

P R O S P E C T U S

600,000 Shares

CONTROL DATA CORPORATION

Common Stock
(Par Value 50¢ Per Share)

* * * * *

THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND ARE THEREFORE AVAILABLE ONLY TO RESIDENTS OF THE STATE OF MINNESOTA. SUBSCRIPTIONS FOR THESE SECURITIES ARE CONDITIONAL UPON THE REGISTRATION WITH THE SECURITIES DIVISION, DEPARTMENT OF COMMERCE, STATE OF MINNESOTA.

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OFFERED AS A SPECULATION

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Subscription Price: \$1.00 Per Share

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	Subscription Price	Underwriting Commissions (1)	Proceeds to Company (2)
Per Share.	\$ 1.00	-0-	\$ 1.00
Total.	\$600,000	-0-	\$600,000

(1) These securities are to be sold by officers, directors and employees. No commissions or reimbursements of any nature are to be paid in conjunction with the sale of these securities.

(2) Proceeds to the Company are before deducting expenses payable by it, estimated at \$3,000.

The date of this Prospectus is July 29, 1957.

NO PERSON IS AUTHORIZED BY THE COMPANY TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS; AND ANY INFORMATION OR REPRESENTATION NOT CONTAINED HEREIN MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFERING IN ANY JURISDICTION IN WHICH SUCH OFFERING MAY NOT LAWFULLY BE MADE.

NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE THROUGH ITS USE SHALL IMPLY THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF.

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HISTORY AND BUSINESS

Control Data Corporation (herein referred to as the "Corporation") was organized under the laws of the State of Minnesota on July 8, 1957. The Corporation's principal offices are at 600 Midland Bank Building, Minneapolis, Minnesota, pending the leasing of appropriate space for initial operations.

Nature of Business

The Corporation was organized to engage in the design, development, manufacture and sale of systems, equipment and components used in electronic data processing and automatic control for industrial, scientific and military uses.

The Corporation plans to acquire, through individual employment and merger with existing companies, personnel possessing a high level of experience and competence in the fields of electronic computers, data communication and instrumentation for the measurement and control of industrial and military processes.

Initially the business will consist primarily of the sale of services in research and development (R & D) engineering, largely for military end-use. The Corporation plans to acquire personnel with considerable experience in selling as well as in performing services of this nature. It is anticipated that the Corporation's military activities will expand rapidly in the areas of missile control, air traffic control and air defense.

Research and development services will also be made available to companies engaged in commercial electronic data processing. The electronic data processing equipment industry is in an early stage of development. As the applications to business problems progress, there is an increasing need for a variety of peripheral equipment to feed information into the computers and to record the output of the computers. It is anticipated that the Corporation's commercial activities will expand in the areas of input and output equipment, data recorders, data translators and converters and a wide variety of other peripheral equipment for electronic computers.

At an early point, careful study will be made of the opportunities for commercial business in selected areas, such as: (1) development, manufacture and sale of specialized components and (2) development, manufacture and sale of data processing, instrumentation and control equipment for selected industries and/or processes.

Competition

From the above description of the proposed area of business, it should be noted that Control Data Corporation does not plan to compete directly with the giants of the industry, such as IBM, Sperry Rand, General Electric, Burroughs, etc., except for certain carefully selected military programs. Plans are to supplement these major companies as an important subcontractor and as the developer of selected components and equipment which may be used with the computer systems and instrumentation of the major companies.

Outlook for Military Expenditures

In view of current publicity of possible curtailment of military expenditures, it should be especially noted that the products and engineering developments planned by Control Data Corporation represent the forefront of technological advance rather than conventional military equipment. While no precise prediction can be made of the magnitude or nature of future military expenditures, it is believed that there will continue to be a substantial expansion in the expenditures for development and production in the product areas which Control Data Corporation plans to pursue.

Facilities and Equipment

Negotiations are being conducted for the leasing of 10,000 square feet of temporary space for six to nine months and for 40,000 square feet of space with expansion possibilities up to a total of 200,000 square feet early in 1958.

Plans are to make maximum utilization of leasing of several kinds of capital equipment in order to retain a maximum amount for working capital.

Relationship with Other Companies

As a minimum amount of production equipment is planned for during the early period, maximum use will be made of local companies for the sub-contracting of fabrication.

