

# SECURITIES AND EXCHANGE COMMISSION

## FORM PRE 14A

Preliminary proxy statement not related to a contested matter or merger/acquisition

Filing Date: **1999-03-26** | Period of Report: **1999-05-03**  
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### FILER

#### **SBM INDUSTRIES INC**

CIK: **771504** | IRS No.: **361805030** | State of Incorpor.: **DE** | Fiscal Year End: **1231**  
Type: **PRE 14A** | Act: **34** | File No.: **001-08912** | Film No.: **99574972**  
SIC: **5063** Electrical apparatus & equipment, wiring supplies

Mailing Address  
2 MADISON AVE  
LARCHMONT NY 10538

Business Address  
2 MADISON AVENUE STE 201  
LARCHMONT NY 10538  
9148330649

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

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))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to (S) 240.14a-11(c) or (S) 240.14a-12

SBM INDUSTRIES,

-----  
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

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

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(3) Per unit price or other underlying value of transaction computed  
pursuant to Exchange Act Rule 0-11 (set forth the amount on which  
the filing fee is calculated and state how it was determined):

-----  
(4) Proposed maximum aggregate value of transaction:

-----  
(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange  
Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee  
was paid previously. Identify the previous filing by registration statement  
number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

-----  
(2) Form, Schedule or Registration Statement No.:  
-----

(3) Filing Party:  
-----

(4) Date Filed:  
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Notes:

Reg. (S) 240.14a-101.

SEC 1913 (3-99)

SBM INDUSTRIES, INC.  
1865 Palmer Avenue  
Larchmont, New York 10538

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
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To the Shareholders:

The Annual Meeting of Shareholders of SBM Industries, Inc., a Delaware corporation (the "Company"), will be held at Star Struck, Inc. 8 F. J. Clarke Circle, Bethel, Connecticut 06801, at 9:00 a.m., local time, on May 3, 1999, for the following purposes:

1. To elect the members of the Board of Directors.
2. To act on a proposal to change the name of the Company to Star Struck, Ltd.
3. To transact such other business as may properly come before the Annual Meeting of Shareholders or any adjournment or adjournments thereof.

The Board of Directors of the Company has fixed the close of business on March 31, 1999 as the record date for the Annual Meeting. Only holders of the Company's shares at the close of business on such date will be entitled to vote at the Annual Meeting or any adjournment or adjournments thereof.

The Annual Report of the Company for the fiscal year ended December 31, 1998 is being sent to Shareholders with the mailing of this Notice of Annual Meeting of Shareholders and Proxy Statement.

By Order of the Board of Directors

Peter M. Nisselson, Secretary

Larchmont, New York  
April 6, 1999

YOUR VOTE IS IMPORTANT

THE PRESENCE, IN PERSON OR BY PROXY, OF HOLDERS OF A MAJORITY OF THE COMPANY'S OUTSTANDING SHARES IS REQUIRED TO CONSTITUTE A QUORUM. IT IS THEREFORE IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE MEETING, REGARDLESS OF THE NUMBER OF SHARES YOU MAY HOLD. THE BOARD OF DIRECTORS OF THE COMPANY HAS AUTHORIZED THE SOLICITATION OF PROXIES. PLEASE MARK, SIGN AND RETURN PROMPTLY THE ENCLOSED PROXY CARD IN THE ACCOMPANYING ENVELOPE. UNLESS OTHERWISE DIRECTED, SHARES REPRESENTED BY PROPERLY EXECUTED PROXIES WILL BE VOTED FOR THE ELECTION OF THE

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NOMINEES AS DIRECTORS, AND FOR THE PROPOSED CHANGE OF THE COMPANY'S NAME. AS TO ANY OTHER BUSINESS THAT MAY PROPERLY COME BEFORE THIS ANNUAL MEETING OR ANY ADJOURNMENT OR ADJOURNMENTS THEREOF, THOSE SHARES WILL BE VOTED AS THE NAMED PROXIES IN THEIR BEST JUDGMENT MAY DECIDE.

SBM INDUSTRIES, INC.  
1865 Palmer Avenue  
Larchmont, New York 10538

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PROXY STATEMENT

FOR

ANNUAL MEETING OF SHAREHOLDERS

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To be held on May 3, 1999 or  
as such date may be adjourned

VOTING SECURITIES

The Company has one class of capital stock, consisting of common stock, par value \$1.00 per share (the "Shares"), entitled to vote at the Annual Meeting of Shareholders. Each of the outstanding Shares entitles its holder to one vote. 2,025,929 Shares were issued and outstanding at the close of business on March 31, 1999 (the "Record Date"). Only holders of record of Shares as of the Record Date will be entitled to notice of and to vote at the Annual Meeting of Shareholders, or any adjournment or adjournments thereof.

SOLICITATION AND REVOCATION OF PROXIES

The enclosed proxy is for use only at the Annual Meeting of Shareholders to be held May 3, 1999 and any and all adjournments thereof. It is solicited on behalf of the Board of Directors of the Company.

The approximate date this proxy statement and accompanying materials are first being sent to security holders is April 6, 1999.

Shares represented by properly executed proxies will be voted and will be voted in accordance with the instructions contained therein. If no instructions are indicated, such Shares will be voted FOR the election of the nominees as directors, and for the proposed change of the Company's name. As to any other business that may properly come before the meeting or any adjournment or adjournments

thereof, such shares will be voted as the named proxies in their best judgment may decide. A shareholder may revoke his or her proxy at any time prior to its exercise at the Annual Meeting of Shareholders. A shareholder may revoke his or her proxy by filing with the Secretary of the Company (at the Company's address indicated above) an instrument revoking it or by similarly filing a duly executed proxy bearing a later date or by appearing at the Annual Meeting of Shareholders and voting in person.

In addition to the use of the mails, proxies may be solicited by the directors, officers and employees of the Company without additional compensation, by personal inter- view, telephone or telegram.

The expense of making the solicitation will consist of preparing and mailing the proxies and Proxy Statement, any expenses incurred by Company representatives in making the contacts described above, the charges of brokerage houses and other custodians, nominees and fiduciaries forwarding documents to security owners and costs of returning proxies, and any incidental expenses. The costs of this proxy solicitation, will be borne by the Company. Such costs are expected to be those normally expended for a solicitation for an election of directors in the absence of a contest, including costs represented by salaries and wages of regular employees.

NOMINEES FOR ELECTION AS DIRECTORS

Election  
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Proxies received in response to this solicitation will be voted, unless such authority is withheld, FOR the election of the seven persons named in this section as nominees for the Board of Directors.

Each Director will hold office until the next annual meeting of the

shareholders and until a successor is elected and qualifies.

There is no reason to believe that any of the nominees will, prior to the date of the Annual Meeting of Shareholders, refuse or be unable to accept election. If any nominee refuses or becomes unable to accept election, it is the intention of the persons named in the proxy to vote for such other person or persons as the current Board of Directors may recommend.

Background Information

The following table sets forth information as to the principal occupations of the nominees. The information presented below is based in part on information received from the respective persons and in part on the Company's records.

Name and Principal Occupation -----	Year First Appointed as Director -----	Age ---
Peter M. Nisselson..... President, Secretary, and Director	1984	63

President and Secretary of the Company since 1985; President of PN Investments, Inc., a private investment company, from 1981 to 1994; Vice President of the Company's subsidiary, Star Struck, Inc. ("SSI").

Name and Principal Occupation -----	Year First Appointed as Director -----	Age ---
Lawrence J. Goldstein..... Vice President, Treasurer, and Director	1984	63

Vice President and Treasurer of the Company since 1985; General Partner of Santa Monica Partners, an investment partnership, since 1982; and Vice President of SSI.

Kenneth Karlan..... Vice President and Director Since 1984, President of SSI.	1993	46
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Robert Morris..... Director	1985	64
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President of Dunhill Personnel Search since prior to 1980.

Name and Principal Occupation -----	Year First Appointed as Director -----	Age ---
---	--	------------

Arthur Salzfass..... Director President of Rutledge Books, Inc., a subsidiary publisher, since June 1997; Chairman of MicroInfo, a consulting business, since approximately 1985; from October 1993 to June 1994, President and CEO of USFI, Inc., an international telephone call- back company.	1985	64
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Keith Sessler..... Vice President and Director Since 1987, Vice President and	1992	43
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Michael Sweedler..... 1984 63  
Director

Attorney and partner of Darby &  
Darby, a New York law firm, since  
prior to 1979.

Compliance with Section 16(a) of the Exchange Act  
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No person, who, at any time during the year ended December 31, 1998, was a director, officer or beneficial owner of more than 10 percent of any class of equity securities of the Company registered pursuant to Section 12 of the Exchange Act failed to file on a timely basis, as disclosed in the above forms, reports required by Section 16(a) of the Exchange Act during the year ended December 31, 1998, or prior years ended December 31. The foregoing is based solely upon a review of Forms 3 and 4 and amendments thereto furnished to the Company during the year ended December 31, 1998 and certain written representations.

Additional Information  
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The Company knows of no arrangement or understanding between any nominee for director and any other person, pursuant to which he was or is to be selected as nominee.

Messrs. Nisselson, Karlan and Sessler receive no compensation for attending directors' meetings. Messrs. Goldstein, Morris, Salzfass and Sweedler receive \$300 for each directors' meeting attended.

