



*It May be Bad Grammar, but **Stericycle, Inc. (NASDAQ: SRCL)** is Where It's At*

April 3, 2006

I take the same route every morning to my workout at the **St. John Health Club** in Tulsa. It is a right onto Yorktown from my condominium which sits back from Yorktown behind three motorized gates. (I like the gate concept except that every time I drive through one of the gates I am afraid that it will malfunction, will not stay where it is supposed to stay, and smack my car.) I make another left onto Eighteenth Street and then a left onto Wheeling to the health club. I make my trip at 5:25 A.M. in time for the health club opening at 5:30 A.M. and the beginning of swim group workout shortly thereafter.

On the days that I do not swim I leave my condominium a little bit later. I cross Wheeling late enough to see a **Stericycle** (NASDAQ: SRCL) truck parked outside the hospital's kidney dialysis center. The truck sits there while the **Stericycle** driver loads it with used needles, wasted bandages, blood, and other medical waste that he will transport to a transfer and collection site where **Stericycle** will dispose of this detritus.

Later in the day the truck will make other stops at different parts of the hospital, picking up needles, syringes, blood, and blood products, and human body parts from surgical procedures and autopsies, as well as disposable razors used by men in the hospital's health club.

Stericycle, Inc.: Investment Thesis

Since the 1980s, government regulation has increasingly required the proper handling and disposal of the medical waste generated by the health care industry. Anything that can cause an infectious disease, including single-use disposable items, such as needles syringes, gloves and other medical supplies; cultures and stocks of infectious agents; and blood products are considered medical waste.

Stericycle's success is driven by a number of factors that include:

- **Pressure to reduce healthcare costs:**
Health care providers can reduce costs by reducing their handling and compliance expenses, reducing their potential liability related to employee exposure to medical waste, and reducing the amount of time and money invested in infection control and compliance.
- **Aging of U.S. population and other populations:**
As people age, they typically require more medical attention and a wider variety of tests and procedures. As technology improves more tests and procedures become available, leading to increased medical waste.
- **Environmental and safety regulation:**
Many businesses that are not using outsourced medical waste services, such as manufacturing facilities, schools, restaurants, casinos, and hotels, are unaware either of the need for proper training of employees or the U.S. Occupational Safety and Health Administration, (OSHA) requirements regarding the handling of medical waste. In addition, home health care is unregulated and may become subject to similar blood borne pathogen rulings.
- **Pressure to consolidate:**
Small firms cannot keep up with the rapidly changing maze of regulations that govern the medical waste disposal business. Stericycle, however, is large enough to cope with this maze. It goes about its business making money every year dictated by a no nonsense common strategy: it makes several acquisitions a year which help increase the density of its routes, enhance economies of scale, and improve the company's gross and net margin percentages.

(**Stericycle**, Inc. 10-K for the year ended December 31, 2005, pages two through four)

At the end of its route, that is when it arrives at its ultimate disposal site, the landfill, the medical waste is either autoclaved, incinerated, or exposed to **Stericycle's** proprietary ETD process. (With ETD, after the waste is ground, an oscillating field of low-frequency radio waves heats the waste to temperatures that destroy pathogens such as viruses, bacteria, fungi and yeast, without melting the plastic content of the waste.)

It ought to be no surprise to see the Stericycle truck. Stericycle has a large presence: it is the largest company in the medical waste field in the United States, Canada, Great Britain, Ireland, and Mexico. In the United States its market position is ten times the size of the next largest competitor.

Stericycle's number one position gives it bargaining power with its vendors, enabling the company to drive down costs, making possible the delivery of excellent services at low prices, and making it easy for Stericycle to squeeze competitors and to gain market share.

When you read Stericycle's annual reports, its quarterly 8-Ks, its annual 10-Ks, and the other filings that it makes with the Securities and Exchange Commission, you encounter unpretentious language with little jargon. This is not to say that the business of Stericycle is without significant complexities but the language the company uses to describe its business is straightforward, easy to understand, and replete with pertinent detail.

In an affluent society we are guaranteed to have plenty of waste and we are sure to face the need to relentlessly dispose of such waste, especially in the healthcare sector, as the box above, titled *Stericycle, Inc.: Investment Thesis*, suggests. Medical waste disposal may be a gross business, but it is an extremely profitable one, especially when you are far and away the largest company in the industry.