Negotiations are being conducted with several small engineering and production companies which may result in the acquisition of one or more companies whose work or products are consistent with the proposed operations of Control Data Corporation.

At some appropriate future date, preferably after a public market has been established for the stock, negotiations are to be initiated with selected companies toward their acquisition through stock issue. The selection of these companies is to be based upon carefully planned diversification within the general areas of business of Control Data Corporation.

CAPITALIZATION

The authorized capital of the Corporation consists solely of 2,000,000 shares of Common Stock with a par value of Fifty Cents (\$.50) per share.

As of the date of this offering the issued and outstanding Common Stock is as follows:

<u>Individual</u>	<u>Number of Shares</u>
William C. Norris, President.	15,000*
A. J. Ryden, Jr., Vice President, Secretary & Treasurer	5,000*
Fremont Fletcher, Director.	<u>5,000</u>
Total	<u><u>25,000</u></u>

*Mr. Norris has subscribed for an additional 55,000 shares and Mr. Ryden has subscribed for an additional 15,000 shares.

Holders of Common Stock are entitled to receive such dividends as are declared by the Board of Directors; to one vote for each share on all matters voted upon by stockholders, including election of Directors; upon liquidation to share ratably in assets available for distribution; the shares of Common Stock offered hereby, when issued and paid for as herein contemplated will be fully paid and non-assessable by the Corporation. There is no right to cumulative voting and there are no pre-emptive rights.

OFFERING

The Control Data Corporation hereby offers 600,000 shares of its Common Stock with a par value of Fifty Cents (\$.50) per share at a price of \$1.00 per share.

The stock is offered by the issuer only, through its directors, officers and employees. No commissions or reimbursements of any nature are to be paid in conjunction with the sale of these securities.

Expenses in conjunction with the offering are estimated to be \$3,000 and are to be paid by the company.

The net proceeds of this offering which will be \$597,000 will be added to the general funds of the Corporation and will be available for anticipated capital expenditures and as working capital.

MANAGEMENT

Directors and Officers

The names of the directors and officers of the Corporation and their positions and offices are as follows:

W. C. Norris, President, Chief Executive
Officer and Director
A. J. Ryden, Jr., Vice President, Secretary,
Treasurer and Director
Fremont Fletcher, Director

Upon completion of the stock issue proposed by this prospectus, the Board of Directors may be enlarged to a total of seven by the addition of three prominent businessmen in the Twin City area and one nationally-known scientist.

Mr. W. C. Norris, who was elected President and a Director on July 29, 1957, was formerly Vice President of Sperry Rand Corporation and General Manager of its Remington Rand Univac Division. Mr. Norris was a Vice President and one of the founders of Engineering Research Associates, Inc. beginning in 1946. When this company was purchased by Remington Rand in 1952, Mr. Norris became a Vice President of Remington Rand and General Manager of its ERA Division. Mr. Norris received a BSEE degree from the University of Nebraska

in 1932. He was employed by Westinghouse for a period of seven years and worked for the Navy in research and development during the war years.

Mr. A. J. Ryden, Jr. has a BA degree from the University of Minnesota and MBA degree from the Graduate School of Business Administration of Harvard University. His experience includes five years with the Northwestern National Bank of Minneapolis, one year as Assistant Treasurer of Engineering Research Associates, Inc. and two years as Comptroller of the Aeronautical Division of Minneapolis Honeywell Regulator Co. During the last three years, Mr. Ryden has been a Management Consultant in the areas of financial planning and control.

Remuneration and Stock Holdings

Remuneration and stock holdings of Directors and Officers are as follows:

	<u>Annual Remuneration</u>	<u>Number of Shares of Stock Holdings</u>
W. C. Norris, President	\$25,000 (a)	15,000 (c)
A. J. Ryden, Jr., Vice President, Secretary & Treasurer	\$20,000 (a)	5,000 (c)
Fremont Fletcher, Director	(b)	5,000

(a) In order to minimize expenses during the initial formative period, actual remuneration is to be at the annual rates of \$20,000 for Mr. Norris and \$16,000 for A. J. Ryden, Jr. pending the commencement of substantial operations.

