and equipment; such leases are for periods of ten years. Minimum annual rentals under the terms of leases in effect at January 31, 1970, are approximately \$2,400,000.

Provision is made for depreciation of furniture, fixtures, and equipment by the double declining method, except subsidiaries generally use the straight line method. Leasehold improvements are amortized over the period of the respective leases or the useful life of the improvement, whichever is shorter. The total provision for depreciation and amortization for the current year amounted to \$571,166 as compared with \$473,248 in the prior year.

At January 31, 1970, advances of \$2,041,214 had been made for construction of stores on leased property; these advances are collectible from the lessor when construction is fully completed.

### NOTE 3—LONG-TERM INDEBTEDNESS

Long-term indebtedness comprised the following:

Notes payable to:	1970	January 31, 1969
Insurance companies .....	\$2,075,000	\$2,200,000
Others .....	532,709	451,550
	<u>\$2,607,709</u>	<u>\$2,651,550</u>

The notes are unsecured except for real estate contracts in the amount of \$238,919. The various financing agreements place certain restrictions upon the creation of additional debt and limit the payment of cash dividends and the purchase of redemption of capital stock to an amount equal to the excess of retained earnings over \$2,002,036.

The notes payable to insurance companies are due in annual installments to 1981 and range from \$125,000 to \$225,000. The note agreements permit advance payments without premium under certain circumstances.

A summary of the maturities of the long-term notes for the five years ended January 31, 1975, follows:

Year Ended January 31,	Insurance Companies	Others	Together
1971 .....	\$125,000	\$ 89,236	\$ 214,236
1972 .....	125,000	94,339	219,339
1973 .....	175,000	92,762	267,762
1974 .....	175,000	98,525	273,525
1975 .....	200,000	46,008	246,008
	<u>\$800,000</u>	<u>\$420,870</u>	<u>\$1,220,870</u>

### NOTE 4—INCOME TAXES

Two wholly-owned subsidiaries, Rhodes Department Stores and Pay'n Save Drugs, Ltd., had substantial loss carry forwards at the time they were acquired and these losses may be used to reduce taxable income of the subsidiaries thereafter. In compliance with a pronouncement of the Accounting Principles Board of the American Institute of CPA's on accounting for income taxes, the company is providing for income taxes (which will not be payable) in its income statement and is revising the accounting for the initial acquisitions by establishing a deferred credit, both in the amount of realized tax savings resulting from the pre-acquisition loss carry forwards. As the deferred credits arise, they are being retroactively amortized over five years from the acquisition dates. Accordingly, a provision of \$258,000 has been made in the income statement (\$165,000 in the preceding year) for income taxes which will not be payable. Amortization of the credits amounted to \$95,000 for the current and prior year. For the prior year, \$51,600 represents a retroactive adjustment resulting from the increased tax savings. Additionally, the year ended January 31, 1968 was adjusted \$18,600 for amortization of the increased tax savings. At January 31, 1970, there were remaining pre-acquisition loss carry forwards of approximately \$600,000.



#### NOTE 5—EMPLOYEE STOCK OPTION PLANS

The company has a stock option plan which was established in 1962 under which options have been granted for all stock reserved for this plan. Option prices were based on 95% of fair market value of the stock at the time of granting the options, except 110% as to a grantee owning 10% or more of the company's stock. Option periods are for five years. As to options granted under this plan after December 31, 1963, the difference between the option price and the fair value at the date of exercise represents taxable income to the grantee and results in a reduction in income taxes to the company. During the current year, options for 17,988 shares were exercised resulting in a tax reduction of \$152,000 which has been included in the statement of income and retained earnings as an extraordinary item.

The company also has a Qualified Stock Option Plan established in 1967 under which 105,000 shares of the company's stock is reserved. Option prices may not be less than the market value of the shares at the time of granting the options. Options under this plan may not be granted for more than 7,500 shares to one person, may not be exercised for two years and expire after five years. Exercise of options under this plan does not result in taxable income to the grantee nor a tax reduction to the company. Options for 15,750 shares were granted, options for 900 shares were exercised and options for 1900 shares were canceled due to terminations during the year.

Additionally, five-year options have been granted to the Chairman of the Board and the President, who do not participate in the 1967 plan, at market values of the shares at the time of the grant. These options do not qualify for the non-taxable provisions of the 1967 plan; none were exercised during the year.