Three weekends ago I was holed up in my office reading the Stericycle 10-K for 2005 so I could refresh myself for a Tuesday morning call which I had arranged to make to Mark Miller, the chief executive officer of Stericycle and a man who has been with Stericycle since the company's inception in 1989. I was looking forward to talking with Miller. We had spoken several times before. He is knowledgeable and patient while I ask questions that must seem to him to be of an elementary nature, and he is clear, with his language uncompromised by soporific or stultifying jargon.

As I picked up the phone to call him, my mind came back to another company, which I had been exploring, and the contrast in the nature of the business and the way the other company portrayed itself, or told its story. So before I tell you what Miller said, I would like to have your patience while I take us on a brief detour comparing Stericycle with another company, Digitas (NASDAQ:DTAS), a company which operates in a dramatically different competitive landscape. I will show how fortunate Stericycle's competitive position is.

Digitas is an advertising agency that specializes in online and interactive campaigns.

I have excerpted the following from the Digitas 2005 10-K:

...Due to our dependence on a limited number (author's note: limited number means very few) of clients, we are subject to a concentration of credit risk with respect to accounts receivable. In the case of bankruptcy or insolvency by one of our significant clients (I estimate that twenty clients provided eighty per cent of the company's revenues in 2005....In September, 2005 Delta (NYSE:DAL) filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code.

In 2005, General Motors suffered large financial losses. For the twelve months ended December 31, 2005 General Motors accounted for approximately 22% of our fee revenue. In the event General Motors were to seek legal protection against its creditors the company could suffer significant losses.

I then studied a presentation in Boston that the company had made in February of this year to a group of mutual fund managers. The company boasted of having the right clients in the right industries: the company lists American Express (NYSE: AXP), Microsoft (NASDAQ: MSFT), and Procter & Gamble (NYSE: GP) as clients, companies with marketing prowess and financial strength.

Unfortunately, their boasting must be tempered by hard reality: their client list also includes some companies that are flailing. One is struggling to avoid bankruptcy and the other, Delta (other OTC: DDALRQ.PK), entered bankruptcy court

last year. If the airline industry is the right industry, then the company is Southwest Airlines (NYSE:LUV). In automobiles, likewise, you want to take a spin with [Toyota](#) (NYSE: TM), not [General Motors](#) (NYSE: GM).

At the Boston presentation the company had claimed that it could "...deepen vertical expertise, diversify clients without conflicts..." It also said that it could create "...scalability through better process." and "...connect strategy, creative process, and analytics."

It would achieve operational excellence through "...common platforms and systems..."

These were bold, not modest claims, it appeared. Actually, I was not quite sure what to believe because I was not sure, given the flowery and pretentious language that characterized the presentation, that I understood what [Digitas](#) wanted to say. I was sure, however, that "...operational excellence" was redundant, and that "excellence" was enough.

But who was I to say? I am not in Shakespeare's league, nor can I play ball in the same park as William Safire. Nevertheless it appeared that there was as much fat to cut from the [Digitas](#) presentation as there would be fat to find for a determined plastic surgeon, doing a liposuction on a corporate chieftain who, for many years, had enjoyed unlimited expense account dining.

It is the company's objective, the presentation continued, to achieve "scalability through better process..."

I know what economies of scale are. It is a phrase that the economics and finance professors hammered into my pliable and impressionable head in graduate business school. [McDonald's](#) (NYSE: MCD) has economies of scale. If you are going to come up with a recipe for a hamburger with two tomatoes and the right kind of cheese, your creativity will have a much better payoff if you have five thousand restaurants rather than five hundred.

And "...better process?" Does this mean a more efficient way of doing things?

But scalability? Was this like affordability? Was scalability one of those words that Madison Avenue invented, intending to signify more than it did? Should I believe that scalability was more impressive than scale? Is it better to have scalability versus scale? I was now more mystified or confused than ever. What did these words mean?

Then I encountered another immodest claim: [Digitas](#) would "...connect strategy, creative and analytics, and would strive to be as contextual as possible." I know what texture, text, and context mean but what did contextual mean? Was I supposed to be impressed? And then I ran into "...common platforms..." I always had thought that a platform was something that you stood on while you waited for a train. What could a [Digitas](#) platform be?

In New York City, where I grew up, you waited for the subway train, hoping patiently that it would come in the next fifteen minutes so that you would not have to stand on the dark and dirty platform and be late for an appointment. My understanding of platform was good. To [Digitas's](#) concept of platform, I found it hard to conform. I threw up my hands in despair.

