

SECURITIES AND EXCHANGE COMMISSION

FORM 11-K

Annual report of employee stock purchase, savings and similar plans

Filing Date: **1995-01-11** | Period of Report: **1993-12-31**
SEC Accession No. **0000950124-95-000023**

([HTML Version](#) on secdatabase.com)

FILER

LEAR SEATING CORP

CIK: **842162** | IRS No.: **133386776** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
Type: **11-K** | Act: **34** | File No.: **001-11311** | Film No.: **95501067**
SIC: **2531** Public bldg & related furniture

Mailing Address
21557 TELEGRAPH CORP
SOUTHFIELD MI 48034

Business Address
21557 TELEGRAPH RD
SOUTHFIELD MI 48034
3137461500

AS FILED WITH THE COMMISSION ON JANUARY 11, 1995

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549-----
FORM 11-K

(Mark One)

 ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the fiscal year ended December 31, 1993

OR

 TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the transition period from _____ to _____

Commission file number: 1-11311

LEAR SEATING CORPORATION 401(k) PLAN
(Full title of the plan)LEAR SEATING CORPORATION
(Exact name of issuer as specified in its charter)

Delaware

13-3386776

(State or other jurisdiction of
incorporation or organization)-----
(I.R.S. Employer Identification No.)21557 Telegraph Road
Southfield, Michigan

48034

(Address of principal executive offices) (zip code)

(810) 746-1500

(Telephone number, including area code, of agent for service)

LEAR SEATING CORPORATION 401(k) PLAN

TABLE OF CONTENTS

<TABLE>

<CAPTION>

	PAGE

<S>	<C>
Report of Independent Public Accountants	3
Statements of Net Assets Available for Benefits as of December 31, 1993 and 1992	5
Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 1993 and 1992	6
Notes to Financial Statements	7
Schedule I - Item 27a - Schedule of Assets Held for Investment Purposes as of December 31, 1993	12
Schedule II - Item 27d - Schedule of Reportable Transactions for the Year Ended December 31, 1993	13
Signatures	14

</TABLE>

2

3

[ARTHUR ANDERSEN LETTERHEAD]

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Plan Administrator of
the Lear Seating Corporation
401(k) Plan:

We have audited the accompanying statements of net assets available for benefits of LEAR SEATING CORPORATION 401(k) PLAN as of December 31, 1993 and 1992, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements and the schedules referred to below are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 1993 and 1992, and the changes in net assets available for benefits for the years then ended in conformity with generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets held for investment purposes and reportable transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The Fund Information in the statement of net assets available for benefits and the statement of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for plan benefits and changes in net assets available for plan benefits of each fund. The supplemental schedules and Fund Information have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As explained in the notes thereto, information presented in the schedule of assets held for investment purposes and the schedule of reportable transactions that accompany the Plan's financial statements does not disclose the historical cost of certain investments. Disclosure of this information is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

/s/ Arthur Andersen LLP

Detroit, Michigan,
May 25, 1994.

3

4

LEAR SEATING CORPORATION

401(k) PLAN

INDEX TO FINANCIAL STATEMENTS AND SCHEDULES

Statements of Net Assets Available for Benefits as of December 31, 1993 and 1992

Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 1993 and 1992

Notes to Financial Statements

Schedule I - Item 27a - Schedule of Assets Held For Investment Purposes as of December 31, 1993

Schedule II - Item 27d - Schedule of Reportable Transactions for the Year Ended December 31, 1993

