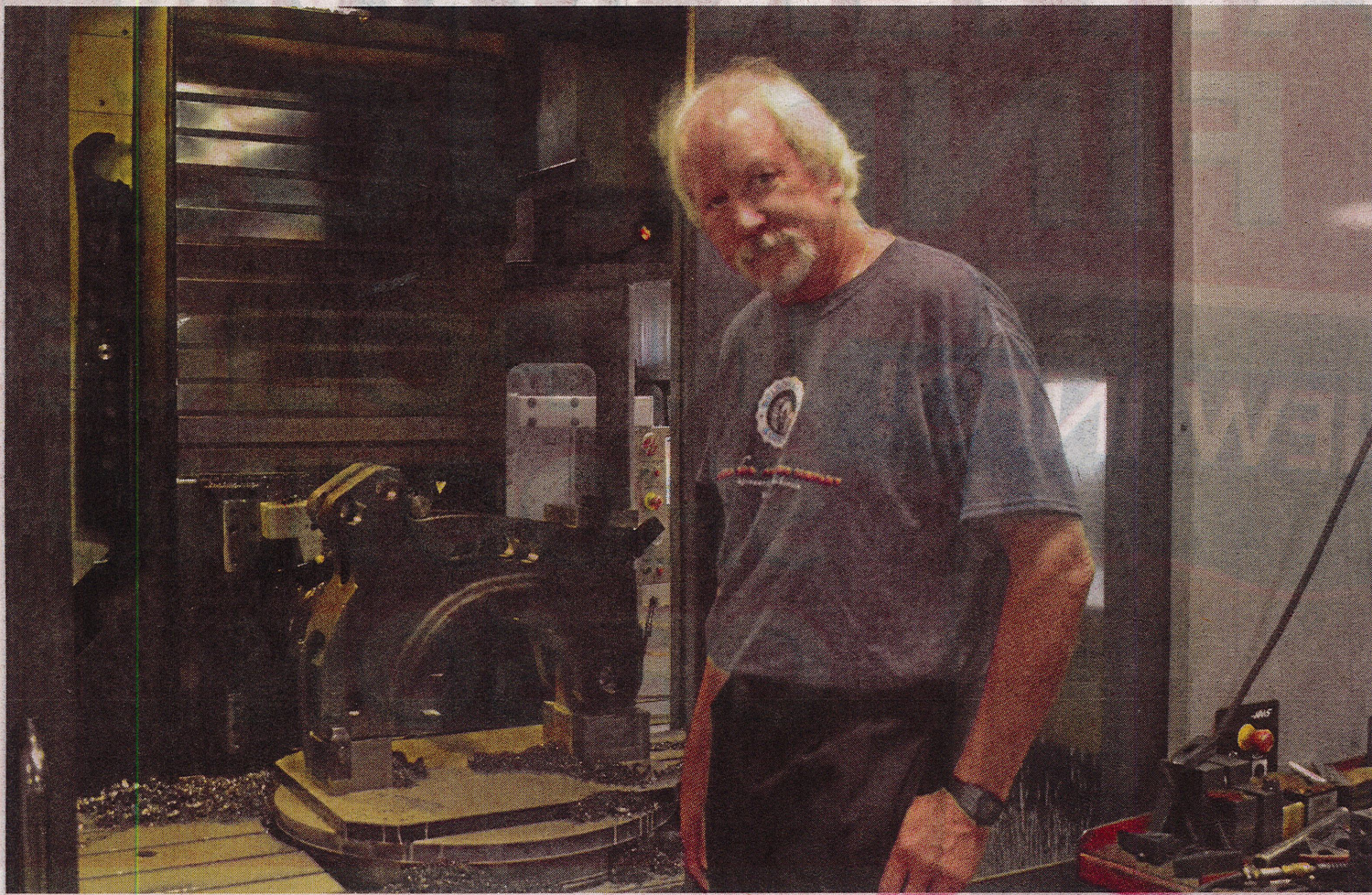


MONEY & BUSINESS

NELSON BROS. & STROM CO.



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David Hall, vice president of Nelson Bros. & Strom, stands next to a part that is being made for an oil-drilling rig.

A century of innovation

Local machine shop celebrates a rich history

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RACINE — A local company that employed 450 people around the clock during World War II to help supply the U.S. military's war machine turned 100 years old this month.

Nelson Bros. & Strom Co., now at 2137 Roosevelt Ave., although still kicking is a shadow of its former self today: a machine shop that employs just six people. But it has a rich history.

The company was founded in 1919 by Herbert Nelson and Cliff Strom, and conceived by the pair as they sat on a railing on the Sixth Street bridge. Nelson had quit school at age 14 and gone to work at Mitchell Wagon Factory for 5 cents an hour, 50 cents a day.

"And I am sorry I didn't finish (school)," he told his daughter in 1970, at age 80.

