SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1995-07-28** | Period of Report: **1995-06-30**
SEC Accession No. 0000950124-95-002255

FILER

MYERS L E CO GROUP

CIK:**700923**| IRS No.: **363158643** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **001-08325** | Film No.: **95556977**
SIC: **1623** Water, sewer, pipeline, comm & power line construction

Mailing Address
2550 W GOLF ROAD
SUITE 200
ROLLING MEADOWS IL 60008

Business Address
2550 W GOLF STE 200
ROLLING MEADOWS IL 60008
7082901891

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1995

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from____________________to____________________

Commission File Number 1-8325

THE L. E. MYERS CO. GROUP
(Exact name of registrant as specified in its charter)

Delaware	36-3158643
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2550 W. Golf Road, Suite 200 Rolling Meadows, Illinois 60008
(Address of principal executive offices)
(Zip Code)

(708) 290-1891
Registrant's telephone number, include area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No_____

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY

PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes_____ No_____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of July 26, 1995: 2,379,656

THE L.E. MYERS CO. GROUP

I N D E X

<TABLE>
<CAPTION>

</TABLE>

Part I, Item 1
Financial
Information

THE L.E. MYERS CO. GROUP

CONDENSED CONSOLIDATED BALANCE SHEET
(Dollars in thousands)

<TABLE>
<CAPTION>

	JUNE 30 1995 (UNAUDITED)	DEC. 31 1994 *
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	$ 375	$ 6,115
Contract receivables including retainage	42,022	12,687
Costs and estimated earnings in excess of billings on uncompleted contracts	9,719	1,408
Deferred income taxes	3,192	1,622
Other current assets	2,953	532
Total current assets	58,261	22,364
Property and equipment:	60,504	50,515
Less accumulated depreciation	37,500	35,863
	23,004	14,652
Intangible assets	1,170	368
Other assets	2,997	2,260
Total assets	$ 85,432	$ 39,644
LIABILITIES		
Current Liabilities:		
Current maturities of long-term debt	$ 4,893	$ 507
Accounts payable	7,548	3,069
Billings in excess of costs and estimated earnings on uncompleted contracts	6,130	783

Accrued insurance	9,126	4,415
Other current liabilities	14,353	4,995
Total current liabilities	42,050	13,769
Deferred income taxes	2,221	1,257
Other liabilities	403	678
Long-term debt:		
Revolver and other debt	3,152	318
Term loan	6,250	0
Industrial revenue bond	1,070	0
Subordinated convertible debentures	5,679	0
Total long-term debt	16,151	318
SHAREHOLDERS' EQUITY		
Common stock and additional paid-in capital	9,268	9,269
Retained earnings	17,452	16,472
Treasury stock	(1,637)	(1,643)
Shareholders' notes receivable	(476)	(476)
Total shareholders' equity	24,607	23,622
Total liabilities and shareholders' equity	$ 85,432	$ 39,644

</TABLE>

*Condensed from audited financial statements
The "Notes to Condensed Consolidated Financial Statements" are an integral part of this statement.

THE L.E. MYERS CO. GROUP

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Dollars in thousands except per share amounts)
(Unaudited)

<TABLE>
<CAPTION>

PERIODS ENDED JUNE 30	THREE MONTHS		SIX MONTHS	
<S>	<C> 1995	<C> 1994	<C> 1995	<C> 1994
Contract revenue	$ 64,015	$ 22,243	$ 120,066	$ 43,791
Contract cost	56,677	18,927	106,075	38,019
Gross profit	7,338	3,316	13,991	5,772
Selling, general and administrative expenses	5,224	2,034	10,937	4,357
Income from operations	2,114	1,282	3,054	1,415
Other income (expense)				

Interest income	13	39	35	84
Interest expense	(430)	(18)	(895)	(56)
Gain on sale of fixed assets	80	19	107	19
Miscellaneous	(102)	(105)	(206)	(203)
Income before taxes	1,675	1,217	2,095	1,259
Income tax expense	670	475	838	491
Net income	$ 1,005	$ 742	$ 1,257	$ 768
Earnings per share				
Primary	$ .40	$ .30	$ .50	$ .31
Fully diluted	$ .35	$ .30	$ .46	$ .31
Dividends per common share	$ .0625	$ .055	$ .1175	$ .11
Weighted average common shares and Common share equivalents outstanding				
Primary	2,529	2,490	2,526	2,494
Fully diluted	2,979	2,490	2,976	2,494

</TABLE>

The "Notes to Condensed Consolidated Financial Statements" are an integral part of this statement.

THE L.E. MYERS CO. GROUP

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
w(Dollars in thousands)
(Unaudited)

<TABLE>
<CAPTION>

SIX MONTHS ENDED JUNE 30	1995	1994
<S>	<C>	<C>
CASH FLOWS FROM OPERATIONS		
Net income	$ 1,257	$ 768
Adjustments to reconcile net income to cash flows from operations		
Depreciation and amortization	2,856	1,393
Amortization of intangibles	158	130
Gain from disposition of assets	(107)	(19)
Changes in current assets and liabilities	627	(134)
Cash flows from operations	4,791	2,138
CASH FLOWS FROM INVESTMENTS		
Expenditures for property and equipment	(1,734)	(1,315)
Proceeds from disposition of assets	200	58
Cash used in acquisition, net of cash acquired	(12,995)	0

Cash flows from investments	(14,529)	(1,257)
CASH FLOWS FROM FINANCING		
Repayments of long term debt	(15,068)	(795)
Proceeds from issuance of debt	19,500	0
Purchase of treasury stock	0	(168)
Decrease in deferred compensation	(15)	(22)
Decrease in other assets	(142)	(1)
Dividends paid	(277)	(263)
Cash flows from financing	3,998	(1,249)
Decrease in cash and cash equivalents	(5,740)	(368)
Cash and cash equivalents at beginning of year	6,115	5,698
Cash and cash equivalents at end of period	$ 375	$ 5,330

</TABLE>

The "Notes to Condensed Consolidated Financial Statements" are an integral part of this statement.

THE L.E. MYERS CO. GROUP

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1 - BASIS OF PRESENTATION

The condensed consolidated balance sheet, statement of operations and statement of cash flows include the accounts of the Company and its subsidiaries. All material intercompany balances and transactions have been eliminated.

The financial information included herein is unaudited; however, such information reflects all adjustments (consisting solely of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of results for the interim period.

The results of operations for the six month period ended June 30, 1995 are not necessarily indicative of the results to be expected for the full year.

2 - ACQUISITION OF HARLAN ELECTRIC CO.

Effective as of January 3, 1995, the Company acquired all the stock of Harlan Electric Company ("Harlan"). Harlan and its wholly-owned subsidiaries, Sturgeon Electric Company, Inc. and Power Piping Company, are engaged primarily in the installation and maintenance of electrical equipment and lighting systems for commercial, industrial and electrical utility customers and in the erection and maintenance of high and low pressure piping systems for electrical utilities and steel industry customers.

All the shares of Harlan were exchanged for $13,612,000 in cash and $5,679,000 of 7% convertible subordinated notes. The principal of each note will be due in three equal installments on January 3, 2000, 2001 and 2002, with interest payable semiannually each year. The notes are convertible into 450,000 shares of Myers common stock at a price per share of $12.62. Myers also refinanced $8,756,000 of Harlan debt. The transaction was financed through cash on hand and borrowings under a new $25,000,000 revolving and term credit facility with Harris Trust and Savings Bank and Comerica Bank. The transaction has been accounted for using the purchase method of accounting and the results of operations of Harlan have been included in the Company's consolidated financial statements since the effective date.

The following unaudited pro forma summary presents the consolidated results of continuing operations for the six month period ended June 30, 1994 as if the acquisition had occured January 1, 1994 and does not purport to be indicative of what would have occurred had the acquisition actually been made as of January 1, 1994 or of results which may occur in the future (in thousands, except per share amounts).

	1994
Contract revenue	$116,640
Income	2,839
Income per share	
Primary	1.12
Fully diluted	.99

Adjustments made in arriving at pro forma unaudited results of operations include increased interest expense on acquisition debt, amortization of goodwill and related tax adjustments.

3 - CONTINGENCIES

The Company has been involved in two lawsuits as a result of errors in the design of four transmission towers by the Company's former engineering subsidiary for City Utilities Commission of Owensboro, Kentucky (OMU). The engineering subsidiary has been sold but the Company retained the rights and obligations related to these lawsuits as part of the sale agreement.

One lawsuit (the Kentucky lawsuit) alleged that the engineering subsidiary negligently designed and engineered the towers, and that OMU incurred damages as a result of the redesign and replacement of the four towers. During 1993, OMU agreed to a settlement of the case pursuant to which it accepted payment of $1.3 million from the Company.

The other lawsuit (the New York lawsuit) concerns the insurance coverage of the engineering subsidiary related to the design errors. The Company notified its primary and excess umbrella insurance carriers at the time of the discovery of the design errors. The Company's excess umbrella carrier denied insurance coverage for the damages above the primary carrier's policy limits and filed an action against the Company seeking a declaratory judgement that the umbrella insurance coverage did not apply to the loss on several theories. The Company counterclaimed against the umbrella carrier and, in addition, in a third party action, brought suit against three former insurance brokers which had procured the insurance for the Company. The Company is seeking to recover $550,000 of unreimbursed costs it incurred in the disassembly, redesign and replacement of the towers, the amount of payments it made to OMU, the legal and related expenses it incurred in the Kentucky lawsuit, legal and related expenses it has and will incur in the New York lawsuit, and interest.

The approximately $550,000 of unreimbursed costs as well as the $1.3 million paid to OMU during 1993 is recorded on the Company's books as a non-current asset. Management is of the opinion that the amounts so recorded will be recovered in the New York lawsuit from its excess umbrella insurance carrier and its brokers, individually or collectively.