4

5

LEAR SEATING CORPORATION

401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 1993 AND 1992

<TABLE>
<CAPTION>

	Fund Information					
	1993					
	Bond Fund	Equity Fund	Money Market Fund	Investment Contract Trust Fund	Participant Loans	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS:						
Investments:						
Fixed Income Securities Fund						
147,581 units and 97,417 units as of December 31, 1993 and 1992, respectively	\$1,360,696	\$ --	\$ --	\$ --	\$ --	\$1,360,696
Windsor II Fund						
236,084 units and 150,873 units as of December 31, 1993 and 1992, respectively	--	4,022,876	--	--	--	4,022,876
Money Market Fund						
919,460 units and 938,026 units as of December 31, 1993 and 1992 respectively	--	--	919,460	--	--	919,460
Investment Contract Fund						
333,478 units and 238,280 units as of December 31, 1993 and 1992, respectively	--	--	--	333,478	--	333,478
Total investments	1,360,696	4,022,876	919,460	333,478	--	6,636,510
Contribution receivable	31,637	104,233	17,157	11,215	--	164,242
Participant loan interest receivable	247	798	110	66	--	1,221
Participant loans	--	--	--	--	224,962	224,962
NET ASSETS AVAILABLE FOR BENEFITS	\$1,392,580	\$4,127,907	\$936,727	\$344,759	\$224,962	\$7,026,935

<CAPTION>

	Fund Information					
	1992					
	Bond Fund	Equity Fund	Money Market Fund	Investment Contract Trust Fund	Participant Loans	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS:						
Investments:						
Fixed Income Securities Fund						
147,581 units and 97,417 units as of December 31, 1993 and 1992, respectively	\$ 863,110	\$ --	\$ --	\$ --	\$ --	\$ 863,110
Windsor II Fund						
236,084 units and 150,873 units as of December 31,						

1993 and 1992, respectively	--	2,400,386	--	--	--	2,400,386
Money Market Fund 919,460 units and 938,026 units as of December 31, 1993 and 1992 respectively.	--	--	938,026	--	--	938,026
Investment Contract Fund 333,478 units and 238,280 units as of December 31, 1993 and 1992, respectively	--	--	--	238,280	--	238,280
Total investments	863,110	2,400,386	938,026	238,280	--	4,439,002
Contribution receivable	320	2,202	--	--	--	2,522
Participant loan interest receivable. . .	--	--	--	--	--	--
Participant loans	--	--	--	--	52,117	52,117
NET ASSETS AVAILABLE FOR BENEFITS	\$ 863,430	\$2,402,588	\$938,026	\$238,280	\$ 52,117	\$4,494,441

</TABLE>

The accompanying notes are an integral part of these statements.

LEAR SEATING CORPORATION
401(k) PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992

<TABLE>
<CAPTION>

	Fund Information					
	1993					
	Bond Fund	Equity Fund	Money Market Fund	Investment Contract Trust Fund	Participant Loans	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
NET INVESTMENT INCOME:						
Interest and dividend income	\$ 113,355	\$ 219,645	\$ 28,373	\$ 17,587	\$ --	\$ 378,960
Net unrealized appreciation (depreciation) in value of investments	15,709	151,945	--	--	--	167,654
Net realized gain on sale of investments	10,120	21,652	--	--	--	31,772
Net investment income	139,184	393,242	28,373	17,587	--	578,386
CONTRIBUTIONS:						
Employee contributions	295,152	980,360	204,007	108,724	--	1,588,243
Employer contributions	78,285	250,279	48,792	29,670	--	407,026
Rollover contributions	64,278	70,275	3,503	6,235	--	144,291
Total contributions	437,715	1,300,914	256,302	144,629	--	2,139,560
BENEFIT DISTRIBUTIONS	(19,741)	(81,385)	(77,832)	(6,494)	--	(185,452)
FORFEITURES	(2,065)	(9,160)	11,280	(55)	--	--
INVESTMENT TRANSFERS, net	(25,943)	121,708	(219,422)	(49,188)	172,845	--
Net increase (decrease)	529,150	1,725,319	(1,299)	106,479	172,845	2,532,494
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	863,430	2,402,588	938,026	238,280	52,117	4,494,441
NET ASSETS AVAILABLE FOR BENEFITS, end of year	\$1,392,580	\$4,127,907	\$ 936,727	\$344,759	\$224,962	\$7,026,935

