FORM SC 14D9/A

Tender offer solicitation / recommendation statements filed under Rule 14d-9 [amend]

Filing Date: **1996-08-26**
SEC Accession No. 0000950168-96-001624

SUBJECT COMPANY

SPRECKELS INDUSTRIES INC

CIK:**824096**| IRS No.: **943050406** | State of Incorp.:**DE** | Fiscal Year End: **0630**
Type: **SC 14D9/A** | Act: **34** | File No.: **005-43023** | Film No.: **96620833**
SIC: **2060** Sugar & confectionery products

Mailing Address
6805 MORRISON BLVD
SUITE 450
CHARLOTTE NC 28211

Business Address
6850 MORRISON BLVD
SUITE 450
CHARLOTTE NC 28211
7043674220

FILED BY

SPRECKELS INDUSTRIES INC

CIK:**824096**| IRS No.: **943050406** | State of Incorp.:**DE** | Fiscal Year End: **0630**
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SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

SCHEDULE 14D-9
(Amendment No. 1)

SOLICITATION/RECOMMENDATION STATEMENT
PURSUANT TO SECTION 14(D)(4)
OF THE SECURITIES EXCHANGE ACT OF 1934

SPRECKELS INDUSTRIES, INC.
(Name of Subject Company)

SPRECKELS INDUSTRIES, INC.
(Name of Person(s) Filing Statement)

Class A Common Stock, Par Value $0.01 Per Share
(Including the Associated Rights)
Warrants to Purchase Shares of Class A Common Stock ($9.17 Exercise Price Per Warrant)
Warrants to Purchase Shares of Class A Common Stock ($11.67 Exercise Price Per Warrant)
Warrants to Purchase Shares of Class A Common Stock ($15.00 Exercise Price Per Warrant)
Warrants to Purchase Shares of Class A Common Stock ($1.00 Exercise Price Per Warrant)

(Title of Class of Securities)

849416201
(CUSIP Number of Class of Securities)

DONALD C. ROOF
SPRECKELS INDUSTRIES, INC.
D/B/A YALE INTERNATIONAL, INC.
ONE MORROCROFT CENTRE
6805 MORRISON BLVD., SUITE 450
CHARLOTTE, NORTH CAROLINA 28211
(704) 367-4220

(Name, address and telephone number of person
authorized to receive notice and communications on
behalf of the person(s) filing statement)

COPY TO:

PHILIP T. RUEGGER III, ESQ.
SIMPSON THACHER & BARTLETT
425 LEXINGTON AVENUE
NEW YORK, NEW YORK 10017-3954
(212) 455-2000

This Amendment No. 1 (this "Amendment") amends and supplements the Solicitation/Recommendation Statement on Schedule 14D-9 (the "Schedule 14D-9") of Spreckels Industries, Inc. (doing business as Yale International, Inc.), a Delaware corporation (the "Company"), with respect to

the tender offer disclosed in a Tender Offer Statement on Schedule 14D-1 dated July 19, 1996, as amended (the "Schedule 14D-1"), by American Enterprises Acquisition Corp., a Delaware corporation ("American Enterprises Acquisition") and a wholly owned subsidiary of American Enterprises, L.L.C., a Delaware limited liability company ("American Enterprises"), to purchase (i) all outstanding shares of Class A Common Stock, par value $0.01 per share (the "Common Stock"), including the associated rights, of the Company and (ii) all outstanding warrants to purchase shares of Common Stock issued by the Company (the "Warrants"). Capitalized terms used herein but not defined herein have the meanings assigned to such terms in the Schedule 14D-9.

ITEM 3. IDENTITY AND BACKGROUND.