The Company is also involved in various other legal matters which arise in the ordinary course of business, none of which is expected to have a material adverse effect.

4 - EARNINGS PER SHARE

In 1995, the computation of primary earnings per share is based on the weighted average number of outstanding common shares and additional shares assuming the exercise of stock options. The computation of fully diluted earnings per share further assumes the conversion of the 7% convertible subordinated notes due January 3, 2000, 2001 and 2002. In 1995 and 1994, both primary and fully diluted earnings per common share were based on the weighted average number of outstanding common shares.

5 - SUPPLEMENTAL QUARTERLY FINANCIAL INFORMATION (UNAUDITED)
(Dollars in thousands, except per share amounts)

<TABLE>
<CAPTION>

	1995				
	MAR. 31	JUNE 30	SEPT. 30	DEC. 30	YEAR TO DATE
<S>	<C>	<C>	<C>	<C>	<C>
Contract Revenue	$ 56,051	$ 64,015	$	$	$ 120,066
Gross Profit	6,653	7,338			13,991
Net Income	252	1,005			1,257
Income Per Share:					
Primary	.10	.40			.50
Fully diluted	.10	.35			.46
Dividends Paid Per Share	.05-1/2	.06-1/4			11-3/4
Market Price:					
High	12-7/8	13-3/4			13-3/4
Low	10-5/8	11-3/8			10-5/8

<CAPTION>

	1994				
	MAR. 31	JUNE 30	SEPT. 30	DEC. 31	YEAR TO DATE
<S>	<C>	<C>	<C>	<C>	<C> <C>
Contract Revenue	$ 21,548	$ 22,243	$ 21,675	$ 21,376	$ 86,842
Gross Profit	2,456	3,316	3,072	3,453	12,297
Income from Continuing Operations	26	742	759	802	2,329
Net Income	26	742	759	652	2,179
Income Per Share:					
Continuing Operations	.01	.30	.30	.32	.93
Net Income	.01	.30	.30	.26	.87
Dividends Paid Per Share	.05-1/2	.05-1/2	.05-1/2	.05-1/2	.22
Market Price:					
High	12	12-1/4	13-5/8	12-3/4	13-5/8
Low	10-3/8	10-3/8	9-3/4	10-3/4	9-3/4

</TABLE>

Part I
Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 1995

RESULTS OF OPERATIONS

Effective as of January 3, 1995, the Company acquired all the stock of Harlan Electric Company. Harlan and its wholly-owned subsidiaries, Sturgeon Electric Company, Inc. and Power Piping Company (hereinafter collectively referred to as "Harlan"), are engaged primarily in the installation and maintenance of electrical equipment and lighting systems for commercial, industrial and electrical utility customers and in the erection and maintenance of high and low pressure piping systems for electrical utilities and steel industry customers. (See Note 2 to Consolidated Financial Statements).

The Company reported net income of $1,005,000 or $.40 per share and $1,257,000 or $.50 per share for the three and six month periods ended June 30, 1995. This compares to $742,000 or $.30 per share and $768,000 or $.31 per share for the same periods in 1994.

Revenues for the three and six month periods were $64,015,000 and $120,066,000 in 1995 compared to $22,243,000 and $43,791,000 in 1994. Harlan's contribution to 1995 revenues accounts for most of the growth compared to 1994.

Gross profits for the three and six month periods of 1995 were $7,338,000 or 11.5% and $13,991,000 or 11.7% compared to $3,316,000 or 14.9% and $5,772,000 or 13.2% for the same periods in 1994. Harlan's contribution to 1995 gross profits accounts for most of the growth in 1994. Margins were reduced in 1995 due to increased revenues from certain contracts which were bid with lower mark-ups due to competition.

Revenue and gross profit comparisons from quarter to quarter and comparable quarters of different periods may be impacted by variables beyond the control of the Company due to the nature of the Company's work as an outside electrical contractor. Such variables include unusual or unseasonal weather and delays in receipt of construction materials which are typically procured by the Company's clients. The seasonal nature of outside electrical construction typically results in lower revenues and lower margins in the first quarter when compared to other quarters. As a general rule, the better construction weather in the second, third and fourth quarters usually results in higher revenues and margins from those quarters. Competitive bidding pressures may cause these general trends to vary. Additionally, since the company's revenues are derived principally from providing construction labor services, insurance costs, particularly for workers compensation, are a significant factor in the Company's contract cost structure. Fluctuations in insurance reserves for claims under the retrospective rated insurance programs can have significant impact on gross margins, either upward or downward, in the period in which such insurance reserve adjustments are made.

Selling, general and administrative expenses were $5,224,000 and $10,937,000 for the three and six month periods of 1995 compared to $2,034,000 and $4,357,000 in 1994. This represents 8.2% and 9.1% of consolidated revenues for the three and six month period of 1995 and 9.1% and 9.9% for the same periods in 1994. Harlan accounts for most of the increase over 1994.

