

3-21-1979

Letter to Dillon Company regarding an outstanding bill

Bradley, Campbell & Carney

Follow this and additional works at: <https://digitalcommons.wpi.edu/ms055-02-0002-docs>



Part of the [Entrepreneurial and Small Business Operations Commons](#)

Recommended Citation

, (1979). Letter to Dillon Company regarding an outstanding bill. .
Retrieved from: <https://digitalcommons.wpi.edu/ms055-02-0002-docs/36>

This Other is brought to you for free and open access by the MS055-02 Statitrol Records at Digital WPI. It has been accepted for inclusion in MS055-02-0002 Statitrol by an authorized administrator of Digital WPI. For more information, please contact digitalwpi@wpi.edu.

LAW OFFICES
BRADLEY, CAMPBELL & CARNEY

PROFESSIONAL CORPORATION
1717 WASHINGTON AVENUE
GOLDEN, COLORADO 80401
(303) 278-3300

LEO N. BRADLEY
TIM L. CAMPBELL
THOMAS J. CARNEY
EARL K. MADSEN
EDWARD A. WALTERS
VICTOR F. BOOG
WILLIAM J. CAMPBELL
JOHN G. BRANT
EARLE D. BELLAMY II
DOUGLAS S. ROUSE
JAMES J. NOLAN
JAMES B. SHACKELFORD

March 21, 1979

C
Dillon Companies, Inc.
P. O. Box 1266
Hutchinson, Kansas 67501

Attn: Mr. Paul Dillon, Treasurer

O
Re: Emerson Electric Co.
Acquisition of Statitrol
Corporation in 1977

Gentlemen:

P
Mr. Baine D'Arcey, formerly of Central Investment Company,
has recommended that I forward the enclosed statement to
you for your consideration.

As you know, Central Investment Company, and later Dillon
Companies, Inc., was a substantial shareholder of Statitrol
Corporation at the time Emerson Electric Co. exchanged stock
with Statitrol Corporation for all the assets of Statitrol
Corporation.

Y
This law firm represented Statitrol in its negotiations with
Emerson and in the closing process. Paragraph 4 of the
Shareholders' Agreement states:

In connection with the negotiation and execution
of the Agreement and Plan, Statitrol Corporation
incurred certain expenses for professional services
and other matters incidental to the Agreement and
Plan, for which the Agreement and Plan allocated the
sum of \$20,000. Stockholders Duane Pearsall ("Pearsall")

March 21, 1979

and Dillon Companies, Inc. have agreed that all such expenses which exceed said \$20,000 shall be assumed and paid by Pearsall and Dillon Companies, Inc. Said amount shall be prorated between Pearsall and Dillon Companies, based on the proportion which each of their stockholdings in Statitrol bear to the combined stockholdings in Statitrol.

Central Investment Company owned 44.50% of the Statitrol stock at the time of the "merger" and the Pearsall interests owned 29.5% at that time. Therefore, it would appear that the proper allocation of the \$25,000 billing would be \$10,000 to the Pearsall family and \$15,000 to Dillon Companies, Inc.

As indicated on the enclosed statement, we have received \$18,365. We assume that this was from the \$20,000 hereinabove mentioned.

We feel that the additional fee is justified based upon the priority given by our office to this project, the success of same, and the outstanding results obtained for all shareholders. We regret and apologize for the delay in sending you this statement but part of the delay was the result of long discussions with Mr. D'Arcey. There was a misunderstanding between us and Mr. D'Arcey as to whether or not there would be a supplemental fee, which he often referred to as "value billing", in this matter. We were under the impression that the decision would be deferred until the transaction was completed and the success thereof assured. When we then approached Mr. Pearsall and Mr. D'Arcey regarding this matter, Mr. D'Arcey informed us that he thought there was no agreement about this and it was too late for him to do anything about it. Mr. Pearsall agreed to pay us his share of the \$25,000 and has done so.

Several months after the tax-free exchange was accomplished, suit was filed against Emerson and Lortitats Corporation (formerly Statitrol Corporation) alleging fraud, misuse of patents, violation of the antitrust laws, and other matters regarding a license Statitrol had given to the Plaintiff, Teledyne

Dillon Companies, Inc.
Page Three

March 21, 1979

Industries, under some patents owned by Statitrol. The Agreement between Statitrol and Emerson required the shareholders of Statitrol, including your Company, under certain conditions, to indemnify Emerson in the event that a case like this was successfully prosecuted against Emerson. We are happy to report that the matter has been settled and that Teledyne has paid a substantial sum of money to Emerson for the settlement. The effect of this settlement is to relieve your Company and all other former shareholders of Statitrol from any liability to Emerson as a result of the Statitrol/Teledyne License Agreement.

It looks like everything turned out pretty well for all concerned and we like to feel that our efforts were no small part of the reason for the success. We certainly realize that our request is not timely made but we request that you will give it your favorable consideration.

Thank you.

Very truly yours,

BRADLEY, CAMPBELL & CARNEY

By JIM L. CAMPBELL

Tim L. Campbell

TLC:e

enc.

cc: Mr. Duane Pearsall
Mr. Blaine D'Arcey