

SECURITIES AND EXCHANGE COMMISSION

FORM PREC14A

Preliminary proxy statement in connection with contested solicitations

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SUBJECT COMPANY

**DDL ELECTRONICS INC**

CIK: **26987** | IRS No.: **330213512** | State of Incorporation: **DE** | Fiscal Year End: **0630**  
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PROXY STATEMENT

IN OPPOSITION TO

MANAGEMENT AND THE CURRENT BOARD OF  
DIRECTORS

OF

DDL ELECTRONICS, INC.

ANNUAL MEETING OF SHAREHOLDERS  
SCHEDULED FOR MAY 31, 1995

Dear Fellow Shareholders in DDL ELECTRONICS, INC.:

This Proxy Statement is being sent to you by a group of your fellow stockholders, SCRMM ("Shareholders' Committee to Remove a Moribund Management"), in connection with our solicitation of proxies to be used at the Annual Meeting of Shareholders of DDL Electronics, Inc. ("DDL"), now set for Wednesday, May 31, 1995, at 10:00 AM local time in Rosemont, Illinois. Shareholders of DDL as of April 17, 1995, are entitled to vote at the forthcoming Annual Meeting. We seek your proxy to:

1. TAKE CONTROL OF DDL BY THE ONLY METHOD  
AVAILABLE -

EXPANDING THE BOARD OF DIRECTORS AND  
ELECTING A NEW  
MAJORITY - TO BRING AN END TO THE  
DISAPPOINTING RESULTS THAT  
THE CURRENT BOARD HAS OBTAINED FOR YOU  
SINCE THEY HIRED  
CURRENT MANAGEMENT 3.5 YEARS AGO, AND

2. ELECT A NEW MAJORITY OF THE BOARD OF  
DIRECTORS, WHICH WILL

HAVE AS ITS SOLE OBJECTIVE TO INCREASE THE  
SALES, EARNINGS,  
BOOK VALUE, CASH FLOW, SHARE TRADING VOLUME  
AND SHARE  
PRICE OF DDL.

IF YOU OWN YOUR SHARES IN DDL IN THE NAME OF A  
BROKERAGE FIRM, YOU

MUST TELL YOUR BROKER HOW TO VOTE YOUR SHARES.  
YOUR BROKERS CAN  
NOT VOTE AS YOU WISH UNLESS YOU GIVE THEM  
SPECIFIC INSTRUCTIONS TO  
DO SO. THESE INSTRUCTIONS CAN BE CONVEYED BY  
SIGNING, DATING AND  
MAILING YOUR GREEN PROXY CARD TODAY.

PLEASE DO NOT RETURN THE PROXY CARD SENT TO  
YOU BY DDL  
MANAGEMENT. IF YOU HAVE ALREADY RETURNED  
DDL'S PROXY, YOU HAVE  
THE RIGHT TO REVOKE THIS AUTHORIZATION BY  
RETURNING OUR LATER  
PROXY. ONLY YOUR LATEST DATED, PROPERLY  
EXECUTED PROXY WILL  
COUNT AT THE ANNUAL MEETING. THE ONLY WAY YOU  
CAN VOTE FOR OUR  
NOMINEES IS TO COMPLETE AND RETURN THE  
ENCLOSED GREEN PROXY CARD.

We urge you to join us, by giving SCRMM your proxy, to put  
a new team in control of  
the Board of Directors of DDL. VOTE FOR an end to the  
performance of the past three and a  
half years. VOTE FOR placing control of DDL in the hands of  
your fellow shareholders who  
have the same desires as you to see the sales, earnings, book  
value, and stock price of DDL  
increase. We have no doubt that our proposed slate of Directors  
will accomplish considerably  
better results for DDL shareholders than we have seen under  
the current Board of Directors.

VOTE FOR THE FOLLOWING PROPOSALS:

PROPOSAL 1: NOMINEES FOR ELECTION AS DIRECTORS

The DDL's Board of Directors is presently composed of four  
Directors, divided into  
three classes of Directors who serve for three-year terms: one in  
Class I (whose term of office  
expires in 1996), two in Class II (whose term of office expired in  
1994) , and one in Class III  
(whose term of office expires in 1995). The two Class II  
Directors to be elected at the Annual  
Meeting scheduled for May 31 will serve until the 1997 Annual  
Meeting of Shareholders, and  
thereafter until their successors shall have been elected and

qualified.

In opposition to the two incumbent Class II Directors put forward for re-election by DDL, SCRMM proposes two experienced and exceptionally well-qualified nominees. If elected, these two nominees would hold two of the four seats on the Board of Directors as presently constituted.

Each nominee has consented to serve as a director of DDL if elected. SCRMM does not expect that either of the nominees will be unable to stand for election but, in the event that a vacancy in the slate of nominees should occur unexpectedly, the Shares represented by the enclosed GREEN Proxy Card will be voted for a substitute candidate selected by SCRMM.

The following information concerning business address, age, and principal occupation has been furnished by SCRMM's nominees.

Bernee D. L. Strom  
3230 335th Street  
Waukee, Iowa 50263

Ms. Strom is currently President of USA Digital Radio, a partnership of Gannett Corporation, Westinghouse, and CBS. She chairs the Board of Directors of Quantum Development Corporation, a business analysis and optimization consulting and technology company. She is also a board member of Software Publishing Corporation, a NASDAQ traded company and on the Board of Advisors of J.L. Kellogg graduate school of management at Northwestern University. Ms. Strom has twenty years of business experience, including being a founder and shareholder of Gemstar Development Corporation; senior executive of the Los Angeles Herald Examiner; former senior management consultant with Deloitte, Haskins & Sells. Ms. Strom holds a Masters in Mathematics from New York University, and an M.B.A. from UCLA. Ms. Strom is 47 years old.

Erven Tallman  
72420 Beverly Way

Rancho Mirage, California  
92260

Mr. Tallman has over 45 years of business experience as a founder, owner, director and operator of a variety of businesses, including one which he sold to DDL in 1979. Mr. Tallman was a founder, director, and president of the following companies: Norco Industries, a privately held industrial distribution company; Tallman Construction, a company ultimately owned by Imasco, one of Canada's largest publicly-traded corporations; Tallman Industries, an electronic royalty company. Since 1990, Mr. Tallman has served as founder and President of Phone Alert Corporation and Pactall Corporation, a software development company for automated wireless integrated systems. Since 1991, Mr. Tallman is a founder and currently General Managing Partner of Inland Empire Properties, Ltd., a large privately-held commercial and industrial development company. He is also a founder and Chief Executive Officer of E.B. Tall, Inc. Mr. Tallman is 67 years old, and a shareholder in DDL.

None of the nominees has ever been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors). None of the nominees has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining further violations of, or prohibiting activities subject to, federal or state securities laws or finding any violation of such laws. Additional information concerning nominees who own stock in DDL is provided in Appendix A hereto.

SCRMM urges you to sign, date and return the enclosed GREEN proxy card to vote for the election of SCRMM's nominees as Directors.

PROPOSAL NO. 2: AMENDMENT OF THE BYLAWS TO  
SET THE NUMBER OF DIRECTORS AT SEVEN

Section 3.02 of DDL's Bylaws deals with the number and term of office of members of the Board of Directors. According to identical copies of the Bylaws provided by DDL's Chief Executive Officer in June 1994, and in January 1995 by

Disclosure Information Services, Inc.,  
Section 3.02 provides:

"SECTION 3.02 Number and Term of Office. The number of directors shall be seven (7). Directors need not be stockholders. Each of the directors of the Corporation shall hold office until his successor shall have been duly elected and shall qualify or until he shall resign or shall have been removed in the manner hereinafter provided." (Emphasis supplied)

This notwithstanding, DDL has set the size of the current Board of Directors at four. The October 28, 1993, proxy statement of DDL, relating to the last Annual Meeting of Shareholders held in December 1993, says that the Board of Directors "in accordance with DDL's Bylaws, reduced the size of the Board of Directors to three. . . ." A Company press release subsequently announced that the size of the Board of Directors had been increased to four with the addition of Mr. Coyne, an employee of DDL.

The size of the Board has been shrinking and growing more inbred. In recent years, with each available vacancy the current Board of Directors has reduced the overall size of the Board so that no new member was elected. We believe that this has deprived DDL of new ideas and expertise on the Board of Directors, qualities which DDL desperately needs.

Accordingly, pursuant to Bylaw Section 8.03, SCRMM proposes that the shareholders adopt the following Proposal to amend Bylaw Section 3.02:

"PROPOSAL NO. 2:

Effectively immediately upon adoption by the Shareholders, Section 3.02 of DDL's Bylaws are amended as follows:

Text of Amendment

SECTION 3.02 Number and Term of Office. The number of directors shall be not less than seven (7). Directors need not be stockholders. Each of the directors of the Corporation shall hold office until his

successor shall have been

duly elected and shall qualify or until he shall resign or shall have been removed

in the manner hereinafter provided.' (New language shown in italics)

Immediately following adoption of this amendment to the Bylaws, there shall be an election of the number of new Directors required to comply with the Bylaw provision that there be no less than the seven (7) members of the Board. Persons elected will be classified on the basis of the number of votes received. The two nominees receiving the highest number of votes shall become members of Class I, with terms expiring at the annual meeting of shareholders in 1996; the nominee receiving the next highest number of votes will be elected as a member of Class III, with a term expiring at the annual meeting of shareholders in 1995. "

Provided that a quorum of a majority of the outstanding shares of DDL's Common Stock is present, the affirmative vote of a majority of the shares present and voting is required in order for Proposal No. 2 to be adopted.

#### PROPOSAL 3: NOMINEES FOR ELECTION AS NEW DIRECTORS ON THE SEVEN MEMBER BOARD

Assuming that the Shareholders adopt Proposal No. 2 setting the number of Directors at seven, effective immediately upon adoption, it will then be necessary for the Annual Meeting to elect three new Board members.

The election will be conducted in accordance with the provisions of DDL's Certificate of Incorporation and Bylaws governing the election of Directors. Specifically, Stockholders are entitled to cumulate their votes in the election of Directors by casting for the election of one nominee a number of votes equal to the number of Directors to be elected (i.e., three) multiplied by the number of shares owned by the Stockholder, or may distribute such votes on the same principle among as many candidates as the Stockholder sees fit. If a proxy is marked for the

election of Directors, it may, at the discretion of the proxy holders, be voted cumulatively in the election of Directors.

If a quorum is present at the meeting, the nominees for election as Directors who receive the greatest number of votes cast at the meeting by shares present in person or by proxy and entitled to vote thereon, shall be elected as Directors.

SCRMM has a slate of experienced and highly qualified nominees for these three seats on the Board.

Each nominee named below has consented to serve as a director of DDL if elected. In the event that a vacancy in the slate of nominees should occur unexpectedly, the Shares voted for that nominee as represented by the enclosed GREEN Proxy Card will be voted for a substitute candidate selected by SCRMM.

The nominees have provided the following information concerning business address, age, and principal occupation.

Name and Business Address

Principle Occupation for Past Five Years

Melvin Foster  
Melvin Foster & Associates  
15 Court Square  
Boston, Massachusetts 02108

Attorney and Investor. Mr. Foster has been a practicing attorney in Boston, Massachusetts since 1971. Between 1951 and 1968, he served as an operations executive of Robert Hall Clothes, a subsidiary of United Merchant Manufacturers. He received his M.B.A. from Boston University in 1951, and his J.D. from Boston University in 1971. Mr. Foster is 68 years old, and a shareholder in DDL.

Don A. Raig  
555 Saturn Boulevard  
Suite B-444  
San Diego, California 92154



Attorney, Trustee, and Investor.

Mr. Raig is a practicing attorney in San Diego, California.

In addition to the oversight of personal investments and as a fiduciary, Mr. Raig has served as a member of

the board of directors of a number of private companies. Mr.

Raig is

53 years old, and a shareholder in DDL.

Robert G. Wilson

1620-1185 West Georgia Street

Vancouver, British Columbia

V6E 4E6 CANADA

Mr. Wilson currently engages in a private business consulting practice, which advises companies experiencing financial and organizational difficulties. His consulting practice focuses on planning, budget-setting, and general troubleshooting.

Previously,

Mr. Wilson was with the House of Seagrams in Montreal,

Quebec, as

Assistant to the Vice President for Finance (1968-70); 1970-79,

Mr.

Wilson built up a series of four General Motors dealerships, five automobile leasing and rental companies, a heavy equipment leasing

company, and a major tire wholesaler and retailer; during this same

period, he held interests in an oil drilling company, an oil field equipment company, and other businesses; in 1987, Mr. Wilson

was

a principal in the highly successful start-up of Brandover Enterprises,

Ltd., a Seattle-based public company listed on the Toronto Stock Exchange. Mr. Wilson has served as a director of Malibu Grand

Prix

Corp. (1984-91), Pioneer Food Corp. (1990-91), Brandover

Enterprises, Ltd. (1989-present), Amusements International, Ltd.

(1992-present), Bonkers Indoor Playgrounds, Inc.

(1993-present),

Interactive Telesis, Inc. (1993-95). Mr. Wilson is 53 years old, and a

shareholder in DDL.

None of the nominees has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) during the past ten years. None of the nominees has been a

party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining further violations of, or prohibiting activities subject to, federal or state securities laws or finding any violation of such laws. Additional information concerning those nominees who own stock in DDL is set forth in Appendix A hereto.

SCRMM urges you to sign, date and return the enclosed GREEN proxy card to vote for the election of SCRMM's nominees as Directors.

#### VOTING OF PROXIES

Unless otherwise indicated, the persons named in the accompanying GREEN Proxy Card will vote properly executed, dated, and duly returned proxies (1) FOR the election of Bernee D.L. Strom and Erven Tallman as Class II Directors, (2) FOR the amendment of Bylaw 3.02 to set the membership of the Board of Directors at not less than seven, effective immediately upon adoption, and to require the immediate election of three new members of the Board of Directors following adoption of the Bylaw amendment, (3) FOR the election of Melvin Foster, Don A. Raig, and Robert G. Wilson as members of the Board of Directors to serve for a term of up to three years, depending upon the number of votes received, until the 1997 annual meeting of shareholders and until their successors are elected and qualified, and (4) in accordance with their judgment on such other business as may be properly presented to the meeting and any adjournment or postponement thereof.

GREEN Proxy Cards should be signed, dated and returned in the postage-paid envelope provided. Execution of the enclosed GREEN Proxy Card will not affect a shareholder's right to attend the Annual Meeting and vote in person. A shareholder who has given a proxy may revoke it at any time before such proxy is voted either by a later dated proxy or by voting in person at the Annual Meeting. Attendance at the Annual Meeting will not in and of itself constitute a revocation. If you were a shareholder on the Record Date, you will retain your

voting rights in connection with the Annual Meeting even if you sell or sold such Shares after the Record Date. Accordingly, it is important that you vote the Shares held by you on the Record Date or grant a proxy to vote such Shares whether or not you still own the stock.

Shareholders cannot select Directors from among those proposed by DDL and SCRMM. Therefore, if you wish to support SCRMM's nominees, your last dated, properly executed proxy must be a GREEN Proxy Card.

YOUR INVESTMENT IS AT THE BOTTOM OF THE BARREL. WHO IS RESPONSIBLE?

Your DDL investment has hit the bottom of the barrel and stayed there. The majority of the present Board of Directors and management team has been in control at DDL since January 1992 (approximately 3.5 years or 1,200 days). The stock's performance during this period speaks for itself no matter what criteria you would like to choose.

SCRMM has prepared an array of statistical and graphical data, from standard sources, in order to assist you in making an informed opinion regarding the stewardship of your company. The data is presented in two forms and requires some explanation:

1. DDL SPECIFIC DATA: Because DDL has had a negative net worth, large write-offs, significant asset sales, bond-to-stock conversions, and other non-recurring transactions, many of the standard measures of financial performance are not relevant. Consequently, we have focused on incontestable numbers such as revenues, operating income, book value per share and, course, stock price:

Table 1: Eight Standard Measurements of DDL's Performance While Under Current Management

Year (Fiscal Year Ends June 30)  
1992

1993  
1994  
1995  
(9 mo)

Sales  
58.5  
57.9  
48.5  
22.7

Sales per Share  
8.73  
5.73  
3.21  
1.44

Operating Income ( 000,000)  
(8.9)  
(5.1)  
(6.9)  
(3.3)

Total Shares Outstanding ( 000)  
6635  
11973  
14469  
15909

Book Value per Share  
(.92)  
(.08)  
(.34)  
(.12)

Cash Flow per Share  
(2.18)  
(.12)  
(.18)  
N/A

Average Stock Price  
1.3125  
1.6875

1.4675

1.375

Average Daily Share Volume

15,900

42,000

31,800

15,800

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Calendar year

The picture this data paints is one of a rapidly shrinking company but with an increasing number of shares outstanding. Its survival for the last three years has depended on the conversion of \$12 million of bonds into common stock and the exercise of \$3,500,000 of warrants rather than any operating successes.

2. DDL COMPARED TO PEER GROUPS: Because DDL does not exist in a vacuum, we feel it is important to compare the performance of DDL to its peers. A large and respected financial data base firm (Bridge Information Systems) classifies companies into industry segments. DDL is classified in industry 255 (Electrical Components and Parts). Its peer group consists of 30 firms that are listed on the New York Stock Exchange and 50 that are traded on NASDAQ's National Market System.

The peer groups appear to have done pretty well over the past three and one-half years. Not so for DDL.

The graph below depicts the 10 year price movement of DDL stock compared to the DDL peer groups. (Current outside members of the Board of Directors have served on this Board since 1986.) Notice the dramatic percentage rise in the industry stock prices since 1991. DDL's percentage stock price change has not kept pace. The gap between DDL and its peers has widened as DDL continues to underperform its industry peer group even with a management change at the end of 1991. This is not a record for DDL's

management to be proud of -- and it certainly does not reflect a turnaround during the period that Mr. Cook has been Chief Executive Officer.

Next, consider the graph of Quarterly Sales Growth Compared to Prior Year. Again, we see this alarming trend - the NYSE industry peer group shows a substantial and regular percentage increase since 1992, while DDL's sales growth, after a positive trend in 1993, has dropped and dropped and dropped dramatically since the beginning of 1994.

Finally, review the ranking of your company, DDL, with its peer group:

Measure  
DDL  
Ranking in Peer  
Group  
Median - 50% of  
the Peer Group is  
Above this Value

5 Year  
Compounded  
Revenue Growth  
(Decline)Rate  
- -17%  
Bottom 4%  
14.1%

Gross Profit  
Margin  
3.5%  
Bottom 1%  
24.5%

Average Daily  
Trading Value -  
Last 30 days  
\$189,750  
Bottom 9%  
\$2,736,125

Absolute Stock  
Price 4/21/95  
1.375

Bottom 1%  
13

Market  
Capitalization  
\$22 million  
Bottom 20%  
\$82 million

52-Week Stock  
Price Change  
22.2%  
Top 45%  
17.1%

26 Week Stock  
Price Change  
-26.7%  
Bottom 7%  
6.8%

Who is responsible for keeping DDL out of the bottom of the barrel? Who is responsible for maintaining revenues and stock indices at least similar to the industry? The Board of Directors and management are responsible. It is the Board of Directors' responsibility to ensure that management performs.

WHAT DO YOU THINK OF THE JOB THEY HAVE DONE SO FAR?

The current Board of Directors and management (as a team) have watched over the continuing abysmal performance of DDL for at least 3.5 years. They have had almost 1200 days to turn around DDL's performance and increase the value of your investment. Instead, they have watched your shares trade at prices approaching liquidation value and watched the average daily trading volume decline to 15,800, from 42,000 in 1993, while the number of outstanding shares more than doubled.

These pictures speak volumes.

While past results are never a certain indicator of future results, they are used by educated men and women in their decision making process. The past results of the current Board of Directors and their management team speak for themselves.

#### WHAT DOES THE MARKET THINK?

In addition to these statistics, there is another indicator of the performance of the current Board of Directors and their management team: the market itself. On a daily basis, buyers and sellers come together to determine the value of assets such as your investment in DDL -- using hard, cold cash, they vote on the prospects for the company. Over the past three and one-half years, the market has voted on the prospects for DDL. Their vote places DDL's average share price in the lowest one percent of its New York Stock Exchange peer group. We believe that the market has voted thumbs down on the current Board of Directors and their management team's likelihood of success with our company.

We all should be concerned with the force of this thumbs down vote, echoed by the average daily trading value of shares traded over the last thirty days which ranks us in the bottom ten percent of peer group stocks traded. If the value of our DDL shares is to increase, there have to be interested buyers in sufficient numbers to drive up the share price. We suggest that this low share trading volume reflects investor's lack of interest in and a lack of confidence in the current Board of Directors and their management team. If investors had any confidence in the potential success of the present Board of Directors and their management team, then the stock we all own would not be trading near its liquidation value.

We agree with the market. After working with this current management team, we have lost confidence in their ability either to formulate or to implement a sound strategic plan. We have lost confidence that the current Board of Directors or its management team can either identify the most promising and attractive candidates or follow through with the consummation of a merger, acquisition or consolidation which will be beneficial to the



shareholders of DDL.

Take this opportunity, VOTE THIS PROXY and remove the current Board who is responsible for the results depicted above.

#### WHAT IS SCRMM?

#### WHAT WILL SCRMM DO FOR YOU AND AT WHAT COST?

SCRMM is a group of your fellow shareholders who have banded together under the name of the Shareholders' Committee to Remove a Moribund Management ("SCRMM"). Collectively, the members of SCRMM own, or beneficially own, 3,950,956 shares of stock in DDL Electronics, Inc., constituting 25.9 percent of the shares entitled to vote at the forthcoming Annual Meeting scheduled for May 31.

The members of SCRMM are not corporate gadflies. We are responsible business people and investors with a unity of interests with you and most of the other shareholders in DDL. We want DDL to be a successful company. We want the stock price to go up.

SCRMM is offering the shareholders the opportunity to elect a slate of Directors that will be able to lead DDL in a new direction -- upward. We believe that the urgency of a change is painfully obvious.

First ask, "What has SCRMM done for DDL to date?" The answer is enlightening - members have helped keep DDL alive by providing cash and converting millions of dollars in corporate bonds into stock. The impact of this group's involvement is telling. Look at the following chart showing the price action of DDL, annotated with SCRMM member's actions on behalf of DDL:

It is more than fair for you to ask "What exactly will SCRMM do for me, a shareholder, if it is successful in its efforts to remove those responsible for the mediocre and altogether unimpressive performance of DDL over the past three and one-half years?" Our agenda is as follows:

1. We have put forward a slate of Directors with substantial business, corporate management,

legal and accounting experience, four of whom are substantial shareholders in DDL. They want what you want.

2. Our slate of Directors will conduct an assessment of DDL's assets, liabilities and operating position, seeking to generate an immediate increase in corporate sales revenues and the elimination of any non-productive corporate expenses.
3. Our slate of Directors will put in place a management team which will aggressively manage DDL so that you have a chance to receive higher returns on your investment in DDL.
4. Our slate of Directors will work to restore credibility and develop a following for our company among institutional investors, money managers and other professional investors so that the price of your shares has a better opportunity to appreciate in value.
5. Our slate of Directors will reevaluate the lucrative stock option and restricted stock award benefit plans put in place by the current Board of Directors and their management team and, if they so determine, propose to stockholders that these plans be significantly modified or terminated.
6. Our slate of Directors will employ their skills and the skills of other experts to fully utilize our company's assets in a series of one or more business combinations which improve the performance of DDL and the value of your shares of stock.
7. As they develop and implement a new strategic plan, our slate of Directors will always place your interests as shareholders first.

WHAT SPECIFIC STEPS ARE NECESSARY TO CHANGE CONTROL OF DDL?

Preliminarily, you need to know that the Certificate of Incorporation and Bylaws of DDL provide for cumulative voting and staggered terms for its Directors. The cumulative voting provision permits each stockholder to multiply the number of Directors standing for election by the number of shares of stock that he owns, and cast some or all

of his votes for any one or more of the Directors standing for election. The staggered terms for Directors means that only a portion of the Directors stand for election at any one time; in the case of DDL, there are three classes of Directors with members of each class serving a three-year term.

Cumulative voting and staggered terms for Directors are protective measures designed to provide corporate management insulation from the voting power of the shareholders. They are intended to make it very difficult to effect a change in corporate control, i.e. to change a majority of the Board of Directors. This may be true even in situations in which the stockholders represent a clear majority of the outstanding stock of DDL.

In this instance, since there are four members on the present Board, and only two Directors are standing for election this year, it is necessary for your fellow stockholders at SCRMM not only to put forth its own slate of two Directors in opposition to the re-election of management's two candidates but also to amend the Bylaws to expand the Board to seven members. If our nominees are also elected to the three new seats on the expanded Board, five of the seven members of the Board of Directors will be new members. A majority of the Board of Directors should have the power to set corporate policy and to guide corporate management, including any necessary changes in the current management team.

#### PROXY SOLICITATION; EXPENSES

Proxies may be solicited by members of SCRMM and their nominees by mail, telephone, telecopier and personal solicitation. Regular employees of Fortuna and Karen Brenner Investment Advisor may be used to solicit proxies, and when used, will not receive additional compensation for this work. Banks, broker houses and other custodians, nominees and fiduciaries will be requested to forward the soliciting matter of SCRMM to their customers for whom they hold shares, and SCRMM will reimburse them for their reasonable out-of-pocket expenses.

SCRMM has retained Beacon Hill Partners, Inc., 90 Broad Street, New York, New York, 10004, assist in the solicitation of proxies. SCRMM has agreed to pay Beacon Hill Partners, Inc., a fee of up to \$14,000, and to reimburse it for its reasonable out-of-pocket expenses. Approximately 15 people will be used by Beacon Hill Partners, Inc. in its solicitation efforts. The entire expense of preparing, assembling, printing a mailing this Proxy Statement and related materials and the cost of soliciting proxies for the nominees proposed by SCRMM will be borne by SCRMM.

SCRMM anticipates that its total expenditures relating to the solicitation will be approximately \$75,000 (excluding costs represented by salaries and wages of regular employees of Fortuna and Karen Brenner Investment Advisor); total expenditures to date have been approximately \$25,000. All expenses of the solicitation will be borne by the members of SCRMM in a manner to be determined by them. SCRMM will seek reimbursement from DDL for those expenses and does not intend to seek shareholder approval for such reimbursement at a subsequent meeting unless such approval is required under Delaware law.

The members of SCRMM have incurred certain professional fees and expenses in the solicitation of your proxy; if SCRMM prevails in this matter, then it is the intention of SCRMM to seek reimbursement from DDL for the monies that it has advanced, insofar as permitted under the laws of the State of Delaware.

#### OTHER MATTERS

SCRMM is not aware of any other matters scheduled to be presented at the Annual Meeting. If any other matters properly come before the meeting, the persons named in the enclosed GREEN Proxy Card will have discretionary authority to vote all proxies with respect to such matters in accordance with their judgment.

WHAT SHOULD YOU DO NEXT?  
IT SHOULD BE OBVIOUS . . . JOIN US!

We strongly urge you to join us by (1) NOT returning the proxy cards sent to you by the current Board of Directors of DDL and, more importantly, by (2) voting FOR the Shareholders' slate of Director nominees by signing, dating, and mailing the enclosed GREEN Proxy Card today. It is clearly time for a change.

We welcome you aboard and should you have any questions on when or how to vote your shares, you should feel free to call our proxy solicitors at 1-800-755-5001.

Sincerely,

Your Fellow Shareholders at SCRMM  
May 1, 1995

APPENDIX A

Members of SCRMM include Karen Beth Brenner, Richard Fechter, Don R. Raig, Ronald J. Vannuki, and Fortuna Investment Partners, L.P. The discussion below presents the ownership, including beneficial ownership as defined in Rule 13d-3 promulgated by the Securities and Exchange Commission, of DDL stock by members of SCRMM, as well as nominees for election to DDL's Board of Directors.

As of the date of this Proxy Statement, and consistent with the Rule 13d-3 definition of "beneficial owner", members of SCRMM and nominees for the Board of Directors have the following interests in the stock of DDL Electronics, Inc.:

1. Karen Beth Brenner is a registered investment advisor in Newport Beach, California, with limited discretionary authority over some clients' accounts. Karen Beth Brenner acquired a total of 16,400 shares of the Common Stock in transactions in four of her retirement plans. Clients of Brenner Investment Adviser purchased a total of 301,605 shares of the Common Stock in a series of purchases for a total price of \$549,232.

In addition, clients of Brenner Investment Adviser acquired 1,139,839 shares of the Common Stock through bond conversion of DDL's convertible debt securities in

December, 1992 and through exercise on July 29, 1993 of stock warrants, which had been received in the conversion. The total cost of acquiring these convertible securities and warrants (which were converted and exercised) was \$1,300,024. The sources of the funds for these purchases were other funds in the respective client's accounts some of which may have been derived from then recent sales of other securities.

Included in the above client group are immediate family members of Karen Brenner who have acquired 309,053 shares of the Common Stock for a total purchase price of \$371,580. The source of the funds for these purchases of the Common Stock were each family member's private funds.

2. Richard Fechter is a registered representative and director of Fechter, Detwiler & Co, Inc., Boston, Massachusetts, a securities brokerage firm. Richard Fechter acquired a total of 443,050 shares (jointly held with spouse Pauline Fechter) in transactions to his own account for which he paid a total purchase price for these shares of \$450,000. The source of the funds for these purchases of the Common Stock were his private funds.

In addition, immediate family members of Richard Fechter, but neither dependents nor living in his household, acquired 132,500 shares of the Common Stock for a total purchase price of \$181,000. The source of the funds for these purchases of the Common Stock were each family member's private funds.

Clients of Richard Fechter have acquired a total of 1,889,883 shares of the Common Stock in a series of purchases for a total price of \$3,307,295. Mr. Fechter does not have voting or disposition authority with respect to these accounts; accordingly, this stock is not included among the shares for which Mr. Fechter is considered to have beneficial ownership.

3. Don A. Raig is an attorney-at-law who practices in San Diego, California. Don A. Raig as an individual acquired a total of 46,965 shares of the Common Stock (21,000 as a joint tenant with Colleen Buskirk) in transactions to his own account for a total price of \$85,110. The source of the funds for these purchases of the Common Stock were his private funds.

Don A. Raig, as the trustee of four private trusts, has also

acquired with funds from said trusts a total of 473,010 shares of Common Stock for an aggregate purchase price of \$742,628.

4. Ronald J. Vannuki is a registered representative at Strome Susskind Securities, L.P., in Santa Monica, California. Mr. Vannuki is also president of Fortuna Capital Management, Inc., a California corporation, Santa Monica, California, and general partner of Fortuna Investment Partners, L.P. Fortuna, in the course of its business, used a total of \$1,414,775 of its working capital to acquire 957,260 shares of the Common Stock in several separate transactions.

Ronald J. Vannuki acquired a total of 3,500 (1,500 as custodian for his minor son Randon Vannuki) shares of the Common Stock for which he paid \$5,244. The source of the funds for Mr. Vannuki's purchases of the Common Stock were funds in his IRA and private funds.

In addition, immediate family members of Ron Vannuki acquired 15,150 shares of the Common Stock for a total purchase price of \$18,938. The source of the funds for this purchase was the private funds of the family member.

In addition clients of Mr. Vannuki's former brokerage firm, Drake Capital Securities, Inc., own 1,241,227 shares of the Common Stock which were purchased for the aggregate sum of \$1,696,866. Mr. Vannuki has no voting or disposition authority over these shares and, accordingly, none of these shares are included among those for which Mr. Vannuki is considered to have beneficial ownership.

5. Melvin Foster is a lawyer in Boston, Massachusetts. Mr. Foster owns 113,000 shares of Common Stock, acquired in a series of purchases totalling \$169,500. Additionally, Mr. Foster owns 51,500 shares in a profit-sharing plan, and 10,000 shares in a Keough Plan, purchased for an aggregate price of \$92,250. Mr. Foster, as custodian for his minor son, is the beneficial owner of 13,000 shares purchased for \$19,500.

6. Erven Tallman is a businessman of diverse interests living in Rancho Mirage, California. Mr. Tallman owns 152,732 shares of stock, acquired in a series of purchases totalling \$229,098.

7. Robert G. Wilson is a businessman of diverse interests living in Vancouver, British Columbia. Mr. Wilson owns 566,427 shares of stock, acquired in a series of purchases totalling \$849,641.

The table below sets forth all Shares purchased or sold by members of SCRMM or nominees for the Board of Directors within the past two years, the dates on which such purchases were made, and the amount of such purchases.

Purchases and Sales of DDL Electronics, Inc. During the Last Two Years.

Date  
Purchased  
Number of  
Shares  
Total  
Cost

Fortuna Investment Partners, L. P.

20-Apr-93  
175,000  
\$245,875

20-Apr-93  
189,580  
\$351,745

20-May-93  
1,000  
\$2,040



20-May-93  
500  
\$988

21-May-93  
500  
\$963

21-May-93  
800  
\$1,565

25-May-93  
2,000  
\$3,875

16-Jul-93  
20,040  
\$54,593

01-Sep-93  
6,200  
\$11,960

03-Sep-93  
200  
\$435

03-Sep-93  
9,100  
\$17,452

08-Sep-93  
100  
\$248

09-Sep-93  
600  
\$1,180

10-Sep-93

20,000  
\$40,625

21-Sep-93  
1,000  
\$1,810

22-Sep-93  
9,000  
\$16,045

30-Sep-93  
6,400  
\$11,417

18-Oct-93  
20,000  
\$33,125

20-Oct-93  
200  
\$360

22-Oct-93  
900  
\$1,402

22-Oct-93  
16,740  
\$25,637

03-Nov-93  
3,000  
\$4,615

04-Nov-93  
2,900  
\$4,462

04-Nov-93  
3,000

\$4,615

09-Nov-93

8,600

\$12,108

17-Nov-93

5,000

\$7,050

18-Nov-93

1,000

\$1,430

19-Nov-93

3,600

\$4,633

30-Nov-93

46,400

\$59,417

14-Dec-93

5,000

\$6,425

22-Dec-93

5,400

\$6,262

29-Dec-93

23,500

\$33,043

30-Dec-93

6,500

\$9,158

31-Dec-93

500

\$790

31-Dec-93  
1,500  
\$2,133

31-Dec-93  
2,200  
\$3,116

29-Apr-94  
5,000  
\$6,400

29-Apr-94  
5,000  
\$5,775

13-May-94  
25,000  
\$21,063

13-May-94  
65,000  
\$58,825

18-May-94  
13,000  
\$12,578

18-May-94  
5,000  
\$5,150

19-May-94  
20,000  
\$20,600

20-May-94  
5,000  
\$5,150

23-May-94  
10,000  
\$10,300

26-May-94  
1,500  
\$1,451

27-May-94  
1,000  
\$968

27-May-94  
5,000  
\$5,775

27-May-94  
14,000  
\$14,420

24-Jun-94  
2,000  
\$2,310

24-Jun-94  
6,000  
\$6,180

24-Jun-94  
10,000  
\$9,675

03-Jan-95  
27,800  
\$42,534

12-Jan-95  
20,000  
\$33,100

17-Jan-95  
2,400  
\$3,372

19-Jan-95  
15,000  
\$21,950

19-Jan-95  
35,000  
\$53,550

28-Mar-95  
15,000  
\$19,200

29-Mar-95  
10,000  
\$14,050

30-Mar-95  
21,600  
\$30,348

31-Mar-95  
20,000  
\$28,100

Vannuki, Clients

30-Jul-93  
113,133  
\$254,549

Fechtor Family

19-Apr-93  
45,000  
\$59,061

23-Apr-93  
75,000  
\$131,250

21-May-93  
11,000  
\$5,500

18-Jul-93  
3,000  
\$2,280

21-Jul-93  
1,000  
\$625

29-Dec-93  
2,000  
\$3,030

31-Dec-93  
10,000  
\$13,834

31-Mar-94  
14,500  
\$18,926

31-May-94  
1,000  
\$1,030

Raig

08-Aug-94  
249,375  
\$374,063

18-Aug-94  
7,000  
\$10,500

02-Oct-94  
5,000  
\$10,625

17-Oct-94  
9,000  
\$17,750

20-Oct-94  
32,500  
\$68,563

21-Oct-94  
3,000  
\$6,375

26-Oct-94  
8,000  
\$16,625

01-Nov-94  
32,700  
\$68,525

02-Nov-94  
28,800  
\$61,200

18-Nov-94  
5,000  
\$8,750



20-Nov-94  
13,000  
\$27,625

21-Nov-94  
13,500  
\$23,188

22-Nov-94  
5,000  
\$8,125

23-Nov-94  
5,000  
\$8,125

25-Nov-94  
5,000  
\$7,500

28-Nov-94  
10,000  
\$14,375

29-Nov-94  
5,000  
\$6,875

16-Dec-94  
10,000  
\$1,250

19-Dec-94  
5,000  
\$6,250

29-Dec-94  
8,100  
\$10,988

30-Dec-94

10,000  
\$13,750

21-Mar-95  
30,500  
\$34,313

22-Mar-95  
4,200  
\$4,988

24-Mar-95  
15,300  
\$17,413

Brenner, Clients

21-Apr-93  
800  
\$1,050

21-Apr-93  
400  
\$537

06-May-93  
16,670  
\$25,005

07-May-93  
34,080  
\$25,500

28-May-93  
40,440  
\$75,827

23-Jun-93

20,000  
\$45,000

23-Jun-93  
12,800  
\$24,000

30-Jun-93  
2,000  
\$4,502

30-Jun-93  
2,000  
\$4,502

30-Jun-93  
2,000  
\$4,502

30-Jun-93  
10,000  
\$22,502

27-Jul-93  
3,000  
\$3,060

29-Jul-93  
33,340  
\$50,001

29-Jul-93  
50,010  
\$75,015

11-Aug-93  
16,670  
\$25,005

11-Aug-93  
2,500

\$5,940

11-Aug-93

2,500

\$5,940

11-Aug-93

19,233

\$28,850

11-Aug-93

60,012

\$90,018

11-Aug-93

3,334

\$5,001

30-Aug-93

30,000

\$67,502

31-Aug-93

5,000

\$11,252

01-Sep-93

1,500

\$2,888

03-Sep-93

500

\$1,063

10-Sep-93

2,500

\$5,002

13-Sep-93

2,500

\$5,002

29-Sep-93  
10,000  
\$18,752

30-Sep-93  
95,000  
\$178,125

01-Oct-93  
26,700  
\$50,332

07-Oct-93  
5,000  
\$9,035

07-Oct-93  
5,000  
\$9,035

26-Oct-93  
5,000  
\$7,702

29-Oct-93  
52,000  
\$84,502

01-Nov-93  
25,000  
\$41,877

29-Nov-93  
60,000  
\$75,602

03-Dec-93  
26,000  
\$36,012

21-Dec-93  
58,000  
\$80,332

29-Dec-93  
9,000  
\$9,565

26-Apr-94  
2,000  
\$2,252

26-Apr-94  
2,000  
\$2,252

07-Jul-94  
27,000  
\$40,652

25-Aug-94  
4,500  
\$6,240

25-Aug-94  
4,500  
\$6,240

22-Nov-94  
55,000  
\$87,658

Dates  
Sold  
Number of  
Shares

Total  
Proceeds

Vannuki, Clients

20-Apr-93  
185,000  
\$235,373

28-Apr-93  
30,000  
\$56,248

23-Jun-93  
120,000  
\$266,248

14-Jul-93  
15,000  
\$31,873

08-Sep-93  
20,000  
\$39,598

09-Sep-93  
30,000  
\$60,000

14-Sep-93  
20,000  
\$39,080

17-Sep-93  
10,000  
\$18,748

23-Sep-93

2,000  
\$3,748

22-Sep-93  
10,000  
\$18,123

29-Sep-93  
45,300  
\$83,685

04-Oct-93  
12,200  
\$22,804

20-Oct-93  
1,800  
\$3,694

25-Oct-93  
16,000  
\$26,000

Fechtor Family

05-Aug-94  
5,000  
\$7,456

09-Aug-94  
1,000  
\$1,469

Brenner, Clients



19-Apr-94  
4,000  
\$3,998

14-Jul-94  
27,000  
\$40,347

18-Aug-94  
4,000  
\$5,477

18-Aug-94  
5,000  
\$6,846

13-Sep-94  
500  
\$840

13-Sep-94  
2,000  
\$3,359

13-Sep-94  
1,500  
\$2,519

25-Oct-94  
12,800  
\$23,001

25-Oct-94  
9,000  
\$16,173

25-Oct-94  
1,000  
\$1,797

28-Oct-94

25,000  
\$49,998

04-Nov-94  
25,000  
\$49,998

06-Jan-95  
55,000  
\$89,373

As of the date of this Proxy Statement, May 1, 1995, no shares have been purchased after the Record Date.

Except as otherwise set forth in this Appendix A, neither SCRMM nor any of its members nor any "associate" of any of the foregoing persons or any other person who may be deemed a "participant" in the Proxy Solicitation is the beneficial or record owner of any Shares. Except as otherwise set forth in this Appendix A, neither SCRMM nor any of its members nor any "associate" of any of the foregoing persons or any other person who may be deemed a "participant" in the Proxy Solicitation has purchased or sold any Shares within the past two years, borrowed any funds for the purpose of acquiring or holding any Shares or is or was within the past year a party to any contract or arrangement or understanding with any person with respect to any Shares. There has not been any transaction since the beginning of DDL's last fiscal year and there is not currently any proposed transaction to which DDL is a party, in which SCRMM or any of its members or any "associate" or immediate family member of any of the foregoing persons or any other person who may be deemed a "participant" in the Proxy Solicitation had or will have a direct material interest.

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IMPORTANT

Your vote is important. No matter how many or how few DDL shares you own, please vote FOR the Committee's nominees by signing, dating and mailing the enclosed GREEN Proxy Card today. SCRMM urges you NOT to return any proxy cards sent to you by the Board of Directors of DDL.

If you have already returned a Board of Directors' proxy card before receiving this Proxy Statement, you have every right to change your vote by signing and returning the enclosed GREEN Proxy Card. Only your latest dated properly executed proxy will count at the Annual Meeting.

If you own your DDL Shares in the name of a brokerage firm, your broker cannot vote such Shares unless he receives your specific instructions. Please sign, date and return the enclosed GREEN Proxy Card in the postage-paid envelope that has been provided.

If you have any questions about how to vote your DDL shares, please call our proxy solicitor:

Beacon Hill Partners  
90 Broad Street  
New York, NY 10004  
Telephone: 1-800-755-5001

#### APPENDIX B

#### PROXY CARD

DDL ELECTRONICS, INC.  
Proxy for Annual Meeting of Shareholders  
May 31, 1995

THIS PROXY IS SOLICITED IN OPPOSITION TO THE  
BOARD OF DIRECTORS OF DDL ELECTRONICS,  
INC.

The undersigned hereby appoints Karen Beth Brenner, Richard Fechter, and Ronald J.Vannuki as Proxies (each of them with full power to act without the other), each with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated on the reverse, all the shares of Common Stock of DDL Electronics, Inc. (the "Company") held of record by the undersigned on April 17, 1995 at the Annual Meeting of Shareholders to held

on May 31, 1995, or at any adjournment thereof.

This proxy, when properly executed, will be voted in the manner directed herein by the undersigned stockholder(s). If no direction is made, this proxy will be voted FOR each of the listed proposals, and in accordance with their judgment on such other business as may be properly presented to the meeting and any adjournment or postponement thereof.

1. Election of Class II Directors to continue in office until 1997:

FOR \_\_\_\_\_ WITHHOLD \_\_\_\_\_

Committee Nominees: Bernee D. L. Strom and Erven Tallman.

2. Amendment of Section 3.02 of the Bylaws to set the membership of the Board of Directors at not less than seven (7), effective immediately upon adoption:

FOR \_\_\_\_\_ AGAINST \_\_\_\_\_

3. Assuming the adoption of Proposal No. 2, election of three (3) new members of the Board of Directors to serve a term of up to three years, depending upon the number of votes received:

FOR \_\_\_\_\_ WITHHOLD \_\_\_\_\_

Committee Nominees: Melvin Foster, Don A. Raig, Robert G. Wilson

PLEASE SIGN, DATE AND MAIL THIS PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE.

Signature: /s/ Date:

Please sign exactly as your name appears herein. Jointowners should each sign.

When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.

<SUPPLEMENTAL MATERIAL>

Opposition Proxy for DDL Electronics, Inc.

Are you happy with your investment in DDL?

We, a group of fellow shareholders, are NOT HAPPY!

Chart showing price performance over  
10 year period for DDL Electronics, Inc.  
and its peer groups on the NYSE and  
NASDAQ. The source of the data is  
Bridge Information Systems, Inc.

If you feel as we do, JOIN US!

Together, We Can Change The Course Of Our Investment

VOTE THIS PROXY TODAY!!!

Sign, date, and mail this proxy to:

Beacon Hill Partners, Inc.  
90 Broad Street - Seventeenth Floor  
New York, N.Y. 10004  
1-800-755-5001

This is your chance personally to effect a proactive change in a  
company that is not  
providing adequate return on your investment. Take control of  
the Board of Directors.  
Send in your proxy today. If you have already returned a Board  
of Directors' proxy card,  
you can change your vote by signing and returning the enclosed  
GREEN Proxy Card.  
Only your latest dated properly executed proxy will count at the  
Annual Meeting.

[Back of the foregoing page]

#### IMPORTANT

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SCRMM's nominees to the Board of Directors by signing, dating  
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If you have already returned a Board of Directors' proxy  
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If you own your DDL Shares in the name of a brokerage firm, your broker cannot vote such Shares unless he receives your specific instructions. Please sign, date and return the enclosed GREEN Proxy Card in the postage-paid envelope that has been provided.

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