

SECURITIES AND EXCHANGE COMMISSION

FORM NSAR-A

Semi-annual report for management companies filed on Form N-SAR

Filing Date: **2005-05-02** | Period of Report: **2005-02-28**  
SEC Accession No. **0001169232-05-002394**

([HTML Version](#) on [secdatabase.com](#))

FILER

**NRM INVESTMENT CO**

CIK: **313038** | IRS No.: **231922688** | State of Incorpor.: **PA** | Fiscal Year End: **0831**  
Type: **NSAR-A** | Act: **40** | File No.: **811-02955** | Film No.: **05791694**

Mailing Address  
919 CONESTOGA ROAD  
ROSEMONT BUSINESS  
CAMPUS STE 112 BLDG 3  
ROSEMONT PA 19010

Business Address  
919 CONESTOGA RD  
ROSEMONT BUSINESS  
CAMPUS STE 112 BLDG 3  
ROSEMONT PA 19010  
6105250904

PAGE 1

000 A000000 02/28/2005  
000 C000000 0000313038  
000 D000000 N  
000 E000000 NF  
000 F000000 Y  
000 G000000 N  
000 H000000 N  
000 I000000 6.1  
000 J000000 A  
001 A000000 NRM INVESTMENT COMPANY  
001 B000000 811-02955  
001 C000000 6105257009  
002 A000000 919 CONESTOGA RD., RBC#1, STE 112  
002 B000000 ROSEMONT  
002 C000000 PA  
002 D010000 19010  
003 000000 N  
004 000000 N  
005 000000 N  
006 000000 N  
007 A000000 N  
007 B000000 0  
007 C010100 1  
007 C010200 2  
007 C010300 3  
007 C010400 4  
007 C010500 5  
007 C010600 6  
007 C010700 7  
007 C010800 8  
007 C010900 9  
007 C011000 10  
008 A000001 HAVERFORD INVESTMENT MANAGEMENT, INCORPORATED  
008 B000001 A  
008 C000001 801-62827  
008 D010001 RADNER  
008 D020001 PA  
008 D030001 19087  
019 B000000 0  
020 C000001 0  
020 C000002 0  
020 C000003 0  
020 C000004 0  
020 C000005 0  
020 C000006 0  
020 C000007 0  
020 C000008 0  
020 C000009 0

020 C000010 0  
021 000000 0  
022 A000001 UBS FINANCIAL SERVICES, INC.

PAGE 2

022 B000001 13-2638166  
022 C000001 2000  
022 D000001 1043  
022 C000002 0  
022 D000002 0  
022 C000003 0  
022 D000003 0  
022 C000004 0  
022 D000004 0  
022 C000005 0  
022 D000005 0  
022 C000006 0  
022 D000006 0  
022 C000007 0  
022 D000007 0  
022 C000008 0  
022 D000008 0  
022 C000009 0  
022 D000009 0  
022 C000010 0  
022 D000010 0  
023 C000000 2000  
023 D000000 1043  
025 D000001 0  
025 D000002 0  
025 D000003 0  
025 D000004 0  
025 D000005 0  
025 D000006 0  
025 D000007 0  
025 D000008 0  
028 A010000 0  
028 A020000 0  
028 A030000 0  
028 A040000 0  
028 B010000 0  
028 B020000 0  
028 B030000 0  
028 B040000 0  
028 C010000 0  
028 C020000 0  
028 C030000 0  
028 C040000 0  
028 D010000 0  
028 D020000 0  
028 D030000 0

028	D040000	0
028	E010000	0
028	E020000	0
028	E030000	0
028	E040000	0

PAGE 3

028	F010000	0
028	F020000	0
028	F030000	0
028	F040000	0
028	G010000	0
028	G020000	0
028	G030000	0
028	G040000	0
028	H000000	0
030	A000000	0
030	B000000	0.00
030	C000000	0.00
031	A000000	0
031	B000000	0
032	000000	0
033	000000	0
035	000000	0
036	B000000	0
038	000000	0
042	A000000	0
042	B000000	0
042	C000000	0
042	D000000	0
042	E000000	0
042	F000000	0
042	G000000	0
042	H000000	0
043	000000	0
044	000000	0
048	000000	0.000
048	A010000	0
048	A020000	0.000
048	B010000	0
048	B020000	0.000
048	C010000	0
048	C020000	0.000
048	D010000	0
048	D020000	0.000
048	E010000	0
048	E020000	0.000
048	F010000	0
048	F020000	0.000
048	G010000	0
048	G020000	0.000

048	H010000	0
048	H020000	0.000
048	I010000	0
048	I020000	0.000
048	J010000	0
048	J020000	0.000
048	K010000	0

PAGE 4

048	K020000	0.000
061	000000	0
062	A000000	Y
062	B000000	0.0
062	C000000	0.0
062	D000000	0.0
062	E000000	0.0
062	F000000	0.0
062	G000000	0.0
062	H000000	0.0
062	I000000	0.0
062	J000000	0.0
062	K000000	0.0
062	L000000	0.0
062	M000000	0.0
062	N000000	0.0
062	O000000	48.3
062	P000000	0.0
062	Q000000	0.0
062	R000000	43.0
063	A000000	0
063	B000000	3.6
066	A000000	Y
066	B000000	Y
071	A000000	2000
071	B000000	3255
071	C000000	15476
071	D000000	13
072	A000000	6
072	B000000	230
072	C000000	21
072	D000000	0
072	E000000	0
072	F000000	5
072	G000000	0
072	H000000	0
072	I000000	2
072	J000000	4
072	K000000	0
072	L000000	0
072	M000000	4
072	N000000	0

072	O000000	2
072	P000000	0
072	Q000000	3
072	R000000	5
072	S000000	34
072	T000000	0
072	U000000	0
072	V000000	0
072	W000000	10

PAGE 5

072	X000000	69
072	Y000000	0
072	Z000000	182
072AA	000000	148
072BB	000000	0
072CC	010000	220
072CC	020000	0
072DD	010000	188
072DD	020000	0
072EE	000000	148
073	A010000	0.0480
073	A020000	0.0000
073	B000000	0.0370
073	C000000	0.0000
074	A000000	0
074	B000000	0
074	C000000	1401
074	D000000	7724
074	E000000	0
074	F000000	0
074	G000000	0
074	H000000	0
074	I000000	6891
074	J000000	0
074	K000000	0
074	L000000	105
074	M000000	3
074	N000000	16124
074	O000000	0
074	P000000	0
074	Q000000	0
074	R010000	0
074	R020000	0
074	R030000	0
074	R040000	330
074	S000000	0
074	T000000	15794
074	U010000	3963
074	U020000	0
074	V010000	3.98

074	V020000	0.00
074	W000000	0.0000
074	X000000	133
074	Y000000	0
075	A000000	0
075	B000000	15762
076	000000	0.00
077	A000000	Y
077	C000000	Y
077	E000000	Y
077	Q010000	Y

PAGE 6

SIGNATURE EDWARD FACKENTHAL  
TITLE ASSISTANT SECRETARY

NRM INVESTMENT - ATTACHMENT TO 77 C  
NSAR B 6 mos. ending 2/28/05

MATTERS SUBMITTED TO SECURITY HOLDERS

1. Change in investment advisor:

The Company has employed Haverford Trust Company ("HTC") as its investment advisor. Last year HTC organized a subsidiary, Haverford Investment Management, Inc. ("HIM") to perform investment services. At its combined shareholder's and director's meeting of December 16, 2004, the motion was made and carried to change investment advisors from HTC to HIM.

2. Change in investment policy:

At its combined shareholder's and director's meeting of December 16, 2004, the motion was made and carried to change the Company's investment policy from a diversified investment company to a non-diversified investment company.



PENDING LEGAL PROCEEDINGS

The United States Environmental Protection Agency ("EPA") identified the Company as one of several potentially responsible persons ("PRP") in respect to environmental harm to a farm denoted as "Boarhead" located in Upper Black Eddy, Bucks County, Pennsylvania. That matter as explained in the following paragraphs has progressed, is ongoing, unresolved and material.

In November 1998 EPA, after naming the PRP's, issued a Record of Decision ("ROD") relative to estimated future cleanup costs, Those together with EPA's remedial costs already incurred totaled approximately \$26,000,000. Responsibility for paying these incurred and potential costs (before considering cost allocation among responsible persons) depended upon evidence linking generators to the site.

At the outset of the discovery, identifying publicly and the analysis of linking evidence then available, the Company committed to participate in a first cleanup phase relative to groundwater, known as operable unit one ("OU 1"). A condition of the participation was that expenses so incurred would be subject to reallocation after all available linking evidence was found and analyzed. Since the evidence linking the Company to the site and produced after it joined OU 1 was, in counsel's view, weak, and since the Company's waste product did not involve drummed waste, the Company declined to participate in drum removal, related soil cleanup ("OU 2") and past EPA costs.

To date there are seven entities sharing costs in the OU 1 defense group ("the OU 1 Group") of which the Company is one. The Company's contracted share is one third of a one-fifth share. (The Company and two others of the seven owned an alleged waste generator in Malvern Pennsylvania at different times and together are considered one member.) The Company has reserved \$120,000 as its estimate to pay its share of OU 1 yearly operation and maintenance and EPA oversight costs. (The estimated cost for each of the next three years is approximately \$40,000.)

Some members of the OU 1 Group participated in the OU 2 work and paid EPA past costs (the "OU 2 Group.") To recover OU 1 and OU 2 costs and amounts reimbursed to the EPA, all allegedly in excess of their ratable liability, members of

the OU 2 Group, acting as a unit, on June 18, 2002 began a cost recovery suit in the District Court for the Eastern District of Pennsylvania under the caption Boarhead Farm Agreement Group v. Advanced Environmental Technology Corporation et al., No. 02-cv-3830. The group advances three categories of claims: the first is funding for soil aeration and treatment of VOC hot spots (OU 1) and the second, excavation and off-site disposal of buried drums (OU 2). The estimated,

combined cost for these is approximately \$3,000,000. The third is reimbursement of the past costs to EPA. They were negotiated down from \$13,000,000 to \$7,000,000.

Unlike the OU 1 contract claims in which the Company has a one-fifteenth share, in the current litigation the Company is one of some nine non-settling defendants. The discovery aspect of the litigation has produced some linkage evidence respecting virtually all of the defendants. The weight of the evidence has not been determined. Of the amounts the Company already paid or will pay because of its OU 1 contract commitment, it will seek contribution or reimbursement from the other defendants. In respect to the OU 2 work and EPA reimbursement costs, the OU 2 Group will seek contribution from the Company and the other defendants. The other defendants will attempt to deflect responsibility to the Company and the Company will do the same regarding the other defendants. Ultimately there will be an allocation of responsibility under court supervision, a process that may take an additional year or longer. The allocation will be based upon many factors of which we have, at present incomplete information. It will ultimately resolve contracted and contribution claim costs.

The Company has a separate claim against the corporate successor to the NRM business, Worthington Industries. There is credible precedence in regard to this indemnity claim. During or following the principal litigation, it will pursue this claim vigorously.

Because of the numerous and uncertain variables underlying liability, the Company, except for the \$120,000 OU 1 reserve mentioned above, has been unable to create a reserve for its share of this work, and the Company's net asset value does not reflect this potential liability.