I now was as lost, as befuddled, as I was attempting to understand "...the calculus..." when I was in graduate business school at Washington University in St. Louis, grinding my jaws in the M.B.A. program (This was many years ago but I believe that the only reason I got a passing grade in calculus in 1972 at Washington University was that my recently divorced instructor thought I was cute and did not have the heart to give me anything less than a C, the passing grade).

Still I was curious about [Digitas](#).

So five weeks ago on a clear Monday morning in Tulsa, Brad Hall and I called the company in Boston and asked for the head of investor relations. It turned out that this person was Maggie Morris. We were not able to speak with her. The best we could do was to reach her voicemail. We asked her to call us. When she did call back we scheduled a call for the coming Wednesday at ten o'clock in the morning. Maggie suggested that we call her and I was happy to do so. I called her at the appointed time but, sure enough, she was on the phone. I had a feeling she might be a while.

I did not want to waste any time waiting for her return phone call. I wanted to make the waiting productive. Inspired by some [QuikTrip](#) coffee I decided to write a poem, comparing the business and the language of [Stericycle](#) and [Digitas](#). I

hoped to contrast the grandiose self important language of [Digitas](#) with the down to earth language that [Stericycle](#) uses. So, while I waited, I composed, and here it is.

The model for my poem was the song, Maggie May, a song that Rod Stewart sang many years ago. This is a sad love long in which Stewart laments the fact of having met Maggie May. My situation as fiduciary was far from bleak, and in marked contrast to Stewart's mood of anger and disillusionment and unlike the sad self portrait implied by Rod Stewart. At the time of making my phone call to [Digitas](#) I had no regrets as I had not risked any money with [Digitas](#). Evidently Stewart had opened his heart with Maggie and things had not worked out.

I was, however, in a far better position than the forlorn [Rod Stewart](#). I had made no commitment (For me I am speaking of a financial commitment). So I had no reason for regret, remorse, second guessing, disillusionment, or any other unpleasant feeling that is attendant upon an investment decision that does not work out.

Stewart, in contrast, had placed his emotions at risk, and Maggie had disappointed him, but I had not risked the money of my clients, nor my own money. I was doing research, comparing [Digitas](#) with another possibility for investing, and I had made no commitment and I had risked nothing. I chose the second company, [Sigma-Aldrich](#) (NASDAQ: SIAL), and there will be more about [Sigma Aldrich](#) later in the year.

Give Me Nothing Fancy, All I Want is Garbage in and Money in

Wake up [Digitas](#), I have something to say to you
It's Monday Morning and I am feeling blue
I've spent much of the weekend reading your presentations
I have read your annual reports; I have read your 10-Ks, and your 10-Qs
And I want to better understand you
But when I desperately seek clarity
And of expression felicity
I find that it is jargon I meet
And this leaves me with cold feet

You see
I want to jump in, with my own money
And the money that my clients have
I am strongly weighing commitment
But when I see language that is cloudy and despoiled by jargon
I fear that once we talk and I learn more I will soon be long gone
I believe you would find a financial partner that is fervent
But absent the clarity that my clients and I need
I fear our interest at best would be intermittent.

But even if you have nothing to say to me, at least in language I understand, I have something to say to you
Delta and GM you they love, or at least they admire your platform
I admire your clients and so to your philosophy I wish to conform

My problem is this: you say you offer a program that is contextual
And certainly not consensual or sensual
But what is contextual?
Not big on big words, and no more than a pseudo intellectual
Having given up trying to be an intellectual
I wonder whether your program, and even your platform, is not contextual,
But merely ineffectual?

My mind is not made up
I wish to keep it working
So I can put my clients' money in a firm that is hard working

Believe me, I am not smirking
I search for substance, not abuse of the same
So while I look for clarity
And look for high returns on equity
Should I embrace you, or choose Stericycle, a business not sexy
But gross, but one which has high returns on equity?
I avoid ambiguity
And conundrums
But I love a profitable syndrome
As doctors say,
Stericycle does present not with problems but to profits it certainly does conform.
The computer wizards say garbage in, garbage out
And Digitas's workforce youngsters in exclamation say, "far out"
But a dirty and spent syringe
When worn out and pulverized
Will never on profits impinge
And with a predictable non capital intensive business
Stericycle will not undergo a spending binge
Spending that would make shareholders cringe.

But Digitas you present a puzzle
You say you want to achieve enablement
But again bear with me
While I try to figure out what means that statement
Please put everything on the table
Do you enable?
And that is a grand claim
Or does your work only constitute a fable?

