

STEWART & STEVENSON SERVICES INC
Form 8-K
January 05, 2005

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): **December 31, 2004**

STEWART & STEVENSON SERVICES, INC.

(Exact name of registrant as specified in its charter)

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Texas

(State or other jurisdiction
of incorporation)

0-8493

(Commission File Number
Identification No.)

74-1051605

(I.R.S. Employer

**2707 North Loop West
Houston, Texas**

(Address of principal executive offices)

77008

(Zip code)

Registrant's telephone number, including area code: **(713) 868-7700**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry Into a Material Definitive Agreement

On December 6, 2004, Stewart & Stevenson Services, Inc. (the Company) and S&S TUG Service Centers, Inc. (collectively, the Sellers) entered into a definitive agreement to sell substantially all of the assets and business of the Company's Airline Products Division (the Business) to TUG Manufacturing Corp, formerly known as Tug Acquisition Corp. (the Buyer). The Buyer was formed for the purpose of acquiring the Business and is affiliated with Jacobson Partners, a New York private equity firm. The consideration for the acquired assets will be \$60 million in cash (plus or minus any working capital adjustment) and the assumption of specified liabilities.

On December 31, 2004, Sellers and the Buyer entered into Amendment No. 1 to Asset Purchase Agreement to, among other things, (i) eliminate the deferred portion of the consideration and modify the terms of the working capital adjustment, (ii) limit the events which could be deemed to be a material adverse change in the operations, assets or financial condition of the Business, and (iii) provide for the execution of certain documentation by the Sellers in connection with the Buyer's financing of the purchase price.

The sale is expected to close in January 2005 subject to receipt of required approvals and other customary conditions to closing.

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.

STEWART & STEVENSON SERVICES, INC.

Dated: January 5, 2005

By: /s/ John B. Simmons
Name: John B. Simmons
Title: Vice President/Chief Financial Officer