

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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LIFELINE SYSTEMS INC

CIK: **720195** | IRS No.: **042537528** | State of Incorpor.: **MA** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-13617** | Film No.: **99709604**
SIC: **3663** Radio & tv broadcasting & communications equipment

Mailing Address

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CAMBRIDGE MA 02139-4851

Business Address

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6176791000

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES AND EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): SEPTEMBER 2, 1999

LIFELINE SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

MASSACHUSETTS	0-13617	04-2537528
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(State or other juris- diction of incorporation)	(Commission File No.)	(IRS Employer Identification No.)
111 LAWRENCE STREET, FRAMINGHAM, MA		02139
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(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code: (508) 988-1000

Item 5. Other Events.

On September 2, 1999, Lifeline Systems, Inc. and Protection One, Inc. announced the mutual termination of the merger agreement and the related stock option agreement between the two companies.

Item 7. Financial Statements and Exhibits.

(c) Exhibits

99.1 Press Release dated September 2, 1999.

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 hereunto duly authorized.

Date: September 10, 1999

LIFELINE SYSTEMS, INC.

(Registrant)

By: /s/ Ronald Feinstein

Ronald Feinstein

Title: Chief Executive Officer

EXHIBIT INDEX

Exhibit -----	Description -----
99.1	Press Release dated September 2, 1999.

[PROTECTION ONE LOGO]

[LIFELINE LOGO]

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Contact:
Dennis Hurley
Vice President - Finance
Chief Financial Officer
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FOR IMMEDIATE RELEASE

LIFELINE SYSTEMS AND PROTECTION ONE AGREE TO TERMINATE MERGER

CULVER CITY, Calif., and FRAMINGHAM, Mass, Sept. 2. 1999 -- Protection One, Inc. (NYSE: POI) and Lifeline Systems, Inc. (NASDAQ:LIFE) today announced that they have entered into a mutual agreement to terminate their proposed merger. The merger agreement was announced in October 1998.

Ron Feinstein, Lifeline president and chief executive officer, said, "We believe that the proposed combination with Protection One created a unique opportunity for synergies. However, delays in the regulatory process have made it appropriate for us to refocus our attention on creating shareholder value without this pending merger. We have many exciting opportunities to continue to grow our company and are concentrating all our energy on these endeavors."

John E. Mack III, chief executive officer of Protection One, said, "The termination of this agreement will allow us to continue our strategic focus on our residential

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monitored security services. We plan now to devote all of our energy to our core business, divesting non-core assets when appropriate, focusing on customer growth and service."

The companies also announced that they agreed to terminate the related stock option granted to Protection One by Lifeline in connection with the proposed merger.

Lifeline announced that it plans to take a charge to earnings in the third quarter of 1999 of approximately \$500,000 or \$0.05 per share on an after-tax basis, to reflect unreimbursed costs incurred in connection with the intended merger. Protection One indicated that it plans to take a charge to earnings in the third quarter of approximately \$2.2 million or \$0.02 per share.

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Protection One, one of the leading residential security alarm companies in the United States, provides monitoring and related security services to more than 1.6 million residential and commercial subscribers in North America and Europe.

Statements contained in this press release concerning statements of management's beliefs, goals and expectations are "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995, and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by the statements. Certain information in this release constitutes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, and is subject to the safe harbor protections of that Act. Other risks and uncertainties are described in Protection One's 1998 Form 10-K/A filed with the Securities and Exchange Commission on April 14, 1999 and quarterly reports on Form 10-Q filed on May 17, 1999 and August 16, 1999. Protection One disclaims any obligation to update any forward-looking statements as a result of developments occurring after the date of this press release.

Lifeline Systems, Inc. is the leading provider of personal response services in the United States and Canada, currently serving more than 263,000 subscribers from its response centers in Framingham and Cambridge, Mass., and Toronto, Ontario. Lifeline is committed to providing reassurance and peace of mind to those people who live alone and are faced with isolation and loneliness, as well as the need for emergence response. Lifeline does this by combining dedicated, well-trained people, with advanced technology.

This press release may contain forward-looking statements relating to the future performance of Lifeline Systems, Inc. Forward-looking statements, specifically those concerning future performance, are subject to certain risks and uncertainties, and actual results may differ materially from expectations.

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These risks and uncertainties include the uncertainty associated with the timing and magnitude of the transition in the Company's revenue mix, the risks associated with the development and implementation of the Company's new technology platform and other risk factors detailed from time to time in the Company's filings with the Securities and Exchange Commission (SEC) including the Company's Annual Report on Form 10-K, Form 10-Q and other filing and releases.

