

SECURITIES AND EXCHANGE COMMISSION

FORM DEF 14A

Definitive proxy statements

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CHICAGO RIVET & MACHINE CO

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SIC: **3540** Metalworkg machinery & equipment

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SCHEDULE 14A
(RULE 14A-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES
EXCHANGE ACT OF 1934 (AMENDMENT NO.)

Filed by the registrant [X]

Filed by a party other than the registrant []

Check the appropriate box:

[] Preliminary proxy statement [] Confidential, for Use of the
Commission Only (as permitted by
Rule 14a-6(e)(2))

[X] Definitive proxy statement

[] Definitive additional materials

[] Soliciting material pursuant to Rule 14a-11(c) or Rule 14a-12
CHICAGO RIVET & MACHINE CO.

(Name of Registrant as Specified in Its Charter)
CHICAGO RIVET & MACHINE CO.

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of filing fee (Check the appropriate box):

[X] No fee required.

[] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and
0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed
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(1) Amount previously paid:

(2) Form, schedule or registration statement no.:

(3) Filing party:

(4) Date filed:

CHICAGO RIVET & MACHINE CO.
P.O. BOX 3061
901 FRONTENAC ROAD
NAPERVILLE, ILLINOIS 60566

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD MAY 11, 1999

To the Shareholders of
CHICAGO RIVET & MACHINE CO.

Notice is hereby given that the Annual Meeting of Shareholders of CHICAGO RIVET & MACHINE CO., an Illinois corporation (the "Company"), will be held at the Company's principal offices, 901 Frontenac Road, Naperville, Illinois, on Tuesday, May 11, 1999 at 10:00 A.M., Chicago time, for the following purposes:

1. To elect a Board of six directors, to serve until the next Annual Meeting of Shareholders and until their successors are elected and shall qualify; and
2. To consider and act upon such other matters as may properly come before the meeting.

Shareholders of record at the close of business on March 22, 1999 will be entitled to notice of and to vote at this Annual Meeting and at any adjournment or postponements thereof.

A copy of the Annual Report of the Company for the year ended December 31, 1998, which contains Financial Statements, is enclosed.

You are requested to sign, date and return the accompanying proxy card in the enclosed envelope, whether or not you expect to attend the meeting in person.

Your cooperation is respectfully solicited and appreciated.

By order of the Board of Directors

KIMBERLY A. KIRHOFER, Secretary

Naperville, Illinois
April 2, 1999

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON, WE REQUEST THAT YOU EXECUTE AND RETURN THE ENCLOSED PROXY PROMPTLY.

CHICAGO RIVET & MACHINE CO.
P.O. BOX 3061
901 FRONTENAC ROAD
NAPERVILLE, ILLINOIS 60566

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS
MAY 11, 1999

This Proxy Statement is furnished to the holders of common stock, \$1.00 par value per share ("Common Stock"), of Chicago Rivet & Machine Co., an Illinois corporation (the "Company"). Proxies are being solicited on behalf of the Board of Directors of the Company to be used at the Annual Meeting of Shareholders (the "Annual Meeting") to be held on Tuesday, May 11, 1999 at the Company's principal offices, 901 Frontenac Road, Naperville, Illinois, at 10:00 A.M., Chicago time, and at any adjournments or postponements thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders (the "Notice"). The Company's Annual Report to Shareholders for the year ended December 31, 1998, including financial statements, this Proxy Statement, the Notice and the attached form of proxy are first being mailed to shareholders on or about April 2, 1999.

Each shareholder of record at the close of business on March 22, 1999, the record date stated in the Notice, is entitled to vote at the meeting and at any adjournments or postponements thereof. On the record date, there were outstanding 1,153,496 shares of Common Stock, each entitled to one vote. No other shares of the Company of any other class were outstanding.

Any shareholder giving a proxy has the power to revoke it at any time prior

to the exercise thereof by executing and delivering to the Secretary of the Company at the above address a subsequent proxy or a written notice of revocation of the proxy, or by attending the Annual Meeting and voting in person. In the absence of any contrary written direction in the proxy, each proxy will be voted for the election of the nominees for director named in this proxy statement and in the proxy, and, in the best judgment of the persons named in the proxy as representatives, upon any other matters which may properly come before the Annual Meeting.