The Company has a securities brokerage account with L.J. Goldstein & Company, Incorporated, a securities brokerage firm of which Mr. Goldstein is a principal.

The Company does not have standing nominating or compensation committees of the Board of Directors or other committees performing similar functions. The Company has designated an Option Committee consisting of Peter Nisselson, Kenneth Karlan and Keith Sessler pursuant to the 1992 Plan. The Option Committee selects participants in the Company's 1992 Incentive Stock Option Plan and determines the amount of awards pursuant to the Plan. The Option Committee held one meeting in 1998, which all members attended. The Company has also designated an Audit Committee consisting of Robert Morris and Arthur Salzfass. The Audit Committee reviews and coordinates the auditing of the Company's financial statements. The Audit Committee held one meeting in 1998 which all members attended.

The Board of Directors held three meetings during 1998. Each of the incumbent directors attended at least 75% of the aggregate of the total number of meetings of the Board of Directors held during the period for which he was a Director, except that Mr. Goldstein attended one of the three meetings.

PROPOSED CHANGE OF CORPORATE NAME  
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The Board of Directors has adopted a resolution approving the change the name of the Company to "Star Struck, Ltd." Upon approval by the shareholders, the officers of the Company will file an appropriate amendment with the Secretary of State of Delaware effecting the change.

The Board believes the proposed change of name is desirable because the new name reflects the Company's affiliation with its principal subsidiary, Star Struck, Inc.

An affirmative vote by the holders of a majority of the outstanding shares of stock of the Company represented and voting at the Annual Meeting of Shareholders is necessary to approve the proposal.

If the change of a name is approved, the Company will apply to change its symbol on the American Stock Exchange from SBM to KAP.

Proxies received in response to this solicitation will be voted, unless such authority is withheld, FOR the proposed change of name.

EXECUTIVE OFFICERS AND EXECUTIVE COMPENSATION  
-----

The following table sets forth all compensation paid by the Company during the year ended December 31, 1998 to the Chief Executive Officer and the other executive officers whose total compensation exceeded \$100,000.

## SUMMARY COMPENSATION TABLE

Name and Principal Position	Annual Compensation				Long Term Compensation			
	Year	Salary (\$)	Bonus (\$)	Other Annual Compen- sation (\$)	Awards		Payouts	
					Re- stricted Stock Award(s) (\$)	Securities Under- lying Options/ SARs (#)	LTIP Payouts (\$)	All Other Compen- sation (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(I)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Peter M. Nisselson, President	1998	\$140,400	0	0	0	0	0	0
	1997	140,400	0	0	0	0	0	0
	1996	149,200	0	0	0	0	0	0
Kenneth Karlan, Vice President	1998	\$140,000	0	0	0	0	0	0
	1997	140,000	0	0	0	0	0	0
	1996	149,200	0	0	0	0	0	0
Keith Sessler, Vice President	1998	\$140,000	0	0	0	0	0	0
	1997	140,000	0	0	0	0	0	0
	1996	141,905	0	0	0	0	0	0

&lt;/TABLE&gt;

No executive officer received or exercised any stock option or stock appreciation rights in 1998.

Other than the brokerage account with L. J. Goldstein & Company, Incorporated, described under "Nominees for Election as Director - Additional Information", the Company has no transactions with affiliated persons. The Company's transactions with L. J. Goldstein & Company are or were on terms at least as favorable as could have been obtained from non-affiliated persons.

The Company knows of no arrangement or understanding between any executive officer and any other person, pursuant to which he was or is to be selected as an officer.

## SECURITY OWNERSHIP OF MANAGEMENT

The following table describes the ownership of all directors and nominees of Common Shares, each of the named executive officers and the directors and executive officers of the Company as a group as of March 18, 1999.

<S>	<C>	<C>
Name of Beneficial Owner	Amount of Beneficial Ownership	% of Class
Peter M. Nisselson	728,652	35.97%
Lawrence J. Goldstein	172,700 (1)	8.52%
Kenneth Karlan	272,778	13.46%
Robert Morris	4,500	.22%
Arthur Salzfass	2,000	.10%
Keith Sessler	272,778	13.46%
Michael Sweedler	7,000	.35%
Total of all officers and directors as a group (7 persons)	1,460,408	72.08%

&lt;/TABLE&gt;

- (1) Includes 77,700 shares owned by Lawrence J. Goldstein directly, and the following shares, which may be deemed owned beneficially by Lawrence J. Goldstein: 53,600 shares owned by the L.J. Goldstein & Company, Incorporated Pension Plan; 5,000 shares owned by the Keogh Plan for Lawrence J. Goldstein; 36,400 shares owned by the Individual Retirement Account of Lawrence J. Goldstein.