The Company's backlog at June 30, 1995 is $69,400,000 compared to $28,200,000 at December 31, 1994 and $31,215,000 at June 30, 1994. Substantially all of the current backlog will be completed within twelve months and approximately 93% is expected to be completed by December 31, 1995. Harlan accounts for a majority of the increase in the backlog from the prior year.

LIQUIDITY AND CAPITAL RESOURCES

On January 3, 1995, the Company borrowed $10,000,000 under a new term loan agreement and $9,500,000 under a $15,000,000 bank revolving line of credit to finance the Harlan acquisition and pay off Harlan's line of credit balance. The Company also issued $5,679,000 of subordinated convertible debentures to some of Harlan's former shareholders in the acquisition. The term loan is due in quarterly payments of $625,000 over four years and the revolving line of credit expires on December 31, 1998. The subordinated convertible debentures are to be paid in three equal installments in years 2000, 2001 and 2002. The Company has outstanding letters of credit with the bank totaling $12,373,000 which guarantee the Company's payment obligation under its insurance programs. The Company anticipates that its line of credit, cash balances and internally generated cash flows will be sufficient to fund operations, capital expenditures and debt service requirements for the next twelve months. The Company is also confident that its financial condition will allow it to meet long-term capital requirements.

A quarterly dividend of $.0625 per share was paid on June 15, 1995.

The Company's cash decreased $5,740,000 for the six months. Cash provided by operations was $4,791,000. Cash used in the acquisition of Harlan was $12,995,000 and cash used for capital expenditures was $1,534,000. Cash provided from financing was $3,998,000.

The Company's current ratio is 1.4:1 at June 30, 1995 compared to 1.6:1 at December 31, 1994.

Capital acquisitions for 1995 totalled $1,734,000. The Company anticipates acquiring a total of approximately $3,900,000 of capital assets in 1995.

PART II

Item 1. Legal Proceedings

There were no material developments during the quarter related to legal proceedings previously reported by the Company.

Item 4. Submission of Matters to a Vote of Security Holders

The annual meeting of stockholders was held on May 11, 1995 pursuant to a notice of meeting and proxy statement sent to the Company's stockholders on or about April 4, 1995. Mr. Charles M. Brennan III was elected as the Class III director whose term expires at the 1998 annual meeting of stockholders. Mr. William G. Brown and Mr. John M. Harlan continued as Class I directors. Mr. Allan E. Bulley, Jr. and Mr. Bide L. Thomas continued as Class II directors. The Class I and II directors' terms expire at the 1996 and 1997 annual meeting of stockholders, respectively.

The stockholders approved the Company's 1995 Stock Option Plan by a vote of 1,248,986 shares in favor and 224,570 shares against and 15,104 shares abstaining. Reference to the description of the 1995 Stock Option Plan set forth in the Company's proxy statement is hereby incorporated.

Item 6. Exhibits and Reports on Form 8-K

a. Exhibits filed herewith are listed in the Exhibit Index filed as a part hereof and incorporated herein by reference.

b. No reports on Form 8-K were filed by the Company for the second quarter of 1995.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

The L. E. Myers Co. Group

Date: July 27, 1995 By:_______________________________________

Elliott C. Robbins, Sr. Vice President,
Treasurer, and Chief Financial Officer
(duly authorized representative of
registrant and principal financial
officer)

THE L.E. MYERS CO. GROUP
QUARTERLY REPORT ON FORM 10Q
For the Three and Six Months Ended June 30, 1995 and 1994

Exhibit Index

<TABLE>
<CAPTION>

Number	Description	Page (or Reference)
<S>	<C>	<C>
10.1	1995 Stock Option Plan	12
10.2	Management Incentive Plan	16
11	Computation of Net Income Per Share	18
27	Financial Data Schedules	19

</TABLE>

EXHIBIT 10.1

THE L. E. MYERS CO. GROUP
1995 STOCK OPTION PLAN

1. STATEMENT OF PURPOSE. The purpose of this Stock Option Plan (the "Plan") is to benefit The L. E. Myers Co. Group (the "Company") and its subsidiaries through the maintenance and development of management by offering certain present and future key individuals a favorable opportunity to become holders of stock in the Company over a period of years, thereby giving them a permanent stake in the growth and prosperity of the Company and encouraging them to continue their involvement with the Company or its subsidiaries.

2. ADMINISTRATION. The Plan shall be administered by a committee (the "Committee") of the Board of Directors of the Company (the "Board"), consisting of not less than two members of the Board who are not employees or officers of the Company or any of its subsidiaries. Each member of the Committee shall be appointed from time to time by the Board and shall serve at the pleasure of the Board. Only "disinterested persons", as such term is defined in Section 16b-3(c)(2)(i) of the Securities Exchange Act of 1934 (as amended), shall serve as members of the Committee. The Board of Directors may from time to time, create a management subcommittee consisting of officers of the Company, and delegate to such subcommittee the authority to grant options to non-officer employees of the Company subject to subsequent ratification of the grants by the Committee.