<CAPTION>

	Fund Information					
	1992					
	Bond Fund	Equity Fund	Money Market Fund	Investment Contract Trust Fund	Participant Loans	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
NET INVESTMENT INCOME:						
Interest and dividend income	\$ 52,066	\$ 93,677	\$ 54,261	\$ 4,542	\$ --	\$ 204,546
Net unrealized appreciation (depreciation) in						

value of investments	(12,296)	67,136	--	--	--	54,840
Net realized gain on sale of investments	2,391	2,612	--	--	--	5,003
	-----	-----	-----	-----	-----	-----
Net investment income	42,161	163,425	54,261	4,542	--	264,389
CONTRIBUTIONS:						
Employee contributions	226,853	645,714	230,191	66,624	--	1,169,382
Employer contributions	65,570	174,261	84,167	18,976	--	342,974
Rollover contributions	3,687	6,339	5,113	--	--	15,139
	-----	-----	-----	-----	-----	-----
Total contributions	296,110	826,314	319,471	85,600	--	1,527,495
BENEFIT DISTRIBUTIONS	(87,808)	(197,861)	(136,822)	(55)	--	(422,546)
FORFEITURES	(2,575)	(6,202)	--	(14)	--	(8,791)
INVESTMENT TRANSFERS, net	(103,857)	157,761	(237,733)	148,207	35,622	--
	-----	-----	-----	-----	-----	-----
Net increase (decrease)	144,031	943,437	(823)	238,280	35,622	1,360,547
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year						
	719,399	1,459,151	938,849	--	16,495	3,133,894
	-----	-----	-----	-----	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS, end of year						
	\$ 863,430	\$2,402,588	\$ 938,026	\$238,280	\$ 52,117	\$4,494,441
	=====	=====	=====	=====	=====	=====

</TABLE>

The accompanying notes are an integral part of these statements.

6

7

LEAR SEATING CORPORATION

401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

(1) PLAN DESCRIPTION

General

Effective February 1, 1989, Lear Seating Corporation (the Company), formerly known as Lear Siegler Seating Corporation, established the Lear Siegler Seating Corp. 401(k) Plan. The Lear Siegler Seating Corp. 401(k) Plan was amended effective April 1, 1992 to change the name to the Lear Seating Corporation 401(k) Plan (the Plan) and to execute a new Trust Agreement as described below under Administration. The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Eligibility

All full-time non-union U.S. salaried employees of the Company (including Plastics and Progress Pattern, but excluding Fairhaven employees), who have completed three months of service and who have attained age 21, are eligible to participate in the Plan effective the first day of the quarter following completion of the Plan's eligibility requirements.

Contributions

Contributions to the Plan are made as follows:

Employee Contributions - Participants may elect to defer from 1% to 16% of their compensation each Plan year, subject to Plan limitations. The amount of compensation participants elect to defer through payroll deductions is contributed to the Plan by the Company on their behalf.

Employer Contributions - The Company makes matching contributions on behalf of each participant who has made a contribution to the Plan. The matching contribution is equal to 50% of each participant's contribution, except that the matching contribution for a participant during any plan year shall not exceed the lesser of \$1,150 or 4% of a participant's annual compensation.

Administration

The Plan administrator is responsible for general administration of the Plan for the exclusive benefit of Plan

participants and their beneficiaries, subject to the specific terms of the Plan agreement. Assets of the Plan and related investments are administered by the Plan's trustee. It is the trustee's responsibility to invest Plan assets and to distribute benefits to participants.

7

8

LEAR SEATING CORPORATION

401(k) PLAN

NOTES TO FINANCIAL STATEMENTS
(Continued)

The Company's Board of Directors appointed officers of the Company to act as trustees under the Trust Agreement dated February 8, 1989. Under a new Trust Agreement effective April 1, 1992, the Company appointed Delaware Charter Guarantee and Trust Company (Trustee) to act as trustee of the Plan. Daily administration and record keeping of Plan activity was performed by Retirement Plan Services, Inc. prior to April 1, 1992. These services are now performed by the Trustee.

