

# 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. **0000950124-95-000024**

([HTML Version](#) on [secdatabase.com](http://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.: **95501068**  
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 PLASTICS CORPORATION 401(k) PLAN  
FOR HOURLY EMPLOYEES  
(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 PLASTICS CORPORATION 401(k) PLAN  
FOR HOURLY EMPLOYEES

## TABLE OF CONTENTS

|   | PAGE |
|---|------|
|   | ---- |
| Report of Independent Public Accountants  | 3    |
| Statements of Assets Available for Benefits as of December 31,<br>1993 and 1992   | 5    |
| Statements of Changes in Assets Available for Benefits for<br>the Year Ended December 31, 1993 and the Four Months ended<br>December 31, 1992 | 6    |
| Notes to Financial Statements   | 7    |
| Schedule I - Item 27a - Schedule of Assets Held for Investment<br>Purposes as of December 31, 1993  | 11   |
| Schedule II - Item 27d - Schedule of Reportable Transactions for<br>the Year Ended December 31, 1993  | 12   |
| Signatures  | 13   |
| Exhibit Index   | 14   |

2

3

[ARTHUR ANDERSEN LETTERHEAD]

## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Plan Administrator of  
the Lear Plastics Corporation  
401(k) Plan for Hourly Employees:

We have audited the accompanying statements of assets available for benefits of LEAR PLASTICS CORPORATION 401(k) PLAN FOR HOURLY EMPLOYEES as of December 31, 1993 and 1992, and the related statements of changes in assets available for benefits for the year ended December 31, 1993 and the four months ended December 31, 1992. 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 audits 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 assets available for benefits of the Plan as of December 31, 1993 and 1992, and the changes in assets available for benefits for year ended December 31, 1993 and the four months ended December 31, 1992 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 do 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

INDEX TO FINANCIAL STATEMENTS AND SCHEDULES

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

Statements of Changes in Assets Available for Benefits for the Year Ended December 31, 1993 and the Four Months Ended December 31, 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

LEAR PLASTICS CORPORATION  
401 (k) PLAN  
FOR HOURLY EMPLOYEES

STATEMENTS OF 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 | Total    |
| <S>   | <C>              | <C>         | <C>               | <C>                            | <C>      |
| ASSETS:   |                  |             |                   |                                |          |
| Investments-  |                  |             |                   |                                |          |
| Fixed Income Securities Fund -<br>1,913 units and 431 units<br>as of December 31, 1993 and<br>1992, respectively            | \$17,635         | \$ -        | \$ -              | \$ -                           | \$17,635 |
| Windsor II Fund -<br>2,602 units and 526 units<br>as of December 31, 1993<br>and 1992, respectively                         | -                | 44,343      | -                 | -                              | 44,343   |
| Money Market Fund -<br>5,161 units and 1,786 units<br>as of December 31, 1993 and<br>1992, respectively                     | -                | -           | 5,161             | -                              | 5,161    |
| Investment Contract Trust<br>Fund -<br>12,327 units and 3,475<br>units as of December 31,<br>1993 and 1992,<br>respectively | -                | -           | -                 | 12,327                         | 12,327   |
| Total investments   | 17,635           | 44,343      | 5,161             | 12,327                         | 79,466   |
| Contribution receivable   | 1,399            | 3,706       | 729               | 869                            | 6,703    |
| ASSETS AVAILABLE FOR BENEFITS   | \$19,034         | \$48,049    | \$5,890           | \$13,196                       | \$86,169 |

<CAPTION>

|     | Fund Information |             |                   |                                |       |
|-----|------------------|-------------|-------------------|--------------------------------|-------|
|     | 1993             |             |                   |                                |       |
|     | Bond Fund        | Equity Fund | Money Market Fund | Investment Contract Trust Fund | Total |
| <S> | <C>              | <C>         | <C>               | <C>                            | <C>   |

## ASSETS:

| Investments-  |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|
| Fixed Income Securities Fund -<br>1,913 units and 431 units<br>as of December 31, 1993 and<br>1992, respectively            | \$ 3,817 | \$ -     | \$ -     | \$ -     | \$ 3,817 |
| Windsor II Fund -<br>2,602 units and 526 units<br>as of December 31, 1993<br>and 1992, respectively                         | -        | 8,377    | -        | -        | 8,377    |
| Money Market Fund -<br>5,161 units and 1,786 units<br>as of December 31, 1993 and<br>1992, respectively                     | -        | -        | 1,786    | -        | 1,786    |
| Investment Contract Trust<br>Fund -<br>12,327 units and 3,475<br>units as of December 31,<br>1993 and 1992,<br>respectively | -        | -        | -        | 3,475    | 3,475    |
| Total investments   | 3,817    | 8,377    | 1,786    | 3,475    | 17,455   |
| Contribution receivable   | -        | -        | -        | -        | -        |
| ASSETS AVAILABLE FOR BENEFITS   | \$ 3,817 | \$ 8,377 | \$ 1,786 | \$ 3,475 | \$17,455 |

&lt;/TABLE&gt;

The accompanying notes are an integral part of these statements.