You say that GM loves you
And that fortune smiles upon you
As you earnestly strive to blend metrics and creativity
But I wonder whether such a big ambition will produce liability
Instead for your clients and your shareholders, as one hopes, felicity

Because Digitas has a small number of customers
The company is hurt when one of these companies gets into financial difficulty
When business slows and cash generation falters
"Verticals without compromise" sound nice
But are these slick phrases designed to make money
Or are they unintentionally funny?
Your guess may be as good as mine.
You say your clients, such as American Express, Delta, and General Motors seek to conform to
your style
But so many face financial crisis
That I wonder for your services can they pay?
Unlike Stericycle's small monthly bills for which its clients every month gladly pay and rarely say
nay.

Yes Maggie I have something to say to you
In the morning I speak to you at Digitas,
Trying to seek the truth and call your bluff
All you do is kick me in the head and furnish me with fluff
Although investors are often meek
It is the truth we seek

So please, please, please be straightforward so that my conclusions I can without fear about Digitas draw?

It is substance I seek

And it is substance I do not want to abuse

So give me the truth, give me the clarity, and we'll watch you perform

And to generally accepted accounting principles I hope Digitas does conform.

Wake up Digitas, and Maggie, I have something to say to you

My interest in you is becoming merely latent

You say you have scalability, but I want to know

Do you have reliability?

Maggie Digitas says it has wide scope,

It covers many longitudes and many latitudes

But my real concern is your attitude.

Will I with your complexity be able to cope?

My clients want clarity, and returns that are predictable.

Is that something that it feasible?

Can I do that with money in Digitas, or with money in Stericycle?

I believe it is the latter,

And for many reasons, one among them: their business may be gross but their margins they are fatter.

Their gross margins are not slim from their operations

They have excised the waste, so to speak

Their profits are fat.

They do not swing for the fences

But only aim for singles when they are at bat

I hate bad grammar

But maybe I should put it this way: Stericycle is where it's at.

Their report comes right to the heart of the matter: How do they make money?

That is the point. On shareholders' equity they have high returns, their routes have high density,

And for making much money they show uncanny propensity.

What more can a shareholder ask?

To read the president's letter does not require persistence

To understand medical garbage and what Stericycle does with it does not require sophistication

And that is important to me, especially for clarity my clients are insistent.

Another important fact I like about Stericycle

Every year, as the computer jockeys say

There is garbage in and garbage out

Stericycle loves waste or garbage

It makes plenty of money on dirty dangerous medical products

And this money making activity is not vulnerable to any cycle

With an efficient spoke and wheel system of garbage pickup and disposal

Stericycle is like Shakespeare, beyond compare.

Waste not, want not

Of a company to ask this, is this a lot?

Let us go back to the conversation I had with Miller. I wanted to catch up on the ever-changing regulatory landscape that affects Stericycle.

He noted that the complex, frequently changing regulations governing the medical waste disposal business, along with the strenuous reality of the permitting process, is what bleeds the cash and the time of the smaller firms, compressing their margins, exhausting their human and cash reserves, and inevitably making them think that a buyout would be best. At

this point they are ready to throw in the towel, abandon their ambitious plans, and cash out. Now they are ready leading to negotiate buyout terms with the industry's big factors, such as Stericycle.

If you see what the permits enable a company to do, you can see why they are valuable and difficult to get. Permits grant a company such as Stericycle operate treatment and transfer facilities, to transport medical waste within and between relevant jurisdictions and to handle regulated substances, such as needles, bandages, and human limbs.(Stericycle does not own any landfills.)

Getting the permits on the local state and federal levels to operate disposal sites--whether the disposal method is incineration or the proprietary technology of Stericycle's ETD method, does not matter--is a difficult legal, public relations, and financial challenge.

Imagine this: you are in the meeting room of the high school in a small town on a weekday night and eight hundred people show up to protest a proposed medical waster disposal site. That is when, Miller said, you experience first hand the large and formidable barriers to entry into the medical waste disposal business. The vast majority of the townspeople do not comprise a friendly after dinner reception for the Stericycle contingent.