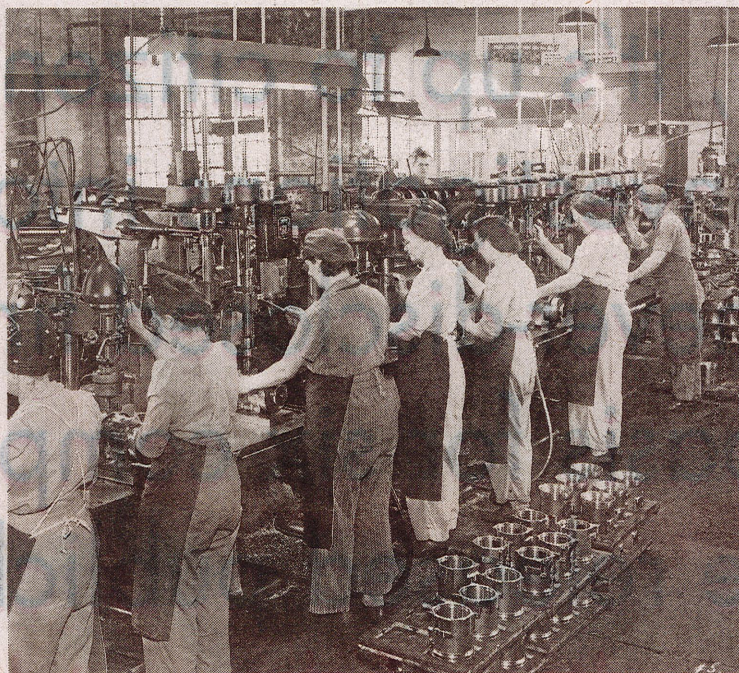
When Nelson was 15, he started working at Mitchell Motor Car Co. for \$1 per day. He worked there for two years, then at the J.I. Case Plow Works for about the next six years.

When World War I broke out, Nelson received a telegram from the U.S. government sending him to Key West, Fla. He received and filled out a draft card, but the Navy Yard kept him there as a civilian employee. There, he met and worked directly, from 1916-18, for Thomas Edison who was then in his late 70s.

"Mr. Edison would make scratch drawings on small pieces of paper and bring them to me to make," Nelson dictated to his daughter.

Starting the company

"When I arrived back in Racine in 1918, I knew that I could never work for anyone else and that I had to be my own boss," Nelson said, "so Cliff Strom and I decided to start a business of our own, asking my two brothers, Frank and Lawrence, if they



SUBMITTED PHOTO

Women are shown at work at Nelson Bros. & Strom during World War II. The Racine company marked its 100th anniversary this month.



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Shown are employee identification buttons that were worn at Nelson Bros. & Strom during World War II.

would like to be in on it too. Cliff and I were sitting on a railing down by the tannery when we made this decision."

Herbert and Strom actively ran the business until 1941, when Frank Nelson gave up his job

at Horlick's Malted Milk Co. to become president of NB&S; until that time he had been a silent partner.

The company was in various locations in Racine over the decades. According to current

company Vice President David Hall, the Nelsons and Strom held U.S. patents for several parts including a pressure cooker, an automated book binding machine, stokers for coal-fired boilers and several gauging and testing stations.

During World War II, Hall said, NB&S' contribution to the war effort included making torpedoes, howitzer shells and suspension brackets for personnel carriers. On Aug. 24, 1944, the company was given the Department of Defense's Army-Navy E Award flag, the E standing for Excellence.

However, Nelson later told The Journal Times that a U.S. Navy "renegotiation team" had reviewed its contracts with NB&S, determined it had been overpaid by \$75,000 and demanded immediate repayment in full. Although it put a crimp in their finances, Frank and Herbert paid. "During the war we also built the Speed-Meal Pressure Cooker which we later sold," Herbert said.

After the war, he and Frank bought out Strom's interest, and he retired from the company. Nelson was still going to work every day at age 80 when he dictated his story.

Today's ownership

NB&S is owned today by Mary Kay Hall, David Hall's wife, and is a State of Wisconsin certified woman-owned business.

"The company's machinists and engineers pride themselves on quickly getting other companies' equipment back up and running quickly when a part breaks," David Hall said.

The owners expect further growth in the service machining area as demand for OEM (original equipment manufacturing) replacement and obsolete parts continues to expand.

"The Nelsons and Cliff Strom started their company 100 years ago on the premise that customer service is the most important thing, and they're still providing it," Hall said.

THE SAVAGE TRUTH

More about reverse mortgages

If you're a senior looking for more income, you may have to look no farther than your own home. A reverse mortgage could be the perfect solution to the need for more income — if



TERRY SAVAGE

you plan to stay in your home for at least 10 years. You can withdraw either a lump sum or monthly payments — tax free — out of the equity you have built up on your home. And you can never run

out of money or be forced out of your home because of those withdrawals.

The standard home-equity conversion mortgage (HECM) is available to homeowners age 62 or older who have either paid off their mortgage or have a small remaining balance. The amount you can receive is determined by your age, the value of your home and current interest rates.

You don't need a credit check to qualify, and you retain title to your home. You won't have any mortgage payments, although you will be responsible for homeowner's insurance, property taxes and upkeep on your home. But you'll now have a monthly check to pay for those expenses, or a pool of money in the bank to cover emergencies.

Basically, you are just borrowing from yourself, although you will be paying interest on that loan. But the interest is added to the amount of equity taken out of the home. When you sell the home and move, or die, the amount you have borrowed out of your home's equity, plus interest and fees accrued, must be repaid from the sale proceeds.

Most important, you — or your heirs — can never owe more than the home is worth. If the amount borrowed through the reverse mortgage is greater than the value of your home, you or your estate are not liable to make up the difference.

The HECM carries federal insurance that protects the lender in case you outlive your projected life expectancy and withdraw more than the home is eventually worth at your death. The maximum amount of equity that is considered for a HECM reverse mortgage is currently \$726,525, although that limit is likely to increase in future years.

For those who have more expensive homes, there is a growing market for proprietary reverse mortgages offering larger withdrawal sums, and for properties ineligible for FHA financing. Now the government is allowing exceptions to the rule that the entire building must be FHA eligible, so condominium owners can access reverse mortgages more easily.

An HECM lender will conduct a financial assessment to ensure the borrower has the financial means to continue paying property taxes, homeowner's insurance, association dues and other property charges. And independent counseling is required by a