(b) Does not include legal fees which may be paid to the firm of Thompson, Hessian, Fletcher and McKasy.

(c) Subscriptions for additional stock will bring the total holdings up to 70,000 shares for Mr. Norris and to 20,000 shares for Mr. Ryden.

The Employee Stock Option Plan

The Corporation's Employee Stock Option Plan, which was adopted by the Board of Directors on July 9, 1957 and approved by the stockholders on July 29, 1957, provides that restricted stock options, as defined in Section 421 of the Internal Revenue Code of 1954, may be granted to certain key employees.

Under the Plan, the Board of Directors or a Committee appointed by it may designate from time to time those "key employees" who will receive options under the Plan, will determine the number of shares of the Company's Common Stock that may be optioned to each and will fix the option price per share, which cannot be less than 95% of fair market value at the time of granting. The total number of shares that may be optioned under the Plan is 200,000 or 10% of the authorized capital stock, whichever is greater. Under the Plan an option can extend no longer than ten years and cannot be exercised within one year after granting, and can be exercised thereafter

only to the extent of 25% of the total number of shares thereunder by the end of the second year, 50% by the end of the third year, 75% by the end of the fourth year, 100% by the end of the fifth year, and in full thereafter. With certain exceptions in the case of those employees who die during employment or within three months thereafter or who retire at or after normal retirement age, no option may be exercised after the expiration of three months from termination of employment. Each person purchasing shares under an option must agree that he is acquiring the shares for investment purposes. Provision is made for adjustment in the kind and number of shares subject to the Plan and in the option price in the event of a stock dividend, split-up, combination or exchange of shares or recapitalization or change in capitalization.

No options have been granted as of the date of this Prospectus. However, it is contemplated that options will be granted to Officers in the near future and to several key employees shortly after their initial employment.

FINANCIAL DATA

As of the date of the Prospectus the Balance Sheet is as follows:

CONTROL DATA CORPORATION
Balance Sheet as of July 29, 1957

<u>Assets</u>		<u>Liabilities and Net Worth</u>	
Cash	<u>\$19,000</u>	Total Current Liabilities	- 0 -
Total Current Assets	\$19,000	Capital:	
Fixed Assets	- 0 -	Common Stock, par value \$.50	
Deferred Expenses	6,000	Authorized 2,000,000 shares	
		Issued and Outstanding	
		25,000 shares	\$12,500
		Capital Surplus	<u>12,500</u>
	<u> </u>	Total Net Worth	<u>\$25,000</u>
Total Assets	<u>\$25,000</u>	Total Liabilities and	
		Net Worth	<u>\$25,000</u>

As plans are for a substantial operation, the financing achieved by the offering of this Prospectus is to be followed in approximately one year by a nation-wide public offering designed to raise an additional \$1,500,000.

LITIGATION

There are no pending claims against the corporation and there is no litigation of any kind that has been instituted against the corporation or on behalf of the corporation against other individuals or companies. The company has received a letter from the General Counsel for Sperry Rand Corporation stating that they had information indicating a plan to entice away their engineers and through them to utilize their trade secrets, confidential processes and inventions. The letter also stated that if Sperry Rand's legal rights have been infringed or if such rights are violated in the future, all available action would be taken.

The company denies any such plan or any violation of the legal rights of Sperry Rand or any intention to violate such rights in the future and it is the Company's desire to be of service to Sperry Rand at any time in the future that such an association may be mutually beneficial.

LEGAL OPINIONS

The legality of the Common Stock being offered hereby will be passed upon for the Corporation by Thompson, Hessian, Fletcher & McKasy, 600 Midland Bank Building, Minneapolis, Minnesota.

EXPERTS

The financial statements and schedules included in this Prospectus and in the Application for Registration of Securities to the Securities Division, Department of Commerce, State of Minnesota have not been examined by certified public accountants. However, the firm of Peat, Marwick, Mitchell & Co. has been appointed by the Board of Directors to audit and examine the financial and accounting records of the Company for the first year of operation.

ADDITIONAL INFORMATION

This Prospectus does not contain all the information set forth in the Application for Registration of Securities. Such additional information may be obtained at the Securities Division, Department of Commerce, State of Minnesota at their offices in the State Office Building, St. Paul, Minnesota.