5

6

## LEAR PLASTICS CORPORATION

## 401(k) PLAN

## FOR HOURLY EMPLOYEES

## STATEMENTS OF CHANGES IN ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 1993 AND  
THE FOUR MONTHS ENDED DECEMBER 31, 1992

&lt;TABLE&gt;

|  | Fund Information |                |                      |                                      |          |
|--|------------------|----------------|----------------------|--------------------------------------|----------|
|  | 1993             |                |                      |                                      |          |
|  | Bond<br>Fund     | Equity<br>Fund | Money<br>Market Fund | Investment<br>Contract<br>Trust Fund | Total    |
| <S>  | <C>              | <C>            | <C>                  | <C>                                  | <C>      |
| INVESTMENT INCOME (LOSS):  |                  |                |                      |                                      |          |
| Interest and dividend<br>income  | \$ 1,086         | \$2,140        | \$ 101               | \$ 446                               | \$ 3,773 |
| Net unrealized appreciation<br>(depreciation) in value<br>of investments | (187)            | 380            | -                    | -                                    | 193      |
| Realized gain on sale<br>of investments                                  | 5                | -              | -                    | -                                    | 5        |
| Net investment income  | 904              | 2,520          | 101                  | 446                                  | 3,971    |
| EMPLOYEE CONTRIBUTIONS   | 13,495           | 35,436         | 6,528                | 9,284                                | 64,743   |
| NET INVESTMENT TRANSFERS   | 818              | 1,716          | (2,525)              | (9)                                  | -        |
| Net increase   | 15,217           | 39,672         | 4,104                | 9,721                                | 68,714   |
| ASSETS AVAILABLE FOR BENEFITS,<br>beginning of period                    | 3,817            | 8,377          | 1,786                | 3,475                                | 17,455   |
| ASSETS AVAILABLE FOR BENEFITS,<br>end of period                          | \$19,034         | \$48,049       | \$5,890              | \$13,196                             | \$86,169 |

&lt;CAPTION&gt;

## Fund Information

Four Months Ended December 31, 1992

|  | Bond<br>Fund | Equity<br>Fund | Money<br>Market Fund | Investment<br>Contract<br>Trust Fund | Total    |
|--|--------------|----------------|----------------------|--------------------------------------|----------|
| <S>  | <C>          | <C>            | <C>                  | <C>                                  | <C>      |
| INVESTMENT INCOME (LOSS):  |              |                |                      |                                      |          |
| Interest and dividend<br>income  | \$ 61        | \$ 195         | \$ 6                 | \$ 25                                | \$ 287   |
| Net unrealized appreciation<br>(depreciation) in value<br>of investments | (6)          | 31             | -                    | -                                    | 25       |
| Realized gain on sale<br>of investments                                  | -            | -              | -                    | -                                    | -        |
| Net investment income  | 55           | 226            | 6                    | 25                                   | 312      |
| EMPLOYEE CONTRIBUTIONS   | 3,762        | 8,151          | 2,390                | 2,840                                | 17,143   |
| NET INVESTMENT TRANSFERS   | -            | -              | (610)                | 610                                  | -        |
| Net increase   | 3,817        | 8,377          | 1,786                | 3,475                                | 17,455   |
| ASSETS AVAILABLE FOR BENEFITS,<br>beginning of period                    | -            | -              | -                    | -                                    | -        |
| ASSETS AVAILABLE FOR BENEFITS,<br>end of period                          | \$ 3,817     | \$ 8,377       | \$1,786              | \$ 3,475                             | \$17,455 |

&lt;/TABLE&gt;

The accompanying notes are an integral part of these statements.

6

7

LEAR PLASTICS CORPORATION  
401(k) PLAN  
FOR HOURLY EMPLOYEES

## NOTES TO FINANCIAL STATEMENTS

## (1) PLAN DESCRIPTION

## General

Effective September 1, 1992, Lear Plastics Corporation (the Company), a wholly-owned subsidiary of Lear Seating Corporation, established the Lear Plastics Corporation 401(k) Plan for Hourly Employees (the Plan). 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 hourly employees of Lear Plastics Corporation, who have completed one year 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.