## OTHER PRINCIPAL HOLDERS OF VOTING SECURITIES

The following table describes the share ownership of each person known to the Company, in addition to management, the nominees for directors and directors and officers as a group, to be a "beneficial owner" (as that term is defined in the regulations of the Securities and Exchange Commission) of more than 5% of the Company's Common Shares as of March 18, 1999.

Name and Address of Beneficial Owner -----	Amount of Beneficial Ownership -----	% of Class -----
Rosalind Davidowitz 7 Sutton Place South Lawrence, NY 11559	113,885	5.62%
J. Morton Davis 44 Wall Street New York, NY 10005	113,885(1)	5.62%

(1) Consists entirely of the 113,885 shares listed above as beneficially owned by Ms. Davidowitz. Such shares may be deemed beneficially owned by Mr. Davis.

#### AUDITORS

The accounting firm of Arthur Andersen LLP served as the Company's independent public accountants for 1998. Arthur Andersen LLP has been the Company's independent public accountants for several years. The Company does not expect that representatives of Arthur Andersen LLP will be present at the Annual Meeting.

The Board of Directors of the Company has not yet selected an accounting firm to serve as the Company's independent public accountants for 1999.

#### SHAREHOLDERS' PROPOSALS FOR 2000 ANNUAL MEETING

The Company anticipates that the 2000 Annual Meeting of Shareholders will be held on or about May 2, 2000. All shareholder's proposals to be considered for inclusion in the Company's Proxy Statement for presentation at that meeting must be received at the principal executive offices of the Company no later than the close of business on December 6, 1999.

#### OTHER MATTERS

The management of the Company knows of no other matters to be considered at the Annual Meeting. However, if any matter other than those referred to herein should properly come before the Annual Meeting, of the persons named in the proxy intend to vote such proxy in accordance with their best judgment.

The Company will provide, without charge, a copy of the Company's Form 10-KSB (without exhibits), to each person to whom a proxy statement is delivered, upon written or oral request of such person. A copy of the Form will be sent by first class mail or other equally prompt means within one business day of receipt of such request. Any person desiring a copy of the Form 10-KSB should contact the Company's Corporate Secretary at SBM Industries, Inc., 1865 Palmer Avenue, Larchmont, New York 10538 (telephone: (914) 833-0649).

By order of the Board of Directors

Peter M. Nisselson,  
Secretary

Larchmont, New York  
March 31, 1999

PROXY

SBM INDUSTRIES, INC.

PROXY

ANNUAL MEETING OF SHAREHOLDERS - MAY 3, 1999

This Proxy is Solicited on Behalf of the Board of Directors

The undersigned hereby appoints Peter Nisselson, and Lawrence J. Goldstein and each of them, as proxies, with power of substitution in each, to



represent the undersigned at the Annual Meeting of Shareholders of SBM Industries, Inc. on May 3, 1999 or any adjournment thereof, and to vote all of the shares of common stock which the undersigned would be entitled to vote at said meeting if then personally present:

PLEASE MARK, SIGN, DATE AND RETURN THE PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE.

(Continued and to be signed on reverse side)

SBM INDUSTRIES

PLEASE MARK VOTE IN OVAL IN THE FOLLOWING MANNER USING DARK INK ONLY.

[ ]

1. Election of Directors

Nominees: Peter Nisselson, Lawrence J. Goldstein, Kenneth Karlan, Robert Morris, Arthur Salzfass, Keith Sessler and Michael Sweedler

(INSTRUCTION: To withhold authority to vote for any one or more individual nominees, write such nominees' names in the space provided below.)

-----

For All	Withhold All	For All Except Nominee(s) Written Below
[ ]	[ ]	[ ]

2. Proposal to amend the Certificate of Incorporation to change the Company's name to Star Struck, Ltd.

For	Withhold	Against
[ ]	[ ]	[ ]

3. In their discretion, the persons hereby appointed as proxies are authorized to vote upon such other business as may properly come before the meeting and, in the event of any of the foregoing nominees is unable to serve or for good cause will not serve, for a substitutes nominee designated by the Board of Directors.

This proxy when properly executed will be voted and will be voted in the manner directed herein by the undersigned shareholder. If no direction is made, this proxy will be voted for the nominees named in Proposal 1.

Dated: \_\_\_\_\_, 1999

Signature(s) \_\_\_\_\_

Please sign as your name appears hereon. If stock is held jointly, each joint owner should sign. Executors, administrators and trustees should give their full title. Corporate signature should be by duly authorized officers.

FOLD AND DETACH HERE

YOUR VOTE IS IMPORTANT!

PLEASE MARK, SIGN, DATE AND RETURN AND PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE.