

STEWART & STEVENSON SERVICES INC
Form DEFA14A
May 08, 2006

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 §240.14a-12

STEWART & STEVENSON SERVICES, INC.
(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)(1) and 0-11.
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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):
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 - (5) Total fee paid:
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 - (2) Form, Schedule or Registration Statement No.:
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Stewart & Stevenson Services, Inc. (the Company) has previously disclosed that the Company and six of its directors were named as defendants in a purported class action lawsuit relating to the proposed merger transaction with Armor Holdings (the Original Lawsuit). The Original Lawsuit was filed on April 11, 2006 in District Court in Harris County, Texas, by a purported shareholder of the Company on behalf of all other similarly situated shareholders, and alleged, among other things, that the defendants have breached their fiduciary duties to the shareholders of the Company and have failed to disclose material information or disclosed materially false information in its proxy materials relating to the shareholders meeting to be held on May 9, 2006. After the defendants removed the Original Lawsuit to the United States District Court, Southern District of Texas (Federal Court) and after the Company filed a motion to dismiss the class action, the plaintiff filed an amended complaint in Federal Court as a derivative suit asserting similar claims as the Original Lawsuit (the Amended Lawsuit, and together with the Original Lawsuit, the Claim). The Company and the individual defendants, Armor as an intervenor, and the plaintiff filed numerous motions and other pleadings since the Amended Lawsuit was filed, including the Company's filing of a motion to dismiss the Claim and the plaintiff's filing of a motion for a temporary restraining order to enjoin the shareholder meeting. Today, the court dismissed the plaintiff's Claim and rendered moot the plaintiff's request for the temporary restraining order. The Company's public announcement regarding the court's ruling is attached hereto.

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FOR IMMEDIATE RELEASE

**STEWART & STEVENSON SERVICES, INC. ANNOUNCES
U.S. DISTRICT COURT S DISMISSAL OF LAWSUIT**

**Special Meeting of Shareholders To Vote On Armor Holdings \$35.00 Per Share Cash Merger To Proceed As Scheduled On Tuesday,
May 9, 2006 At 10:00 A.M., Houston Time**

HOUSTON, TX May 8, 2006 Stewart & Stevenson Services, Inc. (NYSE: SVC) today announced that the U.S. District Court for the Southern District of Texas, Houston Division has dismissed the purported derivative shareholder lawsuit to challenge the Company's pending merger with Armor Holdings, Inc. (NYSE: AH), and the related special meeting of Stewart & Stevenson's shareholders scheduled to be held tomorrow, May 9, 2006, at 10:00 a.m. Houston Time, to consider the merger.

The Company issued the following statement:

We are pleased that the Court has dismissed this lawsuit and that our special meeting of shareholders will go forward as planned. We look forward to the affirmative vote of our shareholders on this compelling transaction, which has been recommended by all three leading proxy advisory firms and has received all necessary regulatory and governmental approvals. We expect to close the transaction promptly after receipt of shareholder approval.

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Stewart & Stevenson shareholders are reminded that their vote is important, and a failure to vote has the same effect as a vote against the merger proposal. Shareholders may vote their shares by telephone or by the Internet, and are advised that if they have any questions or need any assistance in voting their shares, they should contact Stewart & Stevenson's proxy solicitor, MacKenzie Partners, Inc. Toll-Free at 800-322-2885. Shareholders are urged to act promptly

as the meeting is tomorrow, May 9, 2006. The transaction is expected to close promptly after the special meeting.

As previously announced, Stewart & Stevenson and Armor Holdings entered into a definitive merger agreement on February 27, 2006, pursuant to which Armor Holdings would acquire all of the outstanding common stock of Stewart & Stevenson for \$35.00 per share in cash. On April 19, 2006, the U.S. Department of Justice and the U.S. Federal Trade Commission granted early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, in connection with the proposed transaction.

Shareholders are encouraged to read Stewart & Stevenson's definitive proxy materials in their entirety as they provide, among other things, a detailed discussion of the process that led to the proposed merger and the reasons behind the Stewart & Stevenson Board of Directors' unanimous recommendation that shareholders vote FOR the approval and adoption of the merger agreement and the merger.

About Stewart & Stevenson

Stewart & Stevenson Services, Inc., founded in 1902, is primarily engaged in the design, manufacture and service of medium and light tactical vehicles for the U.S. Army and others worldwide. Stewart & Stevenson Services, Inc. is not affiliated with Stewart & Stevenson LLC. For more information on Stewart & Stevenson Services, Inc., visit <http://www.ssss.com>.

Forward-Looking Statements

Certain matters discussed in this press release constitute forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those projected. These statements may be identified through the use of words such as "anticipates," "believes," "plans," "potentially," "expects," "intends," "future," and similar expressions. These risks and uncertainties are described in Stewart & Stevenson Services, Inc.'s filings with the SEC, including Stewart & Stevenson Services, Inc.'s Annual Report on Form 10-K for the fiscal year ended January 31, 2006, which are available at the SEC's web site at <http://www.sec.gov>.

Additional Information and Where to Find It

In connection with the proposed transaction, Stewart & Stevenson has filed a definitive proxy statement with the SEC to be used to solicit shareholder approval of the proposed transaction, as well as other relevant documents concerning the proposed transaction. **Stewart & Stevenson shareholders are urged to read the definitive proxy statement regarding the proposed transaction and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they will contain important information about Stewart & Stevenson, the proposed transaction and related matters. The definitive proxy statement has been mailed to the shareholders of Stewart & Stevenson.** You will be able to obtain a free copy of the definitive proxy statement, as well as other filings containing information about Stewart & Stevenson with the SEC at the SEC's website at www.sec.gov. Copies of the definitive proxy statement and the SEC filings that will be incorporated by reference in the definitive proxy statement can also be obtained, when available, without charge, by directing a request to Stewart & Stevenson Services, Inc., Investor Relations, P.O. Box 1637, Houston, Texas 77251 or at Stewart & Stevenson Services, Inc.'s Investor Relations page on its corporate website at www.ssss.com. You can also contact Dan Burch or Charlie Koons of MacKenzie Partners, Inc., Stewart & Stevenson's proxy solicitor, if you have any questions relating to the transaction at 800-322-2885.

Stewart & Stevenson and its directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the transactions contemplated by the merger agreement. Information regarding Stewart & Stevenson's directors and executive officers and the interests of those participants may be obtained by reading the proxy statement regarding the proposed merger and Stewart & Stevenson's Annual Report on Form 10-K for the fiscal year ended January 31, 2006.

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