Subject to the terms of the Plan, the Committee shall have the authority, in its sole discretion, (a) to determine the individuals to whom options are granted under the Plan; (b) to determine the number of shares subject to each option; (c) to determine the exercise price per share of each option (subject to Section 5 of the Plan); (d) to determine the time or times when options are granted; (d) to determine the time or times when, or conditions upon which, each option becomes exercisable; (e) to accelerate the exercisability of any option granted pursuant to the Plan including with respect to options held by employees whose employment has been terminated by reason of death, permanent disability or retirement; (f) to determine the term of each option (subject to Section 6 of the Plan); (g) to prescribe the form or forms of agreements which evidence options granted under the Plan; and (h) to interpret the Plan and to adopt rules or regulations (consistent with the terms of the Plan) which, in the Committee's opinion, may be necessary or advisable for the administration of the Plan. Any action taken or decision made by the Committee in connection with the administration and interpretation of the Plan shall, to the extent permitted by law, be conclusive and binding upon grantees of options under the Plan, including any transferee or assignee of any option granted under the Plan or any person claiming rights under or through such optionee.

3. ELIGIBILITY. Options may be granted to key employees of the Company and its subsidiaries selected initially and from time to time thereafter by the Committee in its sole discretion on the basis of their importance to the business of the Company or its subsidiaries.

4. GRANTING OF OPTIONS. Options may be granted under the Plan under which a total of not in excess of 300,000 shares of common stock of the Company, $1.00 par value, ("Common Stock") may be purchased from the Company, subject to adjustment as provided in Section 10. Options granted under the Plan will not be treated as incentive stock options as defined in Section 422A of the Internal Revenue Code of 1986, as amended (the "Code").

In the event that an option expires or is terminated or canceled unexercised as to any shares, such released shares may be made the subject of options granted hereunder (including without limitation options granted in substitution for canceled options). Shares subject to options may be made available from unissued or reacquired shares of Common Stock.

5. OPTION EXERCISE PRICE. The option exercise price of each option shall be determined by the Committee and, subject to the provisions of Section 10 hereof, shall be not less than 100% of the fair market value, at the time the option is granted, of the shares of Common Stock subject to the option. Any determination of the fair market value or of the method of computing fair market value of a share of

Common Stock made by the Committee pursuant to any provision of this Plan shall be final, binding and conclusive on all parties.

6. DURATION OF OPTIONS, INCREMENTS, AND EXTENSIONS. (a) Subject to the provisions of Paragraph 8, each option shall be for a term of not more than ten years as shall be determined by the Committee at the date of the grant. The Committee shall have the authority to determine with respect to each option the time or times at which, or the conditions upon which, any option, or portions thereof, shall become exercisable.

(b) The Committee, in its discretion, may accelerate the exercisability of all or any portion of any option; or (ii) at any time prior to the expiration or termination of any option previously granted, extend the term of any option for such additional period as the Committee in its discretion shall determine, except that the aggregate term of any such option, including the original term of the option and any extensions thereof, shall in no event exceed ten years from the date of the original grant.

7. EXERCISE OF OPTIONS. (a) An option may be exercised by giving written notice to the Company, attention of the Secretary, specifying the number of shares to be purchased, accompanied by the full purchase price for the shares to be purchased in cash or by check, except that the Committee may permit, in its discretion, the purchase price to be paid in any other manner, including but not limited to, payment, in whole or in part, by the delivery to the Company of shares of Common Stock in such manner as the Committee may specify. Shares of the Common Stock delivered upon exercise of an option shall be valued at their fair market value as of the close of business on the date preceding the date of exercise as determined by the Committee.

(b) At the time of any exercise of any option, the Company may, if it shall determine it necessary or desirable for any reason, require the optionee (or his heirs, legatees, or legal representative, as the case may be) as a condition upon the exercise thereof, to deliver to the Company a written representation of present intention to purchase the shares for investment and not for distribution. In the event such representation is required to be delivered, an appropriate legend may be placed upon each certificate delivered to the optionee upon his exercise of part or all of the option and a stop transfer order may be placed with the transfer agent.

(c) Each option shall also be subject to the requirement that, if at any time the Company determines, in its discretion, that the listing, registration or qualification of the shares subject to the option upon any securities exchange or under any state or federal law or approval of any regulatory body is necessary or desirable as a condition of or in connection with, the issue or purchase of shares thereunder, the option may not be exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Company.

(d) At the time of the exercise of any option, the Company may require, as a condition of the exercise of such option, that the optionee pay to the Company, in such manner and under such conditions as the Committee may specify, an amount equal to the amount of the tax the Company may be required to withhold as a result of the exercise of such option by the optionee.

8. EXERCISE AFTER TERMINATION OF EMPLOYMENT. (a) Any optionee whose employment is terminated for any reason other than death, permanent disability, or retirement may exercise his or her option to the extent exercisable at the date of such termination at any time during its specified term prior to the 90th day after the date of such termination, provided, however, that if the optionee's employment is terminated for cause such optionee's option shall expire and all rights to purchase shares pursuant thereto shall terminate immediately. Temporary absence from employment because of illness, vacation, approved leaves of absence, and transfers of employment among the Company and its subsidiaries, shall not be considered to terminate employment or to interrupt continuous employment.

(b) In the event of termination of employment because of death, permanent disability (as that term is defined in Section 22(e)(3) of the Code, as now in effect or as subsequently amended) or retirement (as hereinafter defined), the option may be exercised to the extent exercisable at the date of such termination (or to the extent exercisability has been accelerated by the Committee in its sole discretion) by the optionee or, if the optionee is not living, by the optionee's heirs, legatees, or legal representative, as the case may be, at any time during its specified term prior to the third anniversary of the date of death,

permanent disability or retirement (as hereinafter defined). Retirement as used herein shall mean termination of employment (other than for death or disability) at any date after (i) the employee reaches age 60 and (ii) the sum of the terminated employee's age added to the number of years such employee was employed by the Company or any of its subsidiaries is equal to or greater than 75.

(c) Notwithstanding the provisions of 8(a) and 8(b) above, the Committee may specify other provisions in the form of agreement evidencing an option with respect to the exercise of such option after the optionee's termination of employment.

9. NON-TRANSFERABILITY OF OPTIONS. Except as provided below, no option shall be transferable by the optionee otherwise than by will or the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Internal Revenue Code of 1986 (as amended), and each option shall be exercisable during an optionee's lifetime only by such optionee.

Notwithstanding the above, the Committee may, in its discretion, grant an option which would permit the optionee, at any time prior to his or her death, to transfer or assign all or any portion of such option to: (i) his or her spouse or lineal descendants or the spouse or spouses of his or her lineal descendants; (ii) the trustee of a trust established for the benefit of his or her spouse or lineal descendants or the spouse or spouses of his or her lineal descendants; or (iii) a partnership whose only partners are the spouse and/or lineal descendants and/or the spouse or spouses of the lineal descendants of the optionee; provided that the form of agreement evidencing such option specifically sets forth the transfer limitations, the optionee receives no consideration from the transferee or assignee, and the transferee or assignee is subject to all the conditions applicable to the option prior to the grant. Any such transfer or assignment shall be evidenced by an appropriate written document executed by the optionee and a copy of such document shall be delivered to the Committee on or prior to the effective date of the transfer or assignment.

10. ADJUSTMENT. (a) In the event that the Company's outstanding Common Stock is changed by any stock dividend, stock split or combination of shares,

the number of shares subject to this Plan and to options under this Plan shall be proportionately adjusted.

(b) In case of any capital reorganization, or of any reclassification of the Common Stock or in case of a consolidation of the Company with or the merger of the Company with or into any other corporation (other than a consolidation or merger in which the Company is the continuing corporation and which does not result in any reclassification of outstanding shares of Common Stock) or of the sale of the properties and assets of the Company as, or substantially as, an entirety to any other corporation, the Company, or the corporation resulting from such consolidation or surviving such merger or to which such sale shall be made, as the case may be, shall determine that upon exercise of options granted under the Plan after such capital reorganization, reclassification, consolidation, merger or sale there shall be issuable upon exercise of an option a kind and amount of shares of stock or other securities or property (which may, as an example, be a fixed amount of cash equal to the consideration paid to stockholders of the Company for shares transferred or sold by them) which the holders of the Common Stock (immediately prior to the time of such capital reorganization, reclassification, consolidation, merger or sale) are entitled to receive in such transaction as in the judgement of the Board of Directors is required to compensate equitably for the effect of such event upon the exercise rights of the optionees. The above provisions of this paragraph shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers and sales.

(c) In the event of any such adjustment the purchase price per share shall be appropriately adjusted.

11. DIVIDEND EQUIVALENT PAYMENTS. The Committee, in its sole discretion, may provide with respect any option granted under the Plan that, on each date on which cash dividends are paid on shares of Common Stock the Company will pay to the optionee holding such option an amount in cash equal to the amount of the dividends that would have been paid to such optionee had the optionee owned that number of shares of Common Stock for which such option is then currently exercisable or for that number of shares for which such option was granted regardless of whether or not such option is currently exercisable.

12. AMENDMENT OF PLAN. The Board may amend or discontinue the Plan at any time. However, no such amendment or discontinuance shall change or impair any option previously granted without the consent of the optionee, increase the maximum number of shares which may be purchased by all optionees, change the minimum purchase price, or permit granting of options to the members of the

Committee.

13. CONTINUED EMPLOYMENT. Nothing contained in the Plan or in any option granted pursuant thereto shall confer upon any optionee any right to continue to be employed by the Company or any subsidiary of the Company, or interfere in any way with the right of the Company or its subsidiaries to terminate such optionee's employment at any time.

14. EFFECTIVE DATE. On March 22, 1995, the Plan as previously authorized was approved, effective January 3, 1995, by the Board of Directors who directed that the Plan be submitted to the stockholders of the Company for approval. If the Plan is approved by the affirmative vote of the holders of a majority of the shares of Common Stock of the Company voting in person or by proxy at a duly held stockholders' meeting, the Plan shall be deemed to have become effective on January 3, 1995. Options may be granted under the Plan prior to approval by stockholders of the Company and, in each such case, the date of grant shall be determined without reference to the date of approval of the Plan by stockholders of the Company; provided, however, that if the Plan has not been approved by stockholders at or prior to the 1995 annual meeting of stockholders of the Company (or any adjournments thereof), then all options granted hereunder shall be canceled and void.

EXHIBIT 10.2

THE L.E. MYERS GROUP
MANAGEMENT INCENTIVE PLAN
(BOARD APPROVED - 2/23/95)

1. PURPOSE. The L.E. Myers Group Management Incentive Plan ("MIP") is established as a discretionary incentive plan which provides an opportunity for key management to be awarded a substantial discretionary incentive payment when business is strong.

2. ELIGIBILITY. At the Discretion of the Board of Directors, awards under the MIP may be granted to key management of the Company recommended by the Executive Management Committee and approved by the board of Directors in its sole discretion (hereinafter "Participant" or "Participants"). To be eligible for an award, a Participant must be a full-time employee of the Company or one of its affiliates on the date the award is paid. For purposes of this section, the term "affiliate" shall mean a person or entity which directly or indirectly, is controlled by, or is under common control, with the Company.

3. AWARDS.

3.1 THRESHOLD FOR AWARDS. Before any incentive compensation award ("MIP award") can be made, the Company must achieve 75% of its approved business plan's earnings per share goal. If this threshold is not achieved, only special awards at the sole discretion of the Board of Directors, may be made.

3.2 GROUPING OF PARTICIPANTS. Awards will vary by groups of key employees. The Executive Management Committee will maintain a list of eligible employees in each group which list shall be approved by the Board of Directors.

3.3 AWARD LEVELS. Each participant shall be eligible to receive an award for each calendar year of service (a "Plan Year"), for which the earnings per share threshold is achieved. The following matrix shows the MIP award levels to be paid as a percentage of salary for various performance ratings as set forth in Section 4.4 below:

<TABLE>
<CAPTION>

		PERFORMANCE RATING			
GROUP		75%	100%	125%	150%
<S>	<C>	<C>	<C>	<C>	<C>
I		25%	55%	85%	115%
II		25%	50%	75%	100%
III		20%	35%	50%	65%
IV		10%	15%	20%	
V	non-overtime	5%	10%	15%	20%
V	overtime eligible	1 week	2 weeks	3 weeks	4 weeks

</TABLE>

3.4 GRANT OF AWARDS. MIP awards will be paid during the first quarter of each year.

4.0 ADMINISTRATION.

4.1 COMMITTEE. The MIP shall be administered by the Executive Management Committee appointed by the Board of Directors.

4.2 ANNUAL GOALS. Prior to each December 31st, each Group I, II, III, and IV Participant must submit a completed annual goals form to the Executive Management Committee. The annual goals form must be approved by the Participant's immediate supervisor prior to submission. Prior to January 31st following the year being evaluated, each Participant must submit a copy of his or her annual goals form with (a) actual performance against goals under a heading "Actual Performance" and (b) rating of performance and comments, if any, under a heading "Self Rating."

4.3 REVIEW BY COMMITTEE. The Executive Management Committee shall review each Group I, II, III and IV Participant's performance and give a final rating recommendation for each goal. The Executive Management Committee shall then weigh the individual goal ratings to determine the Participant's performance rating upon which his or her MIP award recommendation is based. The Executive Management Committee shall recommend to the Board of Directors the amount of the MIP award for each Participant prior to February 28 of each year. Each Vice President shall submit to the Executive Management Committee his or her recommendation for rating and awards for his or her Group V Participants. The Executive Management Committee shall review each such recommendation with the respective Vice President and following such review will make a determination of a rating and award level to be given to each such participant and recommend to the Board of Directors the amount of the MIP award for each Participant prior to February 28 of each year. The Board of Directors, in its sole discretion, shall determine awards to be made, if any.

4.4 CRITERIA. In evaluating and rating each Participant's performance, the Executive Management Committee shall use the following criteria:

4.4.1 PERFORMANCE AGAINST ANNUAL PLAN. The principal criteria will be actual revenue, contract margins, property income, operating income, cash flow and return on net assets performance versus plan. Corporate officers and staff will be measured against the consolidated corporate plan and other Participants will be measured against their respective annual plans.