Item 3(b) of the Schedule 14D-9 is hereby amended and supplemented by adding to the subsection thereof entitled "Severance and Related Matters" the following:

On August 23, 1996, in connection with the Board's approval of the Merger Agreement (as defined below) and its recommendation of the transactions contemplated thereby, including the CM Offer (as defined below) and the Merger (as defined below), and in recognition and consideration of the services provided and to be provided prior to the Merger, the Board approved amendments to the Tier 1 Amended Severance Agreements with two Executives to remove the parachute limit imposed by Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and to provide that amounts received by such Executives upon a Change in Control (whether or not received pursuant to the Tier 1 Amended Severance Agreements) will be grossed up for any amounts incurred by them as a result of the imposition of the excise taxes imposed on any payments deemed made to them under such agreements or otherwise under other agreements, plans or programs pursuant to Section 4999 of the Code. The foregoing description of the amendments to the Tier 1 Amended Severance Agreements is qualified by reference to the copies of the forms of Amendatory Agreements between the Company and Gary L. Tessitore and Donald C. Roof, respectively, attached hereto as Exhibits 11(a) and 11(b), respectively, and incorporated herein by reference.

On August 23, 1996, in consideration and recognition of their dedication to the Company and services rendered for the Company in the past and to be rendered to the Company until a Change in Control occurs and in connection with its approval of the Merger Agreement, the Board also approved bonus payments, payable upon a Change in Control, to (i) the two Executives who

are parties to the Tier 1 Amended Severance Agreements in an aggregate amount equal to $850,000, as provided in the Amendatory Agreements between each such Executive and the Company, respectively, (ii) the Corporate Office Employees of the Company in an aggregate amount equal to $150,000, as provided in the Corporate Office Employees Bonus Plan, a copy of which is attached hereto as Exhibit 11(c) and incorporated herein by reference, and (iii) the members of the Board in an aggregate amount equal to $425,000.

ITEM 7. CERTAIN NEGOTIATIONS AND TRANSACTIONS BY THE SUBJECT COMPANY.

Item 7(a)-(b) of the Schedule 14D-9 is hereby amended and supplemented by adding thereto the following:

On August 24, 1996, the Company, Columbus McKinnon Corporation ("CM") and L Acquisition Corporation, a wholly owned subsidiary of CM ("Acquisition Sub"), entered into an Agreement and Plan of Merger (the "Merger Agreement") pursuant to which Acquisition Sub agreed to commence an offer to purchase all of the outstanding Shares of the Company, at a price of $24 per Share (the "Per Share Amount"), and all of the outstanding Warrants, at a price equal to the applicable Spread (defined in the Merger Agreement, for each Warrant, as the difference between the Per Share Amount and the exercise price of such Warrant), in each case net to the seller in cash (the "CM Offer"). Following consummation of the CM Offer, Acquisition Sub will merge with and into the Company (the "Merger"), subject to the terms and conditions of the Merger Agreement, and each then outstanding Share (other than Shares to be cancelled pursuant to the Merger Agreement and any Dissenting Shares (as defined in the Merger Agreement)) will be converted into the right to receive $24 per Share in cash. After the completion of the Merger, the Company will continue as the surviving corporation. The foregoing description of the Merger Agreement is qualified by reference to the conformed copy thereof filed with the Securities and Exchange Commission and incorporated herein by reference as Exhibit 12 hereto.

On August 26, 1996, the Company issued a press release with respect to the Merger Agreement. A copy of such press release has been filed with the Securities and Exchange Commission and is incorporated herein by reference as Exhibit 13 hereto.

ITEM 8. ADDITIONAL INFORMATION TO BE FURNISHED.

Item 8 of the Schedule 14D-9 is hereby amended and supplemented by adding thereto the following:

Effective August 23, 1996, the Rights Agreement was amended to provide that neither CM nor any of its affiliates will become an Acquiring Person in connection with the Merger Agreement, the CM Offer, the Merger or the other transactions contemplated by the Merger Agreement, and that the Rights will expire upon consummation of the CM Offer. The foregoing description of the Amendment to the Rights Agreement is qualified by reference to the copy of the form thereof which is attached hereto as Exhibit 14 and incorporated herein by reference.

ITEM 9. MATERIAL TO BE FILED AS EXHIBITS.

Item 9 of the Schedule 14D-9 is hereby amended and supplemented by adding thereto the following:

<TABLE>
<CAPTION>
<S> <C>

Exhibit 11(a)	--	Form of Amendatory Agreement between Company and Gary L. Tessitore.
Exhibit 11(b)	--	Form of Amendatory Agreement between the Company and Donald C. Roof.
Exhibit 11(c)	--	Corporate Office Employee Bonus Plan of the Company.
Exhibit 12	--	Conformed Agreement and Plan of Merger dated August 24, 1996 among the Company, Columbus McKinnon Corporation and L Acquisition Corporation. (Incorporated by reference to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 26, 1996.)
Exhibit 13	--	Press Release of the Company issued on August 26, 1996. (Incorporated by reference to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 26, 1996.)
Exhibit 14	--	Form of Amendment to the Rights Agreement, dated as of August 23, 1996.

</TABLE>

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

SPRECKELS INDUSTRIES, INC.

By: /s/ GARY L. TESSITORE
GARY L. TESSITORE
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Dated: August 26, 1996

EXECUTION COPY

This Amendatory Agreement is entered into as of August 21, 1996 by and between Gary L. Tessitore (the "Employee") and Spreckels Industries, Inc., a Delaware corporation d/b/a Yale International, Inc. (the "Company").

1. The Agreement entered into as of July 25, 1996 by and between the Employee and the Company (the "Prior Agreement") is hereby amended to the extent set forth herein and, as hereby amended, shall continue in full force and effect in accordance with its terms.

2. Section 1 of the Prior Agreement is hereby amended by adding immediately prior to the last sentence at the end thereof, a new sentence which reads as follows:

Notwithstanding anything to the contrary set forth herein, immediately upon a Change of Control (whether or not Employee is terminated) the Employee shall be entitled, in addition to any payment otherwise provided for herein, to a cash payment in the amount of $500,000.

3. Section 7 of the Prior Agreement is hereby amended by deleting the last sentence of subsection (a) thereof.

4. Section 10 of the Prior Agreement is hereby amended and restated in its entirety to read as follows:

10. PARACHUTE EXCISE TAX GROSS-UP.

(a) If, as a result of any payment or benefit provided under this Agreement or under any other plan, arrangement or other agreement, either alone or together with such other payments and benefits which the Employee receives or is then entitled to receive from the Company, the Employee becomes subject to the excise tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), (together with any interest and penalties thereon an "Excise Tax"), the Company shall pay the Employee an amount (the "Gross-Up Payment") sufficient to place the Employee in the same after-tax financial position that he would have been in if he had not incurred any tax liability under Section 4999 of the Code. For purposes of determining whether the Employee is subject to an Excise Tax and the amount of any Gross-Up Payment, (i) any payments or benefits received by the Employee (whether pursuant to the terms hereof or pursuant to any plan, arrangement or other agreement with the Company or any entity

affiliated with the Company) which payments ("Contingent Payments") are deemed to be contingent on a change described in Section 280G(b)(2)(A)(i) of the Code shall be taken into

account and (ii) the Employee shall be deemed to pay federal, state and local taxes at the highest marginal applicable rates of such taxes for the calendar year in which the Gross-Up Payment is to be made, net of the maximum deduction from federal income taxes which could be obtained from deduction of any state and local taxes deemed paid by the Employee.

(b) The determination of whether the Employee is subject to Excise Tax and the amounts of such Excise Tax and Gross-Up Payment, as well as other calculations hereunder, shall be made at the expense of the Company by Arthur Andersen, which shall provide the Employee with prompt written notice (the "Company Notice") setting forth their determinations and calculations. Within 30 days following the receipt by the Employee of the Company Notice, the Employee may notify the Company in writing (the "Employee Notice") if the Employee disagrees with such determinations or calculations, setting forth the reasons for any such disagreement. If the Company and the Employee do not resolve such disagreement within 10 business days following receipt by the Company of the Employee Notice, such dispute will be resolved in accordance with Section 11(g). The Company shall pay all reasonable expenses incurred by either party in connection with the determinations, calculations, disagreements or resolutions pursuant to this paragraph, including, but not limited to, reasonable legal, consulting or other similar fees.

(c) The Employee shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of a Gross-Up Payment. Such notification shall be given as soon as practicable but no later than 10 business days after the Employee is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Employee shall not pay such claim prior to the expiration of the 30 day period following the date on which the Employee gives such notice to the Company (or such shorter period ending on the

date that any payment of taxes with respect to such claim is due). If the Company notifies the Employee in writing prior to the expiration of such period that it desires to contest such claim, the Employee shall:

i) give the Company any information reasonably requested by the Company relating to such claim;

ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time,

including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company and reasonably satisfactory to the Employee;

iii) cooperate with the Company in good faith in order to effectively contest such claim; and

iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including, but not limited to, additional interest and penalties and related legal, consulting or other similar fees) incurred in connection with such contest and shall indemnify and hold the Employee harmless, on an after-tax basis, for any Excise Tax or other tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses.

(d) The Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Employee to pay such claim and sue for a refund, the Company shall advance the amount of

such payment to the Employee on an interest-free basis, and shall indemnify and hold the Employee harmless, on an after-tax basis, from any Excise Tax or other tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and provided, further, that if the Employee is required to extend the statute of limitations to enable the Company to contest such claim, the Employee may limit this extension solely to such contested amount. The Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority. In addition, no position may be taken nor any final resolution be agreed to by the Company without the Employee's consent if such position or resolution could reasonably be expected to adversely affect the Employee

(including any other tax position of the Employee unrelated to the matters covered hereby).

(e) As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Company hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies and the Employee thereafter is required to pay to the Internal Revenue Service an additional amount in respect of any Excise Tax, the Company (in the same fashion as set forth in Section 10(b)) shall determine the amount of the Underpayment that has occurred and any such Underpayment shall promptly be paid by the Company to or for the benefit of the Employee.

(f) If, after the receipt by Employee of an amount advanced by the Company in connection with the contest of an Excise Tax claim, the Employee becomes entitled to receive any refund with respect to such claim, the Employee shall promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Employee of an amount advanced by the Company in connection with an Excise Tax claim, a determination is made that Employee shall not be entitled to any refund with respect to such claim and the Company does not notify the Employee in writing of its intent to contest the denial of such refund prior to the expiration of 30 days after such determination, such

advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall be offset, to the extent thereof, by the amount of the Gross-Up Payment.

IN WITNESS WHEREOF, each of the parties has executed this Amendatory Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

Gary L. Tessitore

Spreckels Industries, Inc.
(d/b/a Yale International, Inc.)

By:
Bart A. Brown
Chairman of the Board of Directors

EXECUTION COPY

This Amendatory Agreement is entered into as of August 21, 1996 by and between Donald C. Roof (the "Employee") and Spreckels Industries, Inc., a Delaware corporation d/b/a Yale International, Inc. (the "Company").

1. The Agreement entered into as of July 25, 1996 by and between the Employee and the Company (the "Prior Agreement") is hereby amended to the extent set forth herein and, as hereby amended, shall continue in full force and effect in accordance with its terms.

2. Section 1 of the Prior Agreement is hereby amended by adding immediately prior to the last sentence at the end thereof, a new sentence which reads as follows:

Notwithstanding anything to the contrary set forth herein, immediately upon a Change of Control (whether or not Employee is terminated) the Employee shall be entitled, in addition to any payment otherwise provided for herein, to a cash payment in the amount of $350,000.

3. Section 7 of the Prior Agreement is hereby amended by deleting the last sentence of subsection (a) thereof.

4. Section 10 of the Prior Agreement is hereby amended and restated in its entirety to read as follows:

10. PARACHUTE EXCISE TAX GROSS-UP.

(a) If, as a result of any payment or benefit provided under this Agreement or under any other plan, arrangement or other agreement, either alone or together with such other payments and benefits which the Employee receives or is then entitled to receive from the Company, the Employee becomes subject to the excise tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), (together with any interest and penalties thereon an "Excise Tax"), the Company shall pay the Employee an amount (the "Gross-Up Payment") sufficient to place the Employee in the same after-tax financial position that he would have been in if he had not incurred any tax liability under Section 4999 of the Code. For purposes of determining whether the Employee is subject to an Excise Tax and the amount of any Gross-Up Payment, (i) any payments or benefits received by the Employee (whether pursuant to the terms hereof or pursuant to any plan,

arrangement or other agreement with the Company or any entity affiliated with the Company) which payments ("Contingent Payments") are deemed to be contingent on a change described in Section 280G(b)(2)(A)(i) of the Code shall be taken into

account and (ii) the Employee shall be deemed to pay federal, state and local taxes at the highest marginal applicable rates of such taxes for the calendar year in which the Gross-Up Payment is to be made, net of the maximum deduction from federal income taxes which could be obtained from deduction of any state and local taxes deemed paid by the Employee.

(b) The determination of whether the Employee is subject to Excise Tax and the amounts of such Excise Tax and Gross-Up Payment, as well as other calculations hereunder, shall be made at the expense of the Company by Arthur Andersen, which shall provide the Employee with prompt written notice (the "Company Notice") setting forth their determinations and calculations. Within 30 days following the receipt by the Employee of the Company Notice, the Employee may notify the Company in writing (the "Employee Notice") if the Employee disagrees with such determinations or calculations, setting forth the reasons for any such disagreement. If the Company and the Employee do not resolve such disagreement within 10 business days following receipt by the Company of the Employee Notice, such dispute will be resolved in accordance with Section 11(g). The Company shall pay all reasonable expenses incurred by either party in connection with the determinations, calculations, disagreements or resolutions pursuant to this paragraph, including, but not limited to, reasonable legal, consulting or other similar fees.

(c) The Employee shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of a Gross-Up Payment. Such notification shall be given as soon as practicable but no later than 10 business days after the Employee is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Employee shall not pay such claim prior to the expiration of the 30 day period following the date on which the Employee gives such

notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Employee in writing prior to the expiration of such period that it desires to contest such claim, the Employee shall:

i) give the Company any information reasonably requested by the Company relating to such claim;

ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time,

including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company any reasonably satisfactory to the Employee;

iii) cooperate with the Company in good faith in order to effectively contest such claim; and

iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including, but not limited to, additional interest and penalties and related legal, consulting or other similar fees) incurred in connection with such contest and shall indemnify and hold the Employee harmless, on an after-tax basis, for any Excise Tax or other tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses.

(d) The Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Employee to pay such

claim and sue for a refund, the Company shall advance the amount of such payment to the Employee on an interest-free basis, and shall indemnify and hold the Employee harmless, on an after-tax basis, from any Excise Tax or other tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and provided, further, that if the Employee is required to extend the statute of limitations to enable the Company to contest such claim, the Employee may limit this extension solely to such contested amount. The Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority. In addition, no position may be taken nor any final resolution be agreed to by the Company without the Employee's consent if such position or resolution could reasonably be expected to adversely affect the Employee

(including any other tax position of the Employee unrelated to the matters covered hereby).

(e) As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Company hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies and the Employee thereafter is required to pay to the Internal Revenue Service an additional amount in respect of any Excise Tax, the Company (in the same fashion as set forth in Section 10(b)) shall determine the amount of the Underpayment that has occurred and any such Underpayment shall promptly be paid by the Company to or for the benefit of the Employee.

(f) If, after the receipt by Employee of an amount advanced by the Company in connection with the contest of an Excise Tax claim, the Employee becomes entitled to receive any refund with respect to such claim, the Employee shall promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Employee of an amount advanced by the Company in connection with an Excise Tax claim, a determination is made that Employee shall not be entitled to any refund with respect to such claim and the Company does not notify the Employee in writing of its intent to contest the denial of such refund

prior to the expiration of 30 days after such determination, such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall be offset, to the extent thereof, by the amount of the Gross-Up Payment.