Proxies will be solicited by mail and may also be solicited by personal interview, telephone, telecopy and telegram. Solicitation will be made on a part-time basis by directors and officers of the Company and by other managerial employees, who will receive no compensation therefor other than their regular salary. The Company will arrange for brokerage houses, nominees and other

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custodians holding Common Stock of record to forward proxy soliciting material to the beneficial owners of such shares, and will reimburse such record owners for the reasonable out-of-pocket expenses incurred by them. The cost of the solicitation of proxies will be borne by the Company.

The Board of Directors of the Company does not intend to bring any matters before the Annual Meeting except those indicated in the Notice and does not know of any matter which anyone else may properly present for action at the Annual Meeting. If any other matters properly come before the Annual Meeting, however, the persons named in the enclosed proxy, or their duly constituted substitutes acting at the Annual Meeting, will be authorized to vote or otherwise act thereon in accordance with their judgment on such matters.

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PRINCIPAL SHAREHOLDERS

The persons listed in the table below are known by the Company to be beneficial owners of more than five percent of the Company's outstanding Common Stock.

<TABLE>
<CAPTION>

NAME AND ADDRESS -----	NUMBER OF SHARES BENEFICIALLY OWNED AS OF JANUARY 31, 1999 -----	PERCENT OF CLASS (1) -----
<S>	<C>	<C>
John A. Morrissey and Walter W. Morrissey 1301 W. 22nd Street Oak Brook, Illinois 60521.....	176,690 (2)	15.3%
Dimensional Fund Advisors, Inc. 1299 Ocean Avenue, Suite 650 Santa Monica, California 90401.....	74,200 (2)	6.4%

</TABLE>

-
- (1) The percent of class figures in this table and throughout this proxy statement are based upon the number of the outstanding shares of the Company as of January 31, 1999 (1,153,496).
 - (2) The nature of the beneficial ownership of these shares is discussed in the following paragraphs.

John A. Morrissey and Walter W. Morrissey may be deemed to constitute a group within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, and each may be deemed therefore to be the beneficial owner of the shares beneficially owned by the others. As of January 31, 1999, John A. Morrissey beneficially owned 92,570 shares (8.0%), of which 88,452 (7.7%) were beneficially owned by him with sole voting and investment power and 4,118 (0.4%) were beneficially owned by him, 4,000 shares as executor of the estate of his spouse and 118 shares owned by an adult family member. Mr. Morrissey expressly disclaims beneficial ownership of the 4,118 shares discussed in the immediately preceding sentence. As of January 31, 1999, Walter W. Morrissey beneficially owned 84,120 shares (7.3%), with sole voting and investment power. The group consisting of John A. Morrissey and Walter W. Morrissey may be deemed to be a beneficial owner of a total of 176,690 shares (15.3%).

Dimensional Fund Advisors, Inc. ("Dimensional"), a registered investment advisor, is deemed to have beneficial ownership of 74,200 shares (6.4%) of Common Stock as of December 31, 1998, all of which shares are held in portfolios of DFA Investment Dimensions Group Inc., a registered open-end investment company, or in series of the DFA Investment Trust Company, a Delaware business

trust, or the DFA Group Trust and DFA Participating Group Trust, investment vehicles for qualified employee benefit plans, for all of which Dimensional serves as investment manager. Dimensional disclaims beneficial ownership of all such shares.

ELECTION OF DIRECTORS

A Board of six directors is to be elected at the Annual Meeting, to serve until the next Annual Meeting and until their successors shall have been elected and shall qualify. The shares represented by proxies received by the Board of Directors will be voted, in the absence of any contrary direction therein, for the election of the nominees hereinafter listed and described. The Board of Directors believes that the persons named will be available, but, if any nominee is unable or unwilling to serve as director, the proxies will be voted for another individual to be selected by the Board of Directors.