Options outstanding at January 31, 1970 were as follows:

	Granted During Year Ended January 31,	Number of Shares	Option Price	
			Per Share	Total
1962 Plan .....	1967	18,564	\$6.17-7.15	\$129,528
1967 Plan .....	1968	16,050	8.46	135,783
	1969	18,050	25.25	455,763
	1970	15,750	22.625	356,344
Chairman and President .....	1968	6,000	8.46	50,760

#### NOTE 6—PENSION PLANS

The company has two pension plans for employees who are not eligible for other pension benefits, such as pensions under union contracts. One of the plans is funded by employee and company contributions at specified percentages of the employees compensation and the pension benefits are determined by the amounts funded. The other plan which became effective May 1, 1969 provides for pension benefits based on the employees compensation which are to be entirely funded by the company. Unfunded past service costs of this plan remaining at January 31, 1970 amount to approximately \$460,000, which will be funded over a period yet to be determined. The company's contribution to the two plans amounted to \$184,000 for the year ended January 31, 1970.

#### NOTE 7—CAPITAL STOCK

Transactions in capital stock during the year ended January 31, 1970, are summarized below:

	Capital Stock	
	Shares	Amount
Balance, January 31, 1969 .....	2,040,323	\$10,978,552
Exercise of employee stock options .....	18,888	97,645
Balance, January 31, 1970 .....	<u>2,059,211</u>	<u>\$11,076,197</u>

#### NOTE 8—EARNINGS PER SHARE

Earnings per common and common equivalent share have been computed in accordance with Opinion No. 15 of the Accounting Principles Board of the American Institute of Certified Public Accountants for all years presented. This computation is based on the average number of shares outstanding during each year and the assumption that all stock options had been exercised at the beginning of the year (or date of grant, if during the year) and the proceeds used to purchase shares of the company's common stock at the average market price during the year. Fully diluted earnings per share are the same as primary earnings per share.



**Pay'n Save Corporation and Subsidiary Companies**  
**TEN YEAR SUMMARY OF OPERATIONS**

Year ended January 31

	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961
<b>OPERATING RESULTS</b>										
Net Sales*	\$84,335	\$70,042	\$57,574	\$41,672	\$30,943	\$25,247	\$21,375	\$19,956	\$15,779	\$12,879
Net income*†	2,613	2,310	1,930	1,230	816	537	355	263	304	204
Net Income as a percentage of Sales	3.10%	3.30%	3.35%	2.95%	2.64%	2.13%	1.66%	1.32%	1.93%	1.58%
Earnings on equity at beginning of year	15.13%	25.16%	31.09%	26.49%	26.05%	20.78%	14.51%	14.64%	20.74%	15.89%
<b>COMMON STOCK</b>										
Per common and common equivalent share—										
See Note 8 to financial statements‡	\$ 1.25	\$ 1.18	\$ 1.14	\$ .80	\$ .58	\$ .42	\$ .25	\$ .20	\$ .26	\$ .18
Book Value per share	9.45	8.46	5.36	4.23	3.47	2.79	2.42	2.19	1.96	1.62
Approximate price range of common stock	28-17	28-17	20-8	9-5	6-4	4-2	3-2	3-2		
Shares outstanding (end of year)†	2,059	2,040	1,712	1,467	1,347	1,125	1,068	1,017	918	906
Stock Dividends			5%	5%	5%	5%	5%			
Cash Dividends	\$ .25	\$ .20								
<b>FINANCIAL POSITION (End of Year)</b>										
Working Capital*	\$17,532	\$16,546	\$ 9,275	\$ 7,206	\$ 4,897	\$ 4,132	\$ 3,684	\$ 3,347	\$ 1,809	\$ 1,708
Current Ratio	3.68	4.92	2.38	2.78	2.33	2.49	2.79	2.53	1.84	2.06
Long-Term Debt*	2,393	2,454	2,652	2,702	1,584	2,239	2,399	2,446	995	72
Stockholders Equity*	19,466	17,265	9,182	6,208	4,643	3,133	2,584	2,229	1,797	1,466
<b>CAPITALIZATION PERCENTAGE</b>										
Long-Term Debt	10.9	12.4	22.4	30.3	25.4	41.7	48.1	52.3	35.6	4.7
Stockholder Equity	89.1	87.6	77.6	69.7	74.6	58.3	51.9	47.7	64.4	95.3
<b>STORES IN OPERATION</b>										
Pay'n Save Drug	33	28	26	23	20	18	16	15	13	12
Pay'n Save Drug Ltd.	3	3	3	3	3					
Ernst Hardware—Malmo Nursery	19	17	17	16	14	12	11	11	11	8
Lamonts	4	4	4							
Total number of stores	59	52	50	42	37	30	27	26	24	20
<b>AVERAGE SALES PER STORE (Based upon number of stores at end of the year*)</b>										
	\$ 1,429	\$ 1,347	\$ 1,204	\$ 992	\$ 836	\$ 842	\$ 792	\$ 768	\$ 657	\$ 644

\*Amount in thousands of dollars.

†Thousands of shares outstanding, adjusted to give effect to stock splits in 1960, and 1962, and 1969.

‡Includes extraordinary income of \$87,191 or \$.07 per share in 1966, \$243,000 or \$.13 per share in 1969 and \$152,000 or \$.07 per share in 1970.



## Pay 'n Save Corporation store locations

### PAY'n SAVE DRUG STORES

1	319 Pike St.,	Seattle, Wa.
2	2711 Colby Ave.,	Everett, Wa.
3	4535 University Way N.E.,	Seattle, Wa.
4	412 Northgate Mall,	Seattle, Wa.
5	1423 N.W. Market St.,	Seattle, Wa.
6	1400 Cornwall,	Bellingham, Wa.
7	250 S.W. 152nd,	Seattle, Wa.
8	201 So. Broadway,	Aberdeen, Wa.
9	8500 35th N.E.,	Seattle, Wa.
10	20220 Aurora Ave. No.,	Seattle, Wa.
11	1421 Lloyd Center,	Portland, Ore.
12	4100 S.E. 82nd Ave.,	Portland, Ore.
13	Triangle Shopping Center,	Longview, Wa.
14	7707 S.E. 27th,	Mercer Island, Wa.
15	120 106th N.E.,	Bellevue, Wa.
16	2707 Rainier Ave. So.,	Seattle, Wa.
17	202 Cross St. S.E.,	Auburn, Wa.
18	17171 Bothell Way N.E.,	Seattle, Wa.
19	40 Renton Village,	Renton, Wa.
20	9071 Westwood Village Pl. S.W.,	Seattle, Wa.
21	6111 Sixth Ave.,	Tacoma, Wa.
22	415 South Sound Center,	Olympia, Wa.
23	10407 Plaza Dr. S.W.,	Tacoma, Wa.
24	1370 Northern Lights Blvd.,	Anchorage, Alaska
25	4700 University Village Pl.,	Seattle, Wa.
26	9830 Pacific Ave. So.,	Tacoma, Wa.
27	1001 Southcenter Shopp'g C'ter,	Seattle, Wa.
28	7500 196th S.W.,	Lynnwood, Wa.
29	115 Parkade Plaza,	Spokane, Wa.
30	171 Bragaw St.,	Anchorage, Alaska
31	E. 12115 Sprague Ave.,	Opportunity, Wa.
32	700 Columbia Center,	Kennewick, Wa.
33	E. 810 29th Ave.,	Spokane, Wa.

### PAY'n SAVE DRUGS, LTD.

1	326 7th Ave. W.,	Calgary, Alberta
2	318 Donald St.,	Winnipeg, Manitoba
3	1926 Hamilton St.,	Regina, Saskatchewan

### ERNST-MALMO STORES

1	Sixth and Pike,	Seattle, Wa.
2	4314 S.W. Alaska,	Seattle, Wa.
3	4704 25th N.E.,	Seattle, Wa.
4	414 Northgate Mall,	Seattle, Wa.
5	1740 N.W. Market St.,	Seattle, Wa.
6	7711 S.E. 27th,	Mercer Island, Wa.
7	125 106th N.E.,	Bellevue, Wa.
8	20050 Aurora Ave. No.,	Seattle, Wa.
9	333 Westlake Ave. No.,	Seattle, Wa.
10	4920 Evergreen Way,	Everett, Wa.
11	10419 Plaza Dr. S.W.,	Tacoma, Wa.
12	9109 Westwood Village S.W.,	Seattle, Wa.
13	60 Grady Way, Renton Village,	Renton, Wa.
14	25 South Sound Center,	Olympia, Wa.
15	150 Burien Plaza S.W.,	Seattle, Wa.
16	Triangle Shopping Center,	Longview, Wa.
17	Crossroads Shopping Center,	Bellevue, Wa.
18	E. 12105 Sprague Ave.,	Opportunity, Wa.
19	E. 820 29th Ave.,	Spokane, Wa.
20	821 Columbia Center,	Kennewick, Wa.
	Malmo Wholesale Nursery	
	14900 Stone Ave. N.,	Seattle, Wa.
	Malmo Landscaper's N.W.	
	7504 Bridgeport Way W.,	Tacoma, Wa.

### LAMONTS APPAREL STORES

1	460 S.W. 152nd,	Seattle, Wa.
2	2700 N.E. Village Mall,	Seattle, Wa.
3	17171 Bothell Way N.E., (Forest Park)	Seattle, Wa.
4	N.E. 156th & 8th N.E., (Crossroads)	Bellevue, Wa.
5	E. 802 29th Ave.,	Spokane, Wa.





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and registrars**

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Seattle, Washington

Bankers Trust Company  
New York, N. Y.

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**PAY'n SAVE**  
CORPORATION