IN WITNESS WHEREOF, each of the parties has executed this Amendatory Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

Donald C. Roof

Spreckels Industries, Inc.
(d/b/a Yale International, Inc.)

By:
Bart A. Brown
Chairman of the Board of
Directors

YALE INTERNATIONAL, INC.

Corporate Office Employees Bonus Plan
(Effective August 23, 1996)

In recognition and consideration of the services provided and to be provided by certain corporate office employees of Yale International, Inc. (the "Company"), the Board of Directors of the Company (the "Board") has designated those certain corporate office employees of the Company (each, an "Eligible Employee") to receive a cash bonus (each a "Bonus") in the amount determined by the Board, subject to the terms and conditions hereinafter set forth. Each Eligible Employee shall receive a written notice that he or she has been so designated and the amount of his or her Bonus under the Corporate Office Employees Bonus Plan (the "Plan").

1. Eligibility

In order to receive payment of a Bonus, the Eligible Employee must be employed by the Company or its subsidiaries on the day immediately preceding a Change in Control (as hereinafter defined), unless such Eligible Employee's employment is terminated prior to such day on account of the death or disability of such Eligible Employee.

2. Payment

Subject to the provisions of the Section 4 hereof, payment of the Bonus to each Eligible Employee entitled thereto shall be made no later than ten (10) business days following a Change in Control in a cash lump sum, reduced by any applicable withholding or other taxes required by law to be deducted from such payment.

3. Change in Control

For purposes of the Plan, the term "Change in Control" means the occurrence of any of the following events after the effective date of the Plan:

(i) The six persons who were directors of the Company on September 1, 1995 (the "Incumbent Directors") shall cease (for any reason other than death) to constitute a majority of the Board of Directors of the Company. For this purpose, any director who was not a director on September 1, 1995 shall be deemed to be an Incumbent Director if such director was elected or appointed to the Board after the date hereof in substitution of an Incumbent Director by, or on the recommendation of or with approval of, at least a majority of the directors who then qualified as Incumbent Directors (so long as such director was not nominated by a person who has threatened to, or has entered into an agreement to, effect a Change in Control);

(ii) Any "person" (as such term is used in sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act")), other than the Company or an employee benefit plan of the Company, through the acquisition or aggregation of securities is or becomes the beneficial owner, directly or indirectly, of securities of the Company representing more than 30% of the combined voting power of the Company's then outstanding securities ordinarily (and apart from rights accruing under special circumstances) having the right to vote at elections of directors;

(iii) The shareholders of the Company approve (i) a merger or consolidation of the Company with any other corporation, provided that, if immediately following such merger the Shareholders of the Company own more than 75 percent of the combined voting power of the Company's then outstanding securities ordinarily (and apart from rights accruing under special circumstances) having the right to vote at elections of directors of the resulting company and no "person" or "group" (as such terms are used in sections 13(d) and 14(d) of the Exchange Act), other than the Company or an employee benefit plan of the Company, owns more than 25 percent of the combined voting power of the Company's then outstanding securities ordinarily (and apart from rights accruing under special circumstances) having the right to vote at elections of directors, then no Change in Control shall be deemed to have taken place or (ii) an agreement for the sale of 50 percent or more of the assets of the Company; or

(iv) Any other event determined to be a Change in Control by a majority of the Board.

4. Administration

The Plan shall be administered by the Board, which shall have the power to determine Eligible Employees and the amount of the Bonus to be awarded to an Eligible Employee. The Board shall have sole discretion to interpret the Plan and to establish, amend and rescind any rules relating to the Plan. Any determination of the Board in the administration of the Plan shall be final and conclusive.

The Board may, in its sole discretion, determine that a particular Change in Control shall not entitle Eligible Employees to payment of Bonuses under the Plan; provided that such determination must be made prior to the occurrence of such Change in Control.

The validity, interpretation, construction and performance of this Plan shall be governed by the laws of the State of North Carolina.