Investment Options

The Plan agreement provides for four investment options under the Vanguard Group:

Bond Fund	-	Fixed Income Securities Fund consisting of investments in a diversified portfolio of long-term, investment grade bonds.
Equity Fund	-	Windsor II Fund consisting primarily of investments in common stocks, that in the opinion of the Fund's investment advisor, are undervalued in the marketplace.
Money Market Fund	-	Money Market Fund consisting of investments in short-term securities such as certificates of deposit, bankers' acceptances, commercial paper, and U.S. Government securities.
Investment Contract Trust Fund	-	Investment Contract Trust Fund consisting primarily of investments in investment contracts issued by high-quality insurance companies and banks, and in similar types of fixed income investments.

Each plan participant may elect, from the various options provided in the plan agreement, the percentage allocation of both employer and employee contributions among the funds.

Allocation of Earnings and Losses

The earnings and losses on Plan investments are allocated on a pro rata basis to the elective accounts of the individual participants.

8

9

LEAR SEATING CORPORATION

401(k) PLAN

NOTES TO FINANCIAL STATEMENTS
(Continued)

Vesting of Benefits

Participants are immediately 100% vested in their contributions and earnings thereon regardless of length of service. Participants become vested in employer contributions and earnings thereon at a rate of 20% per year and are 100% vested after completion of five years of service or upon retirement, total and permanent disability or death.

Plan Forfeitures

Forfeitures of participants' nonvested portion of employer contributions, as determined in accordance with the Plan provisions, are available to reduce future employer contributions.

Distribution of Benefits

Distribution of benefits is made upon the occurrence of any one of the following:

- Normal retirement of the participant at age 65;
- Deferred retirement of the participant beyond age 65;
- Early retirement of the participant at age 55 upon attainment of seventh anniversary of employment;
- Total and permanent disability of the participant;
- Death of the participant; and
- Termination of employment.

Benefits payable upon normal, deferred or early retirement, total and permanent disability or death are made through installment payments, or in a lump sum. Benefits due upon termination of employment are based on vested amounts in the participants' accounts and are made by installment payments, or in a lump sum. A terminated participant may elect to defer payment up to the first of April of the year the participant attains age 70-1/2 unless the participant makes a written request for earlier distribution. In any event, the Company will make a lump sum payment to any participant if the amount owed is less than \$3,500.

The accompanying Statements of Net Assets Available for Benefits include amounts allocated to accounts of persons who have withdrawn from participation in the earnings and operations of the Plan. These amounts were paid subsequent to yearend and totaled approximately \$24,000 and \$154,000 as of December 31, 1993 and 1992, respectively.

9

10

LEAR SEATING CORPORATION

401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

Priorities Upon Termination of the Plan

In the event of complete discontinuance of employer contributions or if the Plan is totally or partially terminated, the accounts of the participants affected by such actions shall there upon become 100% vested and nonforfeitable. The Company currently has no intention to terminate the Plan.

Loans to Participants

Participants are allowed to borrow from the Plan amounts not to exceed the lesser of (a) \$50,000, or (b) 50% of their vested account balances. Participants are not allowed to have more than one loan outstanding at a time and may not take out a loan more than once in a 12 month period. The interest rate on the loans is determined by the Plan Administrator and is usually based on the prevailing market rate. Repayment of any loan is made through employee payroll deductions, generally over a period of five years or less.

Hardship Withdrawals

No amounts may be withdrawn from a salary deferral account before a participant terminates employment with the Company or attains the age of fifty-nine and one-half, except by reason of financial hardship. All requests for hardship withdrawals require the consent of the Plan administrator.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Accounting records are maintained by the Trustee on the accrual basis of accounting.

Investments

Investment transactions are recorded on the trade date basis.

Investments owned are reflected in the Statements of Net Assets Available for Benefits at current value. Current value, which is equivalent to market value, is the unit valuation of the security at yearend. Realized gains on sales of investments and unrealized appreciation and depreciation in the value of investments are computed based on the difference between the market value of Plan assets at the beginning of the Plan year, or at time of purchase if acquired during the year, and the market value of investments when sold or at Plan yearend. The historical cost of certain investments and the net gain or loss on the sale of certain investments is not readily determinable from the Trustee's statements.

10

11

LEAR SEATING CORPORATION

401(k) PLAN

NOTES TO FINANCIAL STATEMENTS
(Continued)

Expenses

All direct costs and expenses incurred in connection with the Plan are paid by the Company.

(3) TAX STATUS

The Plan obtained its latest determination letter of October 12, 1989, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (the Code). The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, they believe that the Plan was qualified and the related trust was tax-exempt as of the financial statement date. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

11

12

SCHEDULE I

LEAR SEATING CORPORATION
401(k) PLAN

EIN: 13-3386776 PN: 002

ITEM 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AS OF DECEMBER 31, 1993

<TABLE>
<CAPTION>

IDENTITY OF PARTY INVOLVED	DESCRIPTION OF INVESTMENT	COST	CURRENT VALUE
-----	-----	-----	-----
<S>	<C>	<C>	<C>
* Vanguard Group	Fixed Income Securities	(a)	\$1,360,696
* Vanguard Group	Windsor II	(a)	4,022,876
* Vanguard Group	Money Market	\$919,460	919,460
* Vanguard Group	Investment Contract Trust	333,478	333,478
* Participant Loans	Promissory Notes, interest rates at 7%, maturing through November 1998	224,962	224,962

</TABLE>

(a) Amounts not readily determinable from the trustee statements.

* Represents a party-in-interest.

12

13

SCHEDULE II

LEAR SEATING CORPORATION

401(k) PLAN

EIN: 13-3386776 PN: 002

ITEM 27d - SCHEDULE OF REPORTABLE TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 1993<TABLE>
<CAPTION>

Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost	Current Value of Asset on Transaction Date	Net Gain or (Loss)
----- <S>	----- <C>	----- <C>	----- <C>	----- <C>	----- <C>	----- <C>
* Vanguard Group	Fifty-five aggregate purchases of 69,523 Fixed Income Securities shares, including reinvested interest of \$111,449	\$ 653,394	N/A	\$ 653,394	\$ 653,394	N/A
* Vanguard Group	Forty-eight aggregate purchases of 101,348 Windsor II shares, including reinvested interest of \$214,558	1,727,280	N/A	1,727,280	1,727,280	N/A
* Vanguard Group	Forty-three aggregate purchase of 314,021 Money Market shares, including reinvested interest of \$27,246	314,021	N/A	314,021	314,021	N/A
* Vanguard Group	Thirty-seven aggregate purchases of 177,234 Investment Contract Trust shares, including reinvested interest of \$17,276	177,234	N/A	177,234	177,234	N/A
* Vanguard Group	Thirty-eight aggregate sales of 19,359 Fixed Income Securities shares	N/A	\$181,637	(a)	181,637	(a)
* Vanguard Group	Fifty-one aggregate sales of 16,137 Windsor II shares	N/A	278,387	(a)	278,387	(a)
* Vanguard Group	Twenty-nine aggregate sales of 332,588 Money Market shares	N/A	332,588	332,588	332,588	\$ --
* Vanguard Group	Twenty-six aggregate sales of 82,035 Investment Contract Trust shares	N/A	82,035	82,035	82,035	--

</TABLE>

(a) Amounts not readily determinable from the trustee statements.

* Represents a party-in-interest.

13

14

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized in the City of Southfield, Michigan on January 11, 1995.

LEAR SEATING CORPORATION
401(k) PLAN

By: Lear Seating Corporation,
as Plan Administrator

By: /s/ Bill Ludwig

Name: Bill Ludwig
Title: Vice President of
Human Resources

14

15

EXHIBIT INDEX

EXHIBIT NUMBER -----	DESCRIPTION -----	SEQUENTIAL PAGE NUMBER -----
23.1	Consent of Arthur Andersen LLP (filed as Exhibit 23.3 to the Registrant's Registration Statement on Form S-8 (No. 33-57237) and incorporated herein by reference)	

15