A majority of the outstanding Common Stock shares of the Company will constitute a quorum at the Annual Meeting. Election as a director requires a plurality of the votes cast at the Annual Meeting, so the six nominees who receive the largest number of votes cast will be elected as directors. An affirmative vote of a majority of the shares present in person or by proxy and entitled to vote at the Annual Meeting is required for approval of any proposal submitted to shareholders (except for election of directors). Abstentions, withheld votes and broker non-votes are counted for purposes of determining the presence or absence of a quorum. Abstentions are counted as votes against a proposal, whereas broker non-votes are not counted for purposes of determining whether a proposal has been approved. For any nominee, withheld votes will have no effect on the election of that nominee.

In the election of directors, voting rights are cumulative, which means that each shareholder is entitled to as many votes as are equal to the number of his shares multiplied by the number of directors to be elected (six). Each shareholder may cast all of such votes for one nominee or may distribute them among two or more nominees in his discretion. In the absence of any contrary written direction in the proxy, the proxy will confer discretionary authority on the persons named therein as representatives to cumulate votes selectively among the nominees in the manner just described.

SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth certain information regarding the Board of Directors, the Board of Directors' nominees for director and each executive officer of the Company named in the Summary Compensation Table (the "Named Executives"), including their ages, principal occupations and beneficial ownership of common shares of the Company, and information regarding the beneficial ownership of such shares by all directors and executive officers of the Company as a group:

<TABLE>
<CAPTION>

NAME	AGE	PRINCIPAL OCCUPATION	SERVED AS A DIRECTOR SINCE	NUMBER OF SHARES BENEFICIALLY OWNED AS OF JANUARY 31, 1999	PERCENT OF CLASS
<S> John A. Morrissey.....	<C> 63	<C> Chairman of the Board & Chief Executive Officer of the Company; President and Director, Algonquin State Bank	<C> 1968	<C> 92,570	<C> 8.0 % (1)
Walter W. Morrissey.....	56	Attorney at Law	1972	84,120	7.3 % (2)
Robert K. Brown.....	76	Director of the Company	1982	4,000	0.3% (3)
John C. Osterman.....	47	President, Chief Operating Officer & Treasurer of the Company	1988	3,300	0.3 % (4)
William T. Divane, Jr.	56	President and Chairman of the Board of Divane Bros. Electric Co.	--	1,000	0.09% (5)
John R. Madden.....	61	Chairman of the Board of Directors of the First National Bank of LaGrange	1980	200	0.02% (6)
Stephen L. Levy.....	77	Senior Advisor and Deputy Representative for the	1982	200	0.02% (7)

Donald P. Long.....	47	Vice President--Sales of the Company	--	--	-- (8)
All directors and executive officers as a group.....			--	185,390	16.1%

</TABLE>

(1) Mr. John A. Morrissey has been Chairman of the Board of the Company since 1979 and Chief Executive Officer since 1981. He has been President and a director of Algonquin State Bank, Algonquin, Illinois, for more than five years, and is also a director of The First National Bank of LaGrange, LaGrange, Illinois, and is President and a director of The First Algonquin Company, LaGrange, Illinois. He is a brother of Director Walter W. Morrissey. Of the shares

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listed above as beneficially owned by Mr. John A. Morrissey, 88,452 (7.7%) are beneficially owned by him with sole voting and investment power, and 4,118 (0.4%) are beneficially owned by him as a result of certain familial relationships. Mr. Morrissey expressly disclaims beneficial ownership of the 4,118 shares discussed in the immediately preceding sentence. The foregoing amount does not include shares directly owned by Walter W. Morrissey in his individual capacity. See "Principal Shareholders." Mr. Morrissey's address is Chicago Rivet & Machine Co., 901 Frontenac Road, Naperville, Illinois 60566.

(2) Mr. Walter W. Morrissey has been a partner in the law firm of Morrissey & Robinson, formerly known as Morrissey Robinson & Kabat, Oak Brook, Illinois, for more than five years. Mr. Walter W. Morrissey is a director of The First Algonquin Company, LaGrange, Illinois. He is a brother of Director John A. Morrissey. All of the shares listed above as beneficially owned by Mr. Walter W. Morrissey are beneficially owned by him with sole voting and investment power. The foregoing amount does not include shares directly owned by John A. Morrissey in his individual capacity. See "Principal Shareholders." The law firm of Morrissey & Robinson was retained by the Company to perform certain legal services in 1997 and 1998 and has been retained by the Company during the current year to perform additional legal services. Mr. Morrissey's address is 1301 West 22nd Street, Suite 401, Oak Brook, Illinois 60521.