## 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.

## 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, Delaware Charter Guarantee and Trust Company. It is the trustee's responsibility to invest Plan assets and to distribute benefits to participants.

7

8

LEAR PLASTICS CORPORATION

401(k) PLAN

FOR HOURLY EMPLOYEES

NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)

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 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.

Vesting of Benefits

Participants are immediately 100% vested in their contributions.

8

9

LEAR PLASTICS CORPORATION

401 (k) PLAN

FOR HOURLY EMPLOYEES

NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 or the

seventh anniversary of participation commencement,  
whichever is later;

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 made by installment payments or in a lump sum. In any event, the Company will make a lump sum payment to any participant if the amount owed is less than \$3,500.

As of December 31, 1993 and 1992 there were no amounts allocated to accounts of persons who have withdrawn from participation in the earnings and operations of the Plan.

#### Loans to Participants

Loans to participants are not permitted under the Plan.

#### 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.

9

10

LEAR PLASTICS CORPORATION

401(k) PLAN

FOR HOURLY EMPLOYEES

NOTES TO FINANCIAL STATEMENTS

(Continued)

#### (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 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.

##### Expenses

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

#### (3) TAX STATUS

The Company has not yet requested a determination letter from the Internal Revenue Service to indicate that the Plan is in compliance with the applicable requirements of the Internal Revenue Code (the Code). 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.

10

11

SCHEDULE I

LEAR PLASTICS CORPORATION

401(k) PLAN

FOR HOURLY EMPLOYEES

EIN: 13-3386702 PN: 001

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)      | \$17,635          |
| * Vanguard Group           | Windsor II                | (a)      | 44,343            |
| * Vanguard Group           | Money Market              | \$ 5,161 | 5,161             |
| * Vanguard Group           | Investment Contract Trust | 12,327   | 12,327            |
|                            | Total investments         |          | \$79,466<br>===== |

</TABLE>

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

\* Represents a party-in-interest.

11

12

SCHEDULE II

LEAR PLASTICS CORPORATION

401(k) PLAN

FOR HOURLY EMPLOYEES

EIN: 13-3386702 PN:001

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

<TABLE>  
<CAPTION>

| Identity of Party Involved | Transaction  | 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           | Twenty-eight aggregate purchases of 1,533 Fixed Income Securities shares, including reinvested interest of \$1,086 | \$14,476       | N/A           | \$14,476 | \$14,476                                   | N/A                |
| * Vanguard Group           | Nineteen aggregate purchases of 2,076 Windsor II shares, including reinvested interest of \$2,140                  | 35,587         | N/A           | 35,587   | 35,587                                     | N/A                |
| * Vanguard Group           | Twenty-three aggregate purchases of 5,900 Money Market shares, including reinvested interest of                    | 5,900          | N/A           | 5,900    | 5,900                                      | N/A                |

\$101

|                  |   |       |        |       |       |      |
|------------------|---|-------|--------|-------|-------|------|
| * Vanguard Group | Twenty-four aggregate purchases of 9,184 Investment Contract Trust shares, including reinvested interest of \$446 | 9,184 | N/A    | 9,184 | 9,184 | N/A  |
| * Vanguard Group | Two aggregate sales of 51 Fixed Income Securities shares  | N/A   | \$ 476 | (a)   | 476   | (a)  |
| * Vanguard Group | Three aggregate sales of 2,525 Money Market shares  | N/A   | 2,525  | 2,525 | 2,525 | \$ - |
| * Vanguard Group | One sale of 332 Investment Contract Trust shares  | N/A   | 332    | 332   | 332   | -    |

</TABLE>

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

\* Represents a party-in-interest.

12

13

SIGNATURES

Pursuant to the requirements of the Securities and 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 PLASTICS CORPORATION  
401(k) PLAN FOR HOURLY  
EMPLOYEES

By: Lear Plastics Corp.,  
as Plan Administrator

By: /s/ James H. Vandenberghe

-----  
Name: James H. Vandenberghe  
Title: Vice President and Secretary

13

14

EXHIBIT INDEX

| EXHIBIT<br>NUMBER<br>----- | DESCRIPTION<br>-----  | SEQUENTIAL<br>PAGE<br>NUMBER<br>----- |
|----------------------------|---|---------------------------------------|
| 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) |                                       |

14