Risk facing Stericycle, Inc.
<ul style="list-style-type: none"> • Subject to extensive government regulation, which is time-consuming and expensive • The handling and treatment of hazardous medical waste carries with it the risk of personal injury to employees and others. • The handling of medical waste exposes Stericycle to the risk of environmental liabilities, which may not be covered by insurance. • The level of governmental enforcement of environmental regulations has an uncertain effect on Stericycle's business and could reduce the demand for Stericycle's services. • If Stericycle is unable to acquire other medical waste businesses, Stericycle's revenue profit growth may be slowed. • Aggressive pricing by existing competitors and the entrance of new competitors could drive down their profits and slow Stericycle's growth. • Restrictions in Stericycle's senior unsecured credit facility may limit their ability to pay dividends, incur additional debt, make acquisitions and make other investments. • The loss of Stericycle's senior executives could affect Stericycle's ability to manage their business profitably. • Stericycle's expansion into foreign countries exposes Stericycle to unfamiliar regulations and may expose Stericycle to new obstacles to growth. • Litigation is always unpredictable and adverse judgments against Stericycle could require them to pay substantial amounts. • Stericycle's earnings could decline if Stericycle writes-off intangible assets, such as goodwill. <p style="text-align: right;">(Stericycle, Inc. 10-K for the year ended December 31, 2005, pp. 12 through 15)</p>

Miller recalled a few nights' experience of white knuckles when he and his attorneys made presentations to such a hostile small town audience that would have preferred that a shelter for the homeless rather than a medical waste disposal site be put adjacent, to contiguous to, or abutting on their property.

Getting permission to run a landfill does not excite the town fathers, or to put it another way, if you are a feminist, the town mothers. With a landfill you do not create thousands of jobs, as you would do when you open a Wal-Mart (NYSE: WMT) or Target (NYSE: TGT) distribution center.

Lawyers in the environmental field are correct to be smug about job security. There are many laws that govern the protection of the environment and these laws change frequently, and they change often enough to keep the environmental lawyers very busy.

Companies enter the medical waste disposal business, with little capital and a lot of enthusiasm. Quickly they experience a change in the laws governing their business. They find themselves spending more time with their attorneys. Legal bills rise fast and still compliance to the maze of laws affecting their operations remains Herculean. Particularly onerous, and perhaps a nightmare, they find, is the permitting process.

As of December 31, 2005 Stericycle had 333,000 accounts. Based on Stericycle's 2005 revenue of six hundred and nine million dollars the revenue per client or account was about eighteen hundred dollars for 2005. (Because of acquisitions

made during the year and thus not in effect for the full year the annualized revenue per client would probably have been about two thousand dollars per year.)

A typical **Stericycle** account is a medical office with four doctors and about fifteen supports, including the professional staff of nurses, and their assistants, and an administrator or office manager. This cadre of dedicated people is running around the medical building, moving busily, and sometimes desperately, trying to satisfy a difficult patient load, a load often exceeding one hundred people per day.

At this medical office doctors skillfully run their hands over sick patients, and listen patiently to the anguished recitation of painful symptoms. The doctors also do minor surgeries, cutting off skin for biopsies, removing warts, boils, and other unwanted growths. Meantime, the nurses are giving shots, throwing away used bandages, needles, and syringes into the **Stericycle** containers, as they try to give their best empathetic affect to the clients. And the office administrator or the office manager is leading the charge against the insurance companies.

By the end of the day the **Stericycle** canisters are full of medical waste, waste, that government regulations dictate, must be disposed of in a manner that meets exacting rules. Peter Wenger, M.D., who works for Omni Medical, a division of the **St. John Health System** in Tulsa, estimates that at least eighty percent of office visits to his Omni office, lead to procedures such as the administration of flu shots. Such procedures guarantee the creation of medical waste.

Everyone is busy, too busy to understand all the onerous regulations that they work under, and certainly too busy to write training manuals to comply with OSHA and other regulations that govern their working lives.

To make sure that everyone in the office who handles blood or blood products is aware of these regulations, there are complex handbooks that the technical staff at **Stericycle** writes. To write these manuals, and to keep them in compliance with the kaleidoscope of rapidly changing laws, is time consuming. The administrator or office manager of most offices does not have the time or the training to do this.

Stericycle's Sterisafe program can take of this training and compliance challenge. For less than a thousand dollars a year **Stericycle** will create the training tapes, the instruction manuals, and the other literature to help all employees to keep comply with the regulations that govern the business of a medical office.

One thousand dollars is a small amount for a practice that probably has two and one half to four million dollars in annual revenue. One thousand dollars is also an extremely small price to avoid the health problems that dealing with waste can cause, as well as the potential legal liability that non compliance can create.