(3) Mr. Brown, prior to his retirement in August, 1987, was President, Chief Operating Officer and Treasurer of the Company for more than five years. The shares listed in the table are beneficially owned by Mr. Brown in joint tenancy with his wife, with shared voting and investment power. Mr. Brown's address is 253 Cheryl Lane, Palatine, Illinois 60067. Mr. Brown's term as Director expires as of the 1999 Annual Meeting, and he will not stand for re-election.

(4) Mr. Osterman has been President, Chief Operating Officer and Treasurer of the Company since September, 1987. Of the shares listed above as beneficially owned by Mr. Osterman, 600 (0.05%) are beneficially owned by him with sole voting and investment power, 2,100 (0.18%) are beneficially owned by him in joint tenancy with his wife, with shared voting and investment power, and 600 (0.05%) are beneficially owned by his wife. Mr. Osterman expressly disclaims beneficial ownership with respect to the 600 shares owned by his wife. Mr. Osterman's address is Chicago Rivet & Machine Co., 901 Frontenac Road, Naperville, Illinois 60566.

(5) Mr. Divane has been President and Chairman of the Board of Directors of Divane Bros. Electric Co. (an electrical contractor) for more than five years. All of the shares listed as beneficially owned by him are owned with sole voting and investment power. Mr. Divane's address is 2424 N. 25th Avenue, Franklin Park, Illinois 60131.

(6) Mr. Madden has been Chairman of the Board of Directors of The First National Bank of LaGrange, LaGrange, Illinois, for more than five years. In addition, he is Chairman of the

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Board of Directors of The First Algonquin Company, LaGrange, Illinois, Chairman of the Board of Directors of the State Bank of Illinois, formerly known as West Chicago State Bank, West Chicago, Illinois and Chairman of the Board of Directors of Mokena State Bank, Mokena, Illinois. All of the shares listed as beneficially owned by him are owned with sole voting and investment power. Mr. Madden's address is First National Bank of LaGrange, 620 W. Burlington, LaGrange, Illinois 60525.

- (7) Mr. Levy has been Senior Advisor and Deputy Representative for the Chief Executive Office of Motorola, Inc., Schaumburg, Illinois (a manufacturer of communications and electronic equipment), since December, 1987. All of the shares listed as beneficially owned by him are owned with sole voting and investment power. Mr. Levy's address is P.O. Box 9141, Rancho Santa Fe, California 92067.
- (8) Mr. Long has been Vice President-Sales of the Company since November, 1994 and was Director of Sales and Marketing of the Company from March, 1993 through November, 1994. Prior to that, he was employed by Townsend Engineered Products, a maker of rivets, cold-formed fasteners and rivet setting equipment in various sales management positions for more than five years. Mr. Long's address is Chicago Rivet & Machine Co., 901 Frontenac Road, Naperville, Illinois 60566.

ADDITIONAL INFORMATION CONCERNING THE BOARD
OF DIRECTORS AND COMMITTEES

The Board of Directors of the Company held a total of four meetings during 1998.

The Board of Directors has appointed an Audit Committee, which presently consists of Directors Walter W. Morrissey, John R. Madden and Stephen L. Levy. The Audit Committee met twice during 1998. The duties of the Audit Committee include recommendation of the independent auditor to be selected by the Board of Directors, review of the arrangements and scope of the independent auditor's examination, review of internal accounting procedures and controls, and review of the independence of the auditor in regard to the Company and its management.

The Board of Directors has also appointed a Compensation Committee, which presently consists of Directors Walter W. Morrissey, John R. Madden and Stephen L. Levy. The duties of the Compensation Committee include considering and recommending to the Board of Directors the compensation and benefits of all officers of the Company and the development of general policies relating to compensation and benefits of employees of the Company. The Compensation Committee met three times during 1998.

The Board of Directors has also appointed an Executive Committee, which presently consists of Directors John A. Morrissey, Walter W. Morrissey, Robert K. Brown and John C. Osterman.

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Under the By-Laws of the Company and the resolution of the Board of Directors appointing the Executive Committee, the Executive Committee has all of the authority of the Board of Directors in the management of the Company, except as otherwise required by law. The Executive Committee met eleven times during 1998.

The Company does not have a Nominating Committee.

Directors of the Company who are also officers receive no compensation for their services as directors or as members of any committee of the Board of Directors, apart from their regular compensation for services as such officers. Each director who is not an officer of the Company receives a director's fee of \$9,000 per year and a \$1,250 fee for attendance at each meeting of the Board of Directors. Each member of the Executive Committee who is not an officer of the Company receives an additional fee of \$10,000 per year and a \$350 fee for attendance at each meeting of the Executive Committee.

COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

Section 16(a) of the Securities Exchange Act of 1934 requires that the Company's directors, executive officers and persons who own more than 10% of the Company's Common Stock file reports of ownership and changes in ownership with the Securities and Exchange Commission. Such persons are also required to furnish the Company with copies of all Section 16(a) forms they file. Based solely on the Company's review of copies of such forms, the Company is not aware that any of its directors, executive officers or 10% shareholders failed to comply with the filing requirements of Section 16(a) during the period commencing January 1, 1998 and ending December 31, 1998.

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EXECUTIVE COMPENSATION

The Summary Compensation Table below includes individual compensation information regarding compensation paid by the Company with respect to the fiscal years ended December 31, 1998, 1997 and 1996 to all executive officers of the Company whose salary and bonus exceed \$100,000.

The Company does not provide stock options, stock appreciation rights or

other long-term incentive plan awards to its executive officers.

SUMMARY COMPENSATION TABLE

<TABLE>

<CAPTION>

NAME & PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION		ALL OTHER COMPENSATION (1)
		SALARY	BONUS	
<S>	<C>	<C>	<C>	<C>
John A. Morrissey -- Chairman and Chief Executive Officer	1998	\$184,406	\$75,000	--
	1997	\$169,375	\$90,000	--
	1996	\$154,375	\$60,000	--
John C. Osterman -- President, Chief Operating Officer and Treasurer	1998	\$169,375	\$55,000	\$8,617
	1997	\$154,357	\$70,000	\$9,898
	1996	\$139,375	\$42,500	\$7,829
Donald P. Long -- Vice President -- Sales	1998	\$113,375	\$ 9,500	\$6,508
	1997	\$106,813	\$ 8,500	\$7,108
	1996	\$100,750	\$ 7,000	\$5,131

</TABLE>

(1) Includes premium on term life insurance and Company contributions to the Employees' Trust. The Company provides a group term life insurance policy to each executive officer of the Company in the amount of two times annual salary, except that no insurance policy is provided to John A. Morrissey; premiums paid for Mr. Osterman's policy were \$1,558, \$1,619 and \$1,466 for 1998, 1997 and 1996, respectively, and premiums paid for Mr. Long's policy were \$1,087, \$1,141 and \$846, for 1998, 1997 and 1996, respectively. The amounts allocated to Mr. Osterman under the Employees' Trust for 1998, 1997 and 1996 were \$7,059, \$8,279 and \$6,363, respectively, and the amounts allocated to Mr. Long under the Employees' Trust for 1998, 1997 and 1996 were \$5,421, \$5,967, and \$4,285, respectively. The value of any perquisites granted to each executive officer identified above did not exceed the lesser of \$50,000 or ten percent of such officer's annual salary and bonus and is not included in the above amounts.

PROFIT SHARING PLAN

The Chicago Rivet & Machine Co. Profit Sharing Trust (the "Employees' Trust") is a part of the Chicago Rivet & Machine Co. Profit Sharing Plan (the "Plan") established by the Company

for the benefit of its officers and employees. Participants eligible to share in Company contributions include all employees of the Company who have completed one year of service with the Company.

The Company makes contributions to the Employees' Trust pursuant to a formula based on the Company's annual earnings. The Company may also contribute such other amounts out of current or retained earnings as may be determined by the Board of Directors. The Company's contributions are allocated among eligible participants in proportion to their respective compensation.

Each participant has a balance in the Employees' Trust consisting of his share of Company contributions, amounts forfeited by other participants and trust fund earnings. Each participant's balance vests over a five-year period, beginning after his third year of employment. Full vesting also occurs, regardless of length of employment, when a participating employee reaches normal retirement age, dies or becomes permanently and totally disabled.

The Plan also contains a 401(k) feature pursuant to which participants may elect to have a portion (up to 10%) of their compensation (but not to exceed the maximum permitted by law) contributed to the Employees' Trust in lieu of receiving it in cash. Each eligible employee, for this purpose, becomes a participant on the first day of the month following completion of 60 days of employment. These contributions are always fully vested and nonforfeitable.

Participants may also make nondeductible voluntary contributions (after-tax) of up to 10% of compensation to their account in the Employees' Trust, which vest immediately. Company contributions and voluntary contributions received by the Employees' Trust are held and invested by the Trustee, subject to direction as to asset allocation by the administrative committee for the Employees' Trust. 401(k) contributions made to the Employees' Trust are invested in accordance with participants' investment directions among certain investment funds established by the administrative committee and sponsored by the Trustee.

Distribution of a participant's vested balance is made on termination of employment, or later, if the participant so requests, subject to certain limitations. Generally, distribution is made in a lump sum or in installments extending over no more than 10 years. Participants may request a loan from the

Plan of an amount that does not exceed the lesser of 50% of the participant's 401(k) contributions or \$50,000. Voluntary contributions may be withdrawn as of the last business day of any calendar quarter.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Director Walter W. Morrissey, who serves on the Company's Compensation Committee, is a partner in the law firm of Morrissey & Robinson, formerly known as Morrissey Robinson & Kabat, which was retained by the Company to perform legal services in 1997 and 1998 and has been

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retained by the Company during the current year to perform additional legal services. Walter W. Morrissey is also a brother of Chief Executive Officer and Chairman of the Board of Directors John A. Morrissey.

In the last completed fiscal year, Chief Executive Officer and Chairman of the Board of Directors John A. Morrissey has served as a director of The First Algonquin Company. Director John R. Madden, who serves on the Company's Compensation Committee, is an executive officer of The First Algonquin Company.

REPORT OF THE COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION FOR FISCAL YEAR 1998

EXECUTIVE COMPENSATION OBJECTIVES

The Company is a leader in the fastener industry, manufacturing rivets, standard and speciality cold-formed fasteners, screw-machine products and automated assembly equipment, primarily for the automotive and appliance industries. The industry is characterized by intense competition for customers, market share and executive talent. The objective of the Executive Compensation Program of the Company (the "Program") is to attract, retain, motivate and reward key executives whose contributions are critical to ensuring the long-term success of the Company and increasing profitability, thereby enhancing shareholder value. The Compensation Committee consists of three members of the Board of Directors who are not eligible to participate in the Program. The duties of the Compensation Committee include considering and recommending to the Board of Directors the compensation and benefits of all officers of the Company and developing general policies relating to compensation and benefits of the employees of the Company. The Compensation Committee met three times during 1998.

EXECUTIVE COMPENSATION PRINCIPLES

The elements of total compensation for Company executives are base salary and cash bonuses. The following principles guided compensation decisions for key executives of the Company: compensation opportunity is related to performance; compensation decisions are designed to achieve financial objectives, build shareholder value and reward individual and corporate performance; compensation is competitive and equitable; and the proportion of total pay that is at risk against individual and Company performance objectives increases with the more senior positions. The Compensation Committee also considers the experience, length of service and consistent performance of each individual executive when setting compensation levels. The competitors of the Company for executive talent are not necessarily the same companies that are selected to compare shareholder returns (see Stock Performance Graph, page 13) because the Company requires executives with skills from diverse backgrounds.

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CEO COMPENSATION

John A. Morrissey has been Chairman of the Board of the Company since 1979 and Chief Executive Officer since 1981. The 1998 base salary and cash bonus for the CEO were determined in accordance with the performance goals referred to above. The Company's net income in 1998 was \$3.360 million compared to \$3.862 million in 1997. The factors considered in fixing the annual salary and cash bonus for performance year 1998 of the CEO were set by taking into consideration a competitive range of compensation, the Company's financial results compared to prior years, other companies within its industry, and the achievement of internal and external strategic goals of the Company.

COMPENSATION DEDUCTIBILITY

Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), generally disallows a tax deduction to public companies for compensation in excess of \$1 million paid to the companies' CEO or any of the four other most highly compensated executive officers. Certain performance-based compensation, however, is exempt from the deduction limit. Given the amount of compensation paid the CEO and the four other most highly compensated executive

officers, the limits on deductibility of Section 162(m) of the Code on the Company's tax return are not applicable to the Company.

The Compensation Committee believes that the described executive compensation policy serves the interests of the shareholders and the Company.

Stephen L. Levy
John R. Madden
Walter W. Morrissey

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STOCK PERFORMANCE GRAPH

The graph set forth below shows the cumulative total shareholder return(1) (i.e., price change plus reinvestment of dividends) of the Company's Common Stock during the five-year period ended December 31, 1998, as compared to the Total Return Index for the American Stock Exchange (US) (2), AMEX Market Value Index and the Dow Jones Automobile Parts and Equipment (All) Index.

PERFORMANCE GRAPH

<TABLE>
<CAPTION>

	Cumulative Total Return					
	12/93	12/94	12/95	12/96	12/97	12/98
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Chicago Rivet & Machine Co.	100	99	117	133	249	232
AMEX Market Value Index	100	91	115	122	148	151
Total Return Index for the American Stock Exchange (US)	100	93	120	122	152	163
Dow Jones Automobile Parts and Equipment (All) Index	100	85	106	120	153	143

</TABLE>

(1) Cumulative total shareholder return assumes reinvestment of dividends. The above graph assumes \$100 was invested on December 31, 1993, in Chicago Rivet & Machine Co., in the Total Return Index for the American Stock Exchange (US), AMEX Market Value Index and in the Dow Jones Automobile Parts and Equipment (All) Index. The values shown in the graph above are as of the end of each period indicated.

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(2) The Company has elected to use the Total Return Index for the American Stock Exchange (US) because it is provided by the American Stock Exchange, the exchange on which the Company's Common Stock is traded. This index was first published in 1998; therefore it was unavailable for use by the Company in prior years. Total shareholder return information for the AMEX Market Value Index is included for comparative purposes to the Company's proxy statements of prior years.

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The firm of PricewaterhouseCoopers LLP served as the Company's independent certified public accountants for 1998. The Board of Directors has again designated that firm as the Company's independent certified public accountants for 1999. A representative of that firm is expected to be present at the Company's 1999 Annual Meeting of Shareholders with the opportunity to make a statement, if so desired, and to be available to respond to appropriate questions.

SHAREHOLDER PROPOSALS AND NOMINATIONS

Shareholder proposals for inclusion in proxy materials for the Company's 2000 Annual Meeting should be addressed to the Company's Secretary, P.O. Box 3061, 901 Frontenac Road, Naperville, Illinois 60566, and must be received by the Company on or before December 4, 1999.

Shareholder proposals intended to be presented at the Company's 2000 Annual Meeting pursuant to Rule 14a-8 under the Exchange Act must be received by the Company at the Company's principal executive offices by December 4, 1999. In order for shareholder proposals made outside of Rule 14a-8 under the Exchange Act to be considered "timely" within the meaning of Rule 14a-4(c) under the Exchange Act, such proposals must be received by the Company at the Company's

principal executive offices by February 11, 2000. The Company's By-Laws require that proposals of shareholders made outside of Rule 14a-8 under the Exchange Act must be submitted in accordance with the requirements of the By-Laws, not later than February 11, 2000 and not earlier than January 12, 2000. However, if the annual meeting is called for a date not within 30 days before or after such anniversary date, such nominations or proposals must be received by the Company not later than the close of business on the 10th day following the date notice of the annual meeting was mailed or a public announcement of the annual meeting was made, whichever first occurs. To be in proper written form, a shareholder nomination or proposal must set forth the information prescribed in the Company's By-Laws.

OTHER MATTERS

It is not presently expected that any matters other than the election of directors will be brought before the meeting. If, however, other matters do come before the meeting, it is the intention of the persons named as representatives in the accompanying proxy to vote in accordance with their judgment on such matters.

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ANNUAL REPORT TO SECURITIES AND EXCHANGE COMMISSION

A COPY OF THE COMPANY'S ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998, FILED BY THE COMPANY WITH THE SECURITIES AND EXCHANGE COMMISSION, WITHOUT EXHIBITS, WILL BE FURNISHED WITHOUT CHARGE TO ANY SHAREHOLDER OF RECORD OR BENEFICIAL OWNER OF COMMON SHARES OF THE COMPANY UPON WRITTEN REQUEST TO THE SECRETARY, CHICAGO RIVET & MACHINE CO., P.O. BOX 3061, 901 FRONTENAC ROAD, NAPERVILLE, ILLINOIS 60566.

By order of the Board of Directors

KIMBERLY A. KIRHOFER, Secretary

Naperville, Illinois
April 2, 1999

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REMINDER

CHICAGO RIVET & MACHINE CO.
P.O. BOX 3061, 901 FRONTENAC ROAD, NAPERVILLE, ILLINOIS 60566

PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby constitutes and appoints John A. Morrissey, Walter W. Morrissey and Robert K. Brown, and each of them, as the proxies and representatives of the undersigned, with full power of substitution, to vote all common shares of Chicago Rivet & Machine Co. which the undersigned would be entitled to vote, with all powers which the undersigned would have if personally present, at the Annual Meeting of Shareholders to be held on May 11, 1999, and at any adjournments or postponements thereof, as designated below.

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

1. Election of the following six directors: John A. Morrissey, Walter W. Morrissey, John C. Osterman, William T. Divane, Jr., John R. Madden and Stephen L. Levy.

COMMENTS: (change of address)

Except with respect to any nominee for whom authority to vote is withheld, a vote FOR ALL NOMINEES includes discretionary authority (i) to cumulate votes selectively among the nominees, and (ii) to vote for a substituted nominee if any of the nominees listed becomes unable or unwilling to serve.

2. In their discretion, upon such other matters as may properly come before the meeting.

(If you have written in the above space, please mark the corresponding box on the reverse side of this card.)

YOU ARE ENCOURAGED TO SPECIFY YOUR CHOICES BY MARKING THE APPROPRIATE BOX ON THE REVERSE SIDE.
IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR ALL NOMINEES.

/SEE REVERSE/
/ SIDE /

</TABLE>

<TABLE>
<S><C>
[X] PLEASE MARK YOUR
VOTES AS IN THIS
EXAMPLE.

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED BELOW. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR ALL
NOMINEES.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR SUCH NOMINEES.

FOR ALL NOMINEES WITHHELD AS TO
(except as marked below) ALL NOMINEES
1. Election of [] []
Directors
(See Reverse)

2. In their discretion, the Proxies are authorized to
vote upon such other business as may properly
come before the meeting.

To withhold authority to vote for any individual
nominee, write that nominee's name on the line
below.

Change of Address/
Comments on []
Reverse Side

The signer hereby revokes all proxies heretofore given by
the signer to vote at said meeting or any adjournments or
postponements thereof.

NOTE: Please sign exactly as name appears hereon and be
sure to date the proxy. If shares are held in the name of
more than one person, all holders must sign. Executors,
administrators, trustees, guardians and corporate officers
must give full title as such.

PLEASE SIGN, DATE AND MAIL THIS PROXY IN THE ENCLOSED
RETURN ENVELOPE AS PROMPTLY AS POSSIBLE.

SIGNATURE

1999

SIGNATURE IF HELD JOINTLY

DATE

</TABLE>

CHICAGO RIVET & MACHINE CO.
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