4.4.2 PERFORMANCE AGAINST NON-FINANCIAL GOALS. Each Group I, II, III and IV Participant will set three non-financial goals annually such as increasing market share with current clients, capturing a new client, penetrating a new geographic region or integrating an acquisition. The determinant will be the evaluation of Participant's achievement of each non-financial goal.

4.4.3 SAFETY. Each operation's record in terms of incidence rate (total and lost time) and actual costs, among other things, will be evaluated in determining the final incentive award recommendation.

The Executive Management Committee rating is made as a percentage of goal achievement. For example, if a Participant's performance on a particular goal was determined to have exactly met plan, the rating for this goal would be 100%. If performance does not achieve at least 75% of the goal, the rating will be zero. Exceptional achievement can be given a performance rating up to 150% of the goal. The individual goal ratings are then weighted to determine a Participant's Performance Rating.

4.5 COMMITTEE'S POWERS. The Executive Management Committee shall have such powers as may be delegated to it by the Board of Directors from time to time as may be necessary to discharge its duties hereunder, including, but not in the way of limitation, the following powers, rights and duties:

4.5.1 INTERPRETATION OF MIP. The Executive Management Committee shall have the power, right and duty to construe and interpret the plan provisions and to determine all questions arising under the MIP.

4.5.2 MIP PROCEDURES. The Executive Management Committee shall have the power, right and duty to adopt and promulgate procedures, rules, regulations and forms as it considers necessary and appropriate for the implementation, management and administration of the MIP.

5. NO RIGHT TO CONTINUED EMPLOYMENT. Nothing contained in this MIP shall give any Participant the right to be retained in the employment of the Company or affect the right of the Company to dismiss any Participant. The adoption of this MIP shall not constitute a contract between the Company and any Participant. No Participant shall receive any right to be granted an award hereunder nor shall any such award be considered as compensation under any employee benefit plan of the Company, except as otherwise determined by the Company.

6. AMENDMENT OF MIP. The Board of Directors or the Executive Management Committee may amend or discontinue the MIP at any time. However, no such amendment or discontinuance shall change or impair any MIP award previously given under the MIP without the consent of the Participant.

THE L.E. MYERS CO. GROUP

EXHIBIT 11

SCHEDULE OF COMPUTATION OF NET INCOME PER SHARE
(In thousands, except per share data)

<TABLE>
<CAPTION>

PERIOD ENDED JUNE 30	THREE MONTHS		SIX MONTHS	
	1995	1994	1995	1994
<S>	<C>	<C>	<C>	<C>
Primary income per share				
Net income	$ 1,005	$ 742	$ 1,257	$ 768
Weighted average number of common shares outstanding during the period	2,380	2,385	2,380	2,389
Add - common equivalent shares (determined using the "treasury stock" method) representing shares issuable upon exercise of the common stock equivalents	149	105	146	105
Weighted average number of shares for income per common share	2,529	2,490	2,526	2,494
Income per share - primary	$ .40	$ .30	$ .50	$ .31
Fully diluted income per share				
Net income	$ 1,005	$ 742	$ 1,257	$ 768
Add interest on subordinated convertible debentures, net of tax	58	N/A	116	N/A
	$ 1,063	$ 742	$ 1,373	$ 768
Weighted average number of common shares outstanding during the period	2,380	2,385	2,380	2,389
Add				
- - Common equivalent shares (determined using the "treasury stock" method) representing shares issuable upon exercise of the common stock equivalents	149	105	146	105
- - Shares assumed converted from subordinated convertible debentures	450	N/A	450	N/A
	2,979	2,490	2,976	2,494
Income per share - fully diluted	$ .35	$ .30	$ .46	$ .31

</TABLE>

<TABLE> <S> <C>

<ARTICLE> 5
<MULTIPLIER> 1,000

<S>	<C>
<PERIOD-TYPE>	3-MOS
<FISCAL-YEAR-END>	DEC-31-1995
<PERIOD-START>	APR-01-1995
<PERIOD-END>	JUN-30-1995
<CASH>	375
<SECURITIES>	0
<RECEIVABLES>	43,022
<ALLOWANCES>	1,000
<INVENTORY>	0
<CURRENT-ASSETS>	58,261
<PP&E>	60,504
<DEPRECIATION>	37,500
<TOTAL-ASSETS>	85,432
<CURRENT-LIABILITIES>	42,050
<BONDS>	21,044
<COMMON>	2,512
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<OTHER-SE>	22,095
<TOTAL-LIABILITY-AND-EQUITY>	85,432
<SALES>	64,015
<TOTAL-REVENUES>	64,015
<CGS>	56,677
<TOTAL-COSTS>	61,901
<OTHER-EXPENSES>	102
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	430
<INCOME-PRETAX>	1,675
<INCOME-TAX>	670
<INCOME-CONTINUING>	1,005
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	1,005
<EPS-PRIMARY>	.40
<EPS-DILUTED>	.35

</TABLE>