The small office knows that it must comply with laws governing proper disposal of waste but the small office is overwhelmed, and does not have the know how to conform with these laws, or the equipment. The small office knows that everyone who comes into contact with blood should be trained, but the small office does not have the knowledge or the time to put together the training material for this purpose. I asked Miller who had to be trained. He said that everyone in an office who comes into contact with blood must, according to government regulations, be trained, including the doctors.

Some of the vital characteristics of a good business, to recall the paraphrased thinking of Warren Buffet are: selling a product or service that is a small part of the customer's budget, a business resistant to economic cycles, and a business with thousands or hundreds of thousands of customers, not dependent on any one customers. **Stericycle** meets Buffet's requirements. Also, according to the company's 10-K, ninety per cent of its customers renew their contracts every year. All contracts are multi year with inflation escalators.

I hung up. It occurred to me that **Stericycle** was well positioned as the dominant force in health care, even if it were in the unglamorous part of this sector. I hope to show you, later in this letter, that lacking glamour is not the same thing as lacking profits.

I followed my phone conversation with Miller by rereading the 2005 report. Miller's letter was straightforward and there was no soporific jargon imprisoned by stale platitudes, and dull, conventional thinking. After you read the report you knew what the company wanted to accomplish, and how it would do so.

Business Summary

Incorporated in 1989, Stericycle served, on December 31, 2005, 333,000 customers in the United States, Puerto Rico, Canada, Mexico, and the United Kingdom. In North America the company has a fully integrated, national medical waste management network. Our network includes 45 treatment/collection centers and 105 additional transfer and collection sites. We use this network to provide a broad range of services to our customers. Our medical waste treatment technologies include a proprietary electro-thermal-deactivation system or ETD as well as traditional methods such as autoclaving and incineration.

There are no platitudes, You won't find this word in the dictionary: it is a hybrid, a combination of platitude and flat or uninspired speech, thinking, or behavior. That is my definition and you will have to accept it, at least until the word finds its way into mainstream language and a dictionary publisher defines it.

Maggie May
Rod Stewart
Stay With Me
Polygram Special Products
1971

Wake up maggie I think I got something to say to you
It's late september and I really should be back at school
I know I keep you amused but I feel I'm being used
Oh maggie I couldn't have tried any more
You lured me away from home just to save you from being alone
You stole my heart and that's what really hurt

The morning sun when it's in your face really shows your age
But that don't worry me none in my eyes you're everything
I laughed at all of your jokes my love you didn't need to coax
Oh, maggie I couldn't have tried any more
You lured me away from home, just to save you from being alone
You stole my soul and that's a pain I can do without

All I needed was a friend to lend a guiding hand
But you turned into a lover and
Mother what a lover, you wore me out
All you did was wreck my bed
And in the morning kick me in the head
Oh maggie I couldn't have tried anymore
You lured me away from home 'cause you didn't want to be alone
You stole my heart I couldn't leave you if I tried

I suppose I could collect my books and get on back to school
Or steal my daddy's cue and make a living out of playing pool
Or find myself a rock and roll band that needs a helpin' hand
Oh maggie I wish I'd never seen your face
You made a first-class fool out of me
But I'm as blind as a fool can be
You stole my heart but I love you anyway

Maggie I wish I'd never seen your face
I'll get on back home one of these days

A Postscript on Jargon

There are two problems with jargon. First cynics hide the truth with jargon. Second, cynics confuse themselves with jargon. Either use is not good for investors who seek the truth in a manner that is intelligible. As Warren Buffet said, when you start believing your own jargon, that is the beginning of the end. I don't mean to imply that [Digitas](#) is aware of their jargon, or that they consciously believe in it, and I know that everyone differs on what jargon is, but I do know that I have trouble understanding the company's presentations.

Best regards,



Fredric E. Russell

The writer of the [Stericycle](#) report, [Fredric E. Russell](#), was born in [New York, N.Y.](#) on February 17, 1944. He attended public schools in New York City before attending [Deerfield Academy \(Deerfield, Mass.\)](#) and graduating in 1961. He then attended [Swarthmore College \(Swarthmore, PA\)](#) graduating in 1965. After Swarthmore he earned an [M.A.](#) (1965) and an [M.B.A.](#) (1972) at [Washington University \(St. Louis, MO.\)](#) He also holds a [CPA certificate](#). He taught accounting and finance at the university level before entering the investment management profession.

He believes his love for writing and his usually correct grammar come from spending four years improving his writing skills at Deerfield and from reading everything well written he can find.

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