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Letter to Duane Pearsall from J.C. Wilson Re: Information about Emerson Provided to Stockholders of Statitrol Prior to Acquisition

Emerson Electric

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Personal

EMERSON ELECTRIC CO.
8100 W. FLORISSANT
ST. LOUIS, MO. 63136

J. C. WILSON
VICE PRESIDENT OF FINANCE
& CHIEF FINANCIAL OFFICER

March 4, 1977

Mr. Duane D. Pearsall
6605 South Jay Drive
Littleton, Colorado 80123

Dear Mr. Pearsall:

Emerson Electric Co., a Missouri corporation headquartered in St. Louis, Missouri ("Emerson"), has offered to acquire the business and assets of Statitrol Corporation, a Colorado corporation, of which you are a shareholder ("Statitrol"), pursuant to an Agreement and Plan of Reorganization dated as of March 4, 1977 (the "Agreement") with Statitrol.

If the Agreement is approved by Statitrol's shareholders and the transaction is consummated, Emerson will, subject to the conditions set forth in the Agreement, acquire the business and assets of Statitrol and assume certain specified liabilities of Statitrol in exchange for 410,000 shares of Emerson's Common Stock, \$1.00 par value, which will not be registered under the Securities Act of 1933 (the "Act"). A copy of the Agreement is enclosed with this letter for your information and review. The schedules referred to in the Agreement are not enclosed; however, the schedules are available at the principal office of Statitrol located at 140 South Union Boulevard, Lakewood, Colorado 80228, Attention: Duane Pearsall, President, and Emerson is informed that copies of the schedules will be available at Statitrol's shareholders' meeting scheduled for March 11, 1977 to consider this matter. Copies of the schedules have also been supplied to your offeree representative, Duane Pearsall.

To aid you and your offeree representative in evaluating the merits and risks of the proposed transaction and to acquaint you with Emerson, the following materials are also enclosed:

Emerson's Annual Report for fiscal year ended
September 30, 1976

Emerson's Form 10-K for fiscal year ended
September 30, 1976

Emerson's Form 10Q for the fiscal quarter ended
December 31, 1976

Emerson's Proxy Statement to its shareholders dated
January 4, 1977

Summary Description of Emerson's Capital Stock.

Also enclosed are the following documents which have been
supplied by Statitrol:

Statitrol's audited financial statements for fiscal
year ended March 31, 1976 as certified by
Arthur Young & Company

Statitrol's unaudited financial statements for the
nine months ended December 31, 1976.

You will remember that the Emerson shares to be
received by Statitrol, and by you on liquidation of Statitrol,
are not registered under the Securities Act of 1933. This
means that any public offering, sale, transfer or other
disposition by you of the Emerson shares will, under current
law, require (a) registration under the Act of the Emerson
shares to be sold or (b) compliance with Rule 144 promulgated
under the Act or (c) the availability of another exemption
from registration.

The Agreement, in Article VIII, provides for regis-
tration of a limited number of Emerson shares during each of
the first two years following the consummation of the proposed
transaction under the conditions set out therein. Your
attention is drawn to the fact that no Emerson shares may be
sold until Emerson has published financial results covering
the combined operations of Emerson and Statitrol for a period
of not less than 30 days. Emerson publishes its financial
results quarterly usually within 7 weeks after the end of the
quarter. Also, no more than 50% of the total of all Emerson
shares issued in the proposed transaction may be sold during
the first twelve months after consummation of the proposed
transaction.

A copy of Securities and Exchange Commission Rule
144 as currently in effect is enclosed for your information.
Your attention is directed to the following features of Rule
144. After you hold your unregistered Emerson shares for
two years, and provided that Emerson has met the current
public information requirements, you may sell them without
registration within the quantity limits (related to Emerson's

daily trading volume) specified in a transaction through a broker upon filing an appropriate form, which can be supplied by your broker, with the SEC. If for any reason Rule 144 were not available, you would have to hold your Emerson shares for an indefinite period of time.

In order to insure compliance with these restrictions, the certificates representing the shares to be issued by Emerson in the proposed transaction will bear a legend stating that (1) the shares have not been registered under the Act, but issued pursuant to an exemption from registration, (2) no transfer of the shares by the registered owner shall be valid and Emerson will not transfer the shares unless the shares are registered or may be transferred under an applicable exemption from registration, or in compliance with Rule 144. Also, stop transfer instructions in conformity with the above restrictions will be given to Emerson's transfer agents. Finally, you will be required to sign a letter in the form of Exhibit 6.8 of the Agreement as a condition to Emerson's consummating the proposed transaction.

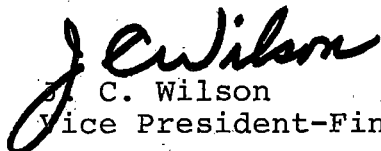
Emerson and its affiliates do not have any association, and have not had any association within the past two years, with your offeree representative, Duane Pearsall. However, it is contemplated that Mr. Pearsall will enter into an employment contract with Emerson, effective on the consummation of the proposed transaction, under which he will continue to be the principal operating officer of Statitrol Division of Emerson. His annual rate of compensation, exclusive of any bonuses, will be \$50,000. Mr. Pearsall is also a shareholder of Statitrol.

Thomas A. Bellinghausen, a shareholder of Statitrol, is also expected to enter into an employment contract with Emerson at an annual rate of compensation, exclusive of bonuses, of \$42,000. Both Mr. Pearsall and Mr. Bellinghausen may be eligible for other benefits generally available to Emerson employees.

Lyman Blackwell, a shareholder of Statitrol, has previously entered into certain arrangements with Statitrol for the sale of patents relating to smoke detection devices. Certain of these arrangements have been modified, in connection with the purchase of Statitrol by Emerson, to provide for fixed payments for five years and to provide limitations on amounts payable thereafter.

If you have any questions concerning these matters,
please contact your offeree representative, Duane Pearsall,
or call the undersigned at (314)-553-2536.

Very truly yours,


J. C. Wilson
Vice President-Finance