5. Amendment or Termination

The Board may amend, suspend or terminate the Plan or any portion thereof at any time; provided, however, that no such amendment, suspension or termination shall affect an Eligible Employees right to receive a Bonus under the Plan after such right has accrued by virtue of the occurrence of a Change in Control

6. Unfunded Plan

The Company shall not be required to fund the Plan. With respect to any Bonus not yet paid to an Eligible Employee by the Company, nothing contained herein shall give such Eligible Employee any rights greater than those of a general creditor of the Company. The Board may, in its sole discretion, authorize the creation of trusts or other arrangements to meet the obligations of the Company under the Plan.

7. Notice

Notices contemplated by this Plan shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered mail, return receipt requested and postage prepaid.

8. No Setoff; Withholding Taxes

There shall be no right of setoff or counterclaim, with respect to any claim, debt or obligation, against payments to an Eligible Employee under this Plan. All payments made under this Plan shall be subject to reduction for individual income and withholding taxes required to be withheld by law.

AMENDMENT TO RIGHTS AGREEMENT

THIS AMENDMENT TO RIGHTS AGREEMENT (this "Amendment") is entered into as of August 23, 1996, by and between SPRECKELS INDUSTRIES, INC. (doing business as YALE INTERNATIONAL, INC.), a Delaware Corporation (the "Company"), and CHASEMELLON SHAREHOLDER SERVICES, L.L.C. (formerly CHEMICAL MELLON SHAREHOLDER SERVICES, L.L.C.) (the "Rights Agent"), amending the Rights Agreement, dated as of November 11, 1995, as amended, between the Company and the Rights Agent (the "Rights Agreement").

Recitals of the Company:

The Company has duly authorized the execution and delivery of this Amendment, and all things necessary to make this Amendment a valid agreement of the Company have been done. This Amendment is entered into pursuant to Section 27(iii) of the Rights Agreement permitting the Company and the Rights Agent, prior to the Distribution Date (as defined in the Rights Agreement) to change or supplement any provision thereunder in any manner which the Company may deem necessary or desirable.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the parties hereby agree as follows:

1. Defined Terms. Terms defined in the Rights Agreement and used herein shall have the meanings given to them in the Rights Agreement.

2. Amendments to Section 1. (a) Section 1(a) of the Rights Agreement is amended to add the following sentence at the end thereof:

"Notwithstanding anything in this Agreement to the contrary, neither CMC nor any affiliate of CMC shall be deemed to be an Acquiring Person solely by reason of the execution and delivery of the Merger Agreement or the consummation of the Offer, the Merger or any other transactions contemplated by the Merger Agreement."

(b) Section 1 of the Rights Agreement is amended to add the following provisions at the end thereof:

"(m) For purposes of this Agreement:

'CMC' shall mean Columbus McKinnon Corporation, a New York corporation;

'Merger Agreement' shall mean the Agreement and Plan of Merger dated August 24, 1996 among CMC, L

Acquisition Corporation, a Delaware corporation and a wholly owned subsidiary of CMC, and the Company, as amended from time to time in accordance with its terms;

'Merger' shall have the meaning assigned to such term in the Merger Agreement; and

'Offer' shall have the meaning assigned to such term in the Merger Agreement."

3. Amendment of Section 24. Section 24 of the Rights Agreement is amended to add the following Section (e):

"(e) Notwithstanding anything in this Agreement to the contrary, all Rights hereunder shall expire upon the consummation of the Offer, provided that the Minimum Condition (as defined in the Merger Agreement) shall have been satisfied."

4. Effectiveness. This Amendment shall be deemed effective as of August 23, 1996 as if executed on such date. Except as amended hereby, the Rights Agreement shall remain in full force and effect and shall be otherwise unaffected hereby.

5. Miscellaneous. This Amendment shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be governed by and construed in accordance with the laws of such state. This Amendment may be executed in any number of counterparts, each of such counterparts shall for all purposes be deemed an original and all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

Attest: SPRECKELS INDUSTRIES, INC.

[Seal]

_____ By:_____

Title: Title:

Attest:

CHASEMELLON SHAREHOLDER SERVICES, L.L.C.

[Seal]

_____ By:_____

Title: Title: