

Element Solutions Inc
Form SC 13G
February 08, 2019

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No.)*

PLATFORM SPECIALTY PRODUCTS

(Name of Issuer)

Common Stock

(Title of Class of Securities)

72766Q105

(CUSIP Number)

December 31, 2018

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(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 72766Q105

1. Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only).

Dimensional Fund Advisors LP (Tax ID: 30-0447847)

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Citizenship or Place of Organization

Delaware Limited Partnership

5. Sole Voting Power

Number of

Shares

Beneficially 15437478 **see Note 1**

6. Shared Voting Power

Owned by

Each

Reporting

0

Person 7. Sole Dispositive Power

With

15868933 **see Note 1**

8. Shared Dispositive Power

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0

9. Aggregate Amount Beneficially Owned by Each Reporting Person

15868933 **see Note 1**

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

N/A

11. Percent of Class Represented by Amount in Row (9)

5.50%

12. Type of Reporting Person (See Instructions)

IA

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Item 1.

- (a) Name of Issuer

PLATFORM SPECIALTY PRODUCTS

- (b) Address of Issuer's Principal Executive Offices

1450 Centrepark Boulevard, Suite 210, West Palm Beach, FL 33401

Item 2.

- (a) Name of Person Filing

Dimensional Fund Advisors LP

- (b) Address of Principal Business Office, or if none, Residence

Building One

6300 Bee Cave Road

Austin, Texas, 78746

- (c) Citizenship

Delaware Limited Partnership

- (d) Title of Class of Securities

Common Stock

- (e) CUSIP Number

72766Q105

Item 3. If this statement is filed pursuant to Sec. 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);
- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);
- (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c);
- (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);
- (e) An investment adviser in accordance with Sec. 240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with Sec. 240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with Sec. 240.13d-1(b)(1)(ii)(G);

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- (h) " A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) " A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) " A non-U.S. institution in accordance with Sec. 240.13d-1(b)(1)(ii)(J);
- (k) " Group, in accordance with Sec. 240.13d-1(b)(1)(ii)(J).

Item 4. Ownership.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

- (a) Amount beneficially owned:

15868933 **see Note 1**

- (b) Percent of class:

5.50%

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(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote:

15437478 **see Note 1**

(ii) Shared power to vote or to direct the vote:

0

(iii) Sole power to dispose or to direct the disposition of:

15868933 **see Note 1**

(iv) Shared power to dispose or to direct the disposition of:

0

**** Note 1 **** Dimensional Fund Advisors LP, an investment adviser registered under Section 203 of the Investment Advisors Act of 1940, furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager or sub-adviser to certain other commingled funds, group trusts and separate accounts (such investment companies, trusts and accounts, collectively referred to as the Funds). In certain cases, subsidiaries of Dimensional Fund Advisors LP may act as an adviser or sub-adviser to certain Funds. In its role as investment adviser, sub-adviser and/or manager, Dimensional Fund Advisors LP or its subsidiaries (collectively,

Dimensional) may possess voting and/or investment power over the securities of the Issuer that are owned by the Funds, and may be deemed to be the beneficial owner of the shares of the Issuer held by the Funds. However, all securities reported in this schedule are owned by the Funds. Dimensional disclaims beneficial ownership of such securities. In addition, the filing of this Schedule 13G shall not be construed as an admission that the reporting person or any of its affiliates is the beneficial owner of any securities covered by this Schedule 13G for any other purposes than Section 13(d) of the Securities Exchange Act of 1934.

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [].

Item 6. Ownership of More than Five Percent on Behalf of Another Person

The Funds described in Note 1 above have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of the securities held in their respective accounts. To the knowledge of Dimensional, the interest of any one such Fund does not exceed 5% of the class of securities. Dimensional Fund Advisors LP disclaims beneficial ownership of all such securities.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person.

N/A

Item 8. Identification and Classification of Members of the Group

N/A

Item 9. Notice of Dissolution of Group

N/A

Item 10. Certification

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By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect, other than activities solely in connection with a nomination under Sec. 240.14a-11.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

DIMENSIONAL FUND ADVISORS LP

February 8, 2019

Date

By: Dimensional Holdings Inc., General Partner

/s/ Christopher Crossan

Signature

Global Chief Compliance Officer

Title

sults of operations. However, the ultimate outcome of these matters, as with litigation generally, is inherently uncertain, and it is possible that some of these matters may be resolved adversely to the Company. The adverse resolution of any one or more of these matters could have a material adverse effect on the business, operating results, financial condition or cash flows of the Company. ENVIRONMENTAL Loss contingencies include potential obligations to investigate and eliminate or mitigate the effects on the environment of the disposal or release of certain chemical substances at various sites, such as Superfund sites and other facilities, whether or not they are currently in operation. The Company is currently participating in environmental assessments and cleanups at a number of sites under these laws and may in the future be involved in additional environmental assessments and cleanups. Based upon investigations completed by the Company and its independent engineering-consulting firms to date, management has provided an estimated accrual for all known costs believed to be probable in the amount of \$1,148,000. However, it is in the nature of environmental contingencies that other circumstances might arise, the costs of which are indeterminable at this time due to such factors as changing government regulations and stricter standards, the unknown magnitude of defense and cleanup costs, the unknown timing and extent of the remedial actions that may be required, the determination of the Company's liability in proportion to other responsible parties, and the extent, if any, to which such costs are recoverable from other parties or from insurance. Although these contingencies could result in additional expenses or judgments, or off-sets thereto, at present such expenses or judgments are not expected to have a material effect on the consolidated financial position or results of operations of the Company. Substantially all of the Company's environmental costs relate to discontinued operations and all such costs have been recorded in discontinued operations. The Company is the subject of various other lawsuits and actions relating to environmental issues, including an administrative action in connection with the SurfTech Site, which could subject the Company to, among other things, \$9,266,000 in collective reimbursements (with other parties) to the New Jersey Department of Environmental Protection (the "NJDEP"). Technical data generated as part of remedial activities at the SurfTech Site have not established offsite migration of contaminants and there are other technical factors and defenses available to the Company. Based on the foregoing, the Company has been advised by its outside counsel that it has significant defenses against all or any part of the claim and that any material impact is unlikely. 11 The Company has reported a ground water contamination plume on its property in Camden, New Jersey. In January 2003, the Company submitted to the NJDEP a plan to remediate the site, which is currently under review. Based upon the preliminary evidence, the Company was advised that the cost to remediate the site could amount to \$500,000. The Company recorded a provision for this amount during the first quarter of 2002. The Company is investigating soil and ground water

contamination on SL-MTI's property in Montevideo, Minnesota. The Company has submitted to the Minnesota Department of Environmental Protection a plan to remediate the site, which is currently under review. The Company currently has an accrual of \$87,000, net of costs incurred, for all known costs believed to be probable related to this site. The Company filed claims with several of its insurers seeking reimbursement for past and future environmental costs. In settlement of its claims, the Company received aggregate cash payments of \$2,800,000 prior to fiscal 2001 and contingent commitments from three insurers to pay for a portion of environmental costs associated with the SurfTech Site of 15% of costs up to \$300,000, 15% of costs up to \$150,000 and 20% of costs up to \$400,000, respectively. During the second and third quarters of 2004, the Company received from these three insurers a total of \$555,000 as payment of their contingent commitments through 2003, which are recorded in discontinued operations. As of September 30, 2004 and December 31, 2003, the remaining environmental accruals of \$1,148,000 and \$957,000, respectively, have been included in "Accrued liabilities and other" (Note 9).

11. SEGMENT INFORMATION The Company currently operates under four business segments: Condor D.C. Power Supplies, Inc. ("Condor"), Teal Electronics Corp. ("Teal"), RFL Electronics Inc. ("RFL") and SL Montevideo Technology, Inc. ("SL-MTI"). In the second quarter of 2003, management decided to combine Condor and Teal into one business unit classified as the Power Electronics Group. Accordingly, for the periods presented, the Company's reportable segments consisted of Condor and Teal (the "Power Electronics Group"), SL-MTI and RFL. At December 31, 2002, the Company was comprised of five operating business units. On November 24, 2003, the Company sold the operating assets of SurfTech. SurfTech is classified as discontinued for all periods presented. Condor produces a wide range of standard and custom power supply products that convert AC or DC power to direct electrical current to be used in customers' end products. Power supplies closely regulate and monitor power outputs, using patented filter and other technologies, resulting in little or no electrical interference. Teal is a leader in the design and manufacture of customized power conditioning and power distribution units. Teal products are developed and manufactured for custom electrical subsystems for original equipment manufacturers of semiconductor, medical imaging, graphics, and telecommunications systems. SL-MTI is a technological leader in the design and manufacture of intelligent, high power density precision motors. New motor and motion controls are used in numerous applications, including aerospace, medical, and industrial products. RFL designs and manufactures teleprotection products/systems that are used to protect utility transmission lines and apparatus by isolating faulty transmission lines from a transmission grid. RFL also provides customer service and maintenance for all electric utility equipment protection systems. The Other segment includes corporate related items, financing activities and other costs not allocated 12 to other reportable segments, which include but are not limited to certain legal, litigation and public reporting charges. The unaudited comparative results for the three-month and nine-month periods ended September 30, 2004 and September 30, 2003 are as follows:

	2004	2003	2004	2003										
					(in thousands)									
NET SALES Power Electronics Group: Condor	\$11,442	\$10,392	\$30,966	\$30,468	Teal	8,394	5,232	23,194	14,621					
	-----				Total	19,836	15,624	54,160	45,089	SL-MTI	5,599	5,274	17,381	
	16,403	RFL	5,475	5,345	16,518	17,388	-----		Consolidated	\$30,910	\$26,243	\$88,059	\$78,880	
	=====				Three Months Ended Nine Months Ended September 30, September 30,									
	-----								(in thousands)					
INCOME FROM OPERATIONS Power Electronics Group: Condor	\$ 1,357	\$ 1,100	\$ 2,758	\$ 2,905	Teal	1,291	777	3,719	1,677	Total	2,648	1,877	6,477	4,582
	-----				SL-MTI	588	330	1,846	1,136	RFL	496	414	1,332	1,564
	-----				Other	(1,061)	(1,012)	(3,502)	(2,728)	-----				
	-----				Consolidated	\$ 2,671	\$ 1,609	\$ 6,153	\$ 4,554	=====				
	-----								(in thousands)					
TOTAL ASSETS Power Electronics Group: Condor	\$15,644	\$11,439	Teal	13,072	9,665	Total	28,716	21,104	SL-MTI	9,765	9,255	RFL	17,366	16,512
	-----				Other	7,865	11,550	-----		Consolidated	\$63,712	\$58,421	=====	
	-----								(in thousands)					
INTANGIBLE ASSETS, NET Teal	\$ 5,927	\$ 6,009	SL-MTI	21	25	RFL	5,595	5,249	-----					
	=====								(in thousands)					

12. DISCONTINUED OPERATIONS SL WABER Effective August 27, 2001, substantially all of the assets of SL Waber, Inc. ("SL Waber") and the stock of Waber de Mexico S.A. de C.V. were sold for approximately \$1,053,000. As part of this transaction, the purchaser acquired the rights to the SL Waber name and assumed certain liabilities and obligations of SL Waber. Subsequent to the sale, the Company changed the name

of SL Waber to SLW Holdings, Inc. ("SLW Holdings"). The net income or losses of this subsidiary are included in the consolidated statements of operations under discontinued operations for all periods presented. There was no activity from operations of SLW Holdings during the fourth quarter of 2001 and thereafter. In 1997, SL Waber commenced patent infringement litigation against APC, the rights to which were retained by SL Waber after the sale. On February 3, 2004, the Company and APC executed a Settlement Agreement that provided, among other things, for a release of all claims against APC and granted to APC a paid-up license, in return for the payment to the Company of \$4,000,000. The Settlement Agreement was conditioned on the dismissal with prejudice of the lawsuit. On March 5, 2004, the settlement fee was paid to the Company. The settlement fee, net of tax, in the amount of \$2,488,000 is recorded as part of discontinued operations in the Company's consolidated statements of operations and cash flows for the nine months ended September 30, 2004.

ELEKTRO-METALL EXPORT GMBH On January 6, 2003, the Company sold its wholly-owned, indirect German subsidiary, Elektro-Metall Export GmbH ("EME"). In consideration for 100% of the issued and outstanding capital stock of EME, the purchaser paid \$8,000,000, consisting of cash of \$4,000,000 paid at closing and \$4,000,000 of purchaser notes. In addition, EME made a distribution of \$2,000,000 to the 14 Company prior to closing. The purchaser notes were comprised of a \$3,000,000 secured note that bore interest at the prime rate plus 2%, which was received on March 14, 2003, and a \$1,000,000 unsecured note that bore interest at an annual rate of 12%, which was received on April 2, 2004. All cash proceeds relating to the purchase price for the sale of EME have now been received by the Company.

SL SURFACE TECHNOLOGIES, INC. On November 24, 2003, the Company sold the operating assets of SurfTech. The sale included current assets and equipment used by SurfTech. The purchaser paid \$600,000 in cash, plus the assumption of certain liabilities. The Company continues to own the land and building on which SurfTech's operations were conducted, and has entered into a ten-year lease with the buyer. As a result of the sale, the Company recorded an after tax loss of \$442,000 in the fourth quarter of 2003, which included severance, closing costs and liabilities associated with the withdrawal from a multi-employer union pension plan. The Company paid most of the severance and all closing costs related to the sale in the fourth quarter of 2003, but continues to make payments related to its withdrawal liability from the pension plan in which SurfTech was a participant. There has not been any operational activity related to SurfTech since the sale in November 2003. During each of the three-month period and nine-month period ended September 30, 2003, SurfTech had sales of \$489,000 and \$1,514,000, respectively, and a net loss before income taxes of \$717,000 and \$1,039,000, respectively, which has been reclassified as discontinued operations.

13. RETIREMENT PLANS AND DEFERRED COMPENSATION The Company maintains three defined contribution pension plans covering substantially all employees. The Company's contributions to these plans are based on a percentage of employee elective contributions and, in one plan, plan year gross wages, as defined. Contributions to plans maintained by Teal and RFL are based on a percentage of employee elective contributions. RFL has also made a profit sharing contribution annually. Costs incurred under these plans amounted to \$750,000 and \$882,000 during the nine-month periods ended September 30, 2004 and September 30, 2003, respectively. The Company has agreements with certain active and retired directors, officers and key employees providing for supplemental retirement benefits. The liability for supplemental retirement benefits is based on the most recent mortality tables available at discount rates ranging from 6% to 12%. The amount charged to income in connection with these agreements amounted to \$314,000 and \$235,000 for the nine-month periods ended September 30, 2004 and September 30, 2003, respectively.

14. RELATED PARTY TRANSACTIONS During the period January 1, 2004 to June 9, 2004, the Company was billed \$81,000 in legal fees for services performed by Olshan Grundman Frome Rosenzweig & Wolosky LLP ("Olshan"), a law firm in which a former director of the Company is a senior partner. This director did not stand for reelection at the Company's Annual Meeting of Shareholders held on June 9, 2004 and therefore is no longer considered a related party. Regarding fees incurred through June 9, 2004 for 2004 services, \$5,000 remains payable as of September 30, 2004. The fees relate to general corporate and securities matters. During the nine months ended September 30, 2003, the Company was billed \$319,000 in legal fees for 2003 services performed by Olshan. The compensation committee has approved the payment of certain fees from the Company to Steel Partners, Ltd. ("SPL"), a company controlled by the Chairman of the Board and Chief Executive Officer of the Company, Warren Lichtenstein. These fees are in consideration for the services of Mr. Lichtenstein and the Company's President, Glen Kassan, as well as other assistance provided by SPL from time to time. During the nine-month period ended September 30, 2004, the Company has expensed \$356,000 for SPL services, of which \$40,000 remains payable. The Company expensed \$356,000 for services performed for the nine-month period ended September 30, 2003. RFL has an investment of \$15,000 in RFL Communications PLC

("RFL Communications"), representing 4.5% of the outstanding equity thereof. RFL Communications is a distributor of teleprotection and communication equipment located in the United Kingdom. It is authorized to sell RFL products in accordance with an international sales agreement. Sales to RFL Communications for each of the nine-month periods ended September 30, 2004 and September 30, 2003 were \$1,005,000 and \$560,000, respectively. Accounts receivable due from RFL Communications at September 30, 2004 was \$160,000.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company, through its subsidiaries, designs, manufactures and markets power electronics, power motion, power protection, teleprotection and specialized communication equipment that is used in a variety of aerospace, computer, datacom, industrial, medical, telecom, transportation and utility equipment applications. The Company is comprised of four domestic business segments, two of which have significant manufacturing operations in Mexico. Most of the Company's sales are made to customers who are based in the United States. However, over the years the Company has increased its presence in international markets. The Company places an emphasis on high quality, well-built, dependable products and continues its dedication to product enhancement and innovations.

CRITICAL ACCOUNTING POLICIES The Company's Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States. These generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of net sales and expenses during the reporting period. The Company's significant accounting policies are described in Note 1 in the Notes to Consolidated Financial Statements included in Part IV of the Company's Annual Report on Form 10-K. Not all of these significant accounting policies require management to make difficult, subjective or complex judgments or estimates. However, the following policies could be deemed to be critical, as that term is defined by the Securities and Exchange Commission.

REVENUE RECOGNITION Revenue from product sales is recognized at the time the product is shipped, with provisions established for estimated product returns and returns related to one business segment's stock scrap program with distributors. Upon shipment, the Company provides for the estimated cost that may be incurred for product warranties. Rebates and other sales incentives offered by the Company are recorded as a reduction of sales at the time of shipment. Revenue recognition is significant because net sales is a key component of results of operations. In addition, revenue 16 recognition determines the timing of certain expenses, such as commissions and royalties. The Company follows generally accepted guidelines in measuring revenue. However, certain judgments affect the application of its revenue policy. Revenue results are difficult to predict, and any shortfall in revenue or delay in recognizing revenue could cause operating results to vary significantly from quarter to quarter and could result in future operating losses.

ALLOWANCE FOR DOUBTFUL ACCOUNTS The Company's estimate for the allowance for doubtful accounts related to trade receivables is based on two methods. The amounts calculated from each of these methods are combined to determine the total amount reserved. First, the Company evaluates specific accounts where it has information that the customer may have an inability to meet its financial obligations (bankruptcy, etc.). In these cases, the Company uses its judgment, based on the best available facts and circumstances, and records a specific reserve for that customer against amounts due to reduce the receivable to the amount that is expected to be collected. These specific reserves are reevaluated and adjusted as additional information is received that impacts the amount reserved. Second, a general reserve is established for all customers based on several factors, including historical write-offs as a percentage of sales. If circumstances change (i.e., higher than expected defaults or an unexpected material adverse change in a major customer's ability to meet its financial obligation), the Company's estimates of the recoverability of amounts due could be reduced by a material amount.

INVENTORIES The Company values inventory at the lower of cost or market and continually reviews the book value of discontinued product lines to determine if these items are properly valued. The Company identifies these items and assesses the ability to dispose of them at a price greater than cost. If it is determined that cost is less than market value, then cost is used for inventory valuation. If market value is less than cost, then related inventory is adjusted to that value. If a write down to the current market value is necessary, the market value cannot be greater than the net realizable value, which is defined as selling price less costs to complete and dispose, and cannot be lower than the net realizable value less a normal profit margin. The Company also continually evaluates the composition of its inventory and identifies slow-moving and excess inventories. Inventory items identified as slow-moving or excess are evaluated to determine if reserves are required. If the Company is not able to achieve its expectations of the net realizable value of the inventory at current market value, it adjusts its

reserves accordingly. **ACCOUNTING FOR INCOME TAXES** The Company's income tax policy records the estimated future tax effects of temporary differences between the tax basis of assets and liabilities and amounts reported in the accompanying consolidated balance sheets, as well as operating loss and tax credit carryforwards. The Company follows generally accepted guidelines regarding the recoverability of any tax assets recorded on the balance sheet and provides any necessary allowances as required. As part of the process of preparing its consolidated financial statements, the Company is required to estimate its income taxes in each of the jurisdictions in which it operates. This process involves estimating the actual current tax exposure, together with assessing temporary differences resulting from the differing treatment of certain items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included within the consolidated balance sheet. Management must then assess the likelihood that deferred tax assets will be recovered from future taxable income and to the extent it believes that recovery is not likely, the Company must establish a valuation allowance. To the extent it establishes a valuation allowance or increases or decreases this allowance in a period, it must include expense or income, as the case may be, within the tax provision in the consolidated statement of operations. Significant management judgment is required in determining the provision for income taxes, the deferred tax assets and liabilities and any valuation allowance recorded against deferred tax assets. As of September 30, 2004 and December 31, 2003, the Company had recorded total valuation allowances of \$1,905,000 and \$352,000, respectively, due to uncertainties related to the utilization of some deferred tax assets, primarily consisting of certain research and development tax credits, loss carryforwards and foreign tax credits before they expire. The valuation allowance is based on estimates of taxable income by jurisdiction in which the Company operates and the period over which deferred tax assets will be recoverable. In the event that actual results differ from these estimates or these estimates are adjusted in future periods, the Company may need to establish an additional valuation allowance that could materially impact its consolidated financial position and results of operations. The net deferred tax assets as of September 30, 2004 and December 31, 2003 were \$6,749,000 and \$6,255,000, respectively, net of valuation allowances of \$1,905,000 and \$352,000, respectively. The carrying value of the Company's net deferred tax assets assumes that it will be able to generate sufficient future taxable income in certain tax jurisdictions based on estimates and assumptions. If these estimates and related assumptions change in the future, the Company may be required to record additional valuation allowances against its deferred tax assets resulting in additional income tax expense in the consolidated statement of operations. Management evaluates the recoverability of the deferred tax assets and assesses the need for additional valuation allowances quarterly. **LEGAL**

CONTINGENCIES The Company is currently involved in certain legal proceedings. As discussed in Note 10 in the Notes to the Consolidated Financial Statements included in Part I to this Quarterly Report on Form 10-Q, the Company has accrued an estimate of the probable costs for the resolution of these claims. This estimate has been developed after investigation and is based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. Management does not believe these proceedings will have a material adverse effect on the Company's consolidated financial position. It is possible, however, that future results of operations for any particular quarterly or annual period could be materially affected by changes in these assumptions, or the effectiveness of these strategies, related to these proceedings. **IMPAIRMENT OF LONG-LIVED AND INTANGIBLE ASSETS** The Company's long-lived and intangible assets primarily consist of fixed assets, goodwill and other intangible assets. Statement of Financial Accounting Standards No. 142 "Goodwill and Other Intangible Assets" ("SFAS 142") requires that goodwill be tested for impairment at the reporting unit level (operating segment or one level below an operating segment) on an annual basis and between annual tests in certain circumstances. Application of the goodwill impairment test requires judgment, including the identification of reporting units, the assignment of assets and liabilities to reporting units, the assignment of goodwill to reporting units, and the determination of the fair value of each reporting unit. Significant judgments required to estimate the fair value of reporting units include estimating future cash flows, determining appropriate discount rates and other assumptions. Changes in these estimates and assumptions could materially affect the determination of fair value for each reporting unit. **ENVIRONMENTAL EXPENDITURES** The Company is subject to United States and Mexican environmental laws and regulations concerning emissions to the air, discharges to surface and subsurface waters, and generation, handling, storage, transportation, treatment and disposal of waste materials. The Company is also subject to other federal, state and local environmental laws and regulations, including those that require it to remediate or mitigate the effects of the disposal or release of certain chemical substances at various sites, including some where the Company has ceased operations. It is impossible to predict precisely what effect these laws and regulations will have in the future. Expenditures that

relate to current operations are charged to expense or capitalized, as appropriate. Expenditures that relate to an existing condition caused by past operations are expensed and recorded as part of discontinued operations. Expenditures include costs of remediation and legal fees to defend against claims for environmental liability. Liabilities are recorded when remedial efforts are probable and the costs can be reasonably estimated. The liability for remediation expenditures includes, as appropriate, elements of costs such as site investigations, consultants' fees, feasibility studies, outside contractor expenses and monitoring expenses. Estimates are not discounted, and they are not reduced by potential claims for recovery from insurance carriers. The liability is periodically reviewed and adjusted to reflect current remediation progress, prospective estimates of required activity and other relevant factors including changes in technology or regulations. The above listing is not intended to be a comprehensive list of all of the Company's accounting policies. In many cases, the accounting treatment of a particular transaction is specifically dictated by generally accepted accounting principles with no need for management's judgment in their application. There are also areas in which management's judgment in selecting any available alternatives would not produce a materially different result. See the Company's audited Consolidated Financial Statements and Notes thereto included in Part IV of its Annual Report on Form 10-K, which contain accounting policies and other disclosures required by generally accepted accounting principles.

19 LIQUIDITY AND CAPITAL RESOURCES September 30, December 31, 2004 2003 \$ Variance % Variance ----- (in thousands)

	2004	2003	\$ Variance	% Variance
Cash and cash equivalents	\$ 1,078	\$ 3,501	(\$ 2,423)	(69%)
Bank debt	\$ 2,155	\$ 2,902	(\$ 747)	(26%)
Working capital	\$16,864	\$16,612	\$ 252	2%
Shareholders' equity	\$36,057	\$34,581	\$ 1,476	4%

At September 30, 2004, the Company maintained a cash balance of \$1,078,000, with outstanding bank debt of \$2,155,000. Availability under the Senior Credit Facility was \$12,565,000 during the nine-month period ended September 30, 2004, the net cash provided by operating activities was \$2,905,000, as compared to net cash provided by operating activities of \$5,039,000 during the nine-month period ended September 30, 2003. The primary uses of cash from operating activities for the nine-month period ended September 30, 2004 were increases in accounts receivable and in inventory in the amount of \$8,374,000. These uses of cash were offset by a significant increase net income from continuing operations and increases in accounts payable of \$3,117,000 and to a lesser extent increases in accrued income taxes of \$2,014,000. In the nine-month period ended September 30, 2003, net cash provided by operating activities was \$5,039,000. The principal sources of cash were income from continuing operations, decreases in accounts receivable primarily related to the receipt of an income tax refund of \$1,789,000 and a reduction of inventory levels from year-end. These sources of cash were partially offset by reductions in accounts payable and other accrued liabilities. On January 6, 2003, the Company entered into a three-year Senior Secured Credit Facility (the "Senior Credit Facility") with LaSalle Business Credit LLC. The Senior Credit Facility provides for a revolving loan facility and two term loans, up to a maximum indebtedness of \$20,000,000. The revolving loan of up to \$16,810,000 is based upon eligible receivables and inventory, as well as an overadvance amount of \$1,500,000, which was repaid in full on April 7, 2004. The two term loans of \$2,350,000 and \$840,000 are amortized over a three-year term. The Senior Credit Facility restricts investments, acquisitions, capital expenditures and dividends. It contains financial covenants relating to minimum levels of net worth, fixed charge coverage and EBITDA levels, as defined. The Company is currently in compliance with all the restrictions and covenants of the Senior Credit Facility. The Senior Credit Facility bears interest ranging from the prime rate plus fifty basis points to prime rate plus 2%. The Senior Credit Facility is secured by all of the Company's assets. During the nine-month period ended September 30, 2004, net cash used in investing activities was \$158,000. The uses of cash in investing activities is primarily related to the purchases of machinery and equipment in the amount of \$1,167,000. These uses of cash were principally offset by the proceeds of \$1,000,000 received by the Company on April 2, 2004 as a final cash payment from the sale of EME. During the nine-month period ended September 30, 2003, net cash provided by investing activities was \$5,834,000, which was primarily generated by the cash proceeds of \$7,000,000 from the sale of EME. During the nine-month period ended September 30, 2004, net cash used in financing activities was \$6,693,000, principally due to the purchase of treasury stock. During 2004, the Company expended \$6,218,000 to reacquire its shares, of which \$6,076,000 related to the purchase of 545,900 shares of treasury stock at an average price of \$11.13 per share. These purchases were made under the Company's repurchase program approved by the Board of Directors on December 12, 2003. Also during this period, the Company made payments of \$747,000 on its two term loans and overadvance under the Senior Credit Facility. These uses of cash were partially offset by proceeds from stock options exercised during the year in the amount of \$272,000. During the nine-month period ended September 30, 2003, net cash used in

continuing operations benefited by approximately \$1,026,000, or \$0.17 per diluted share, due to research and development tax credits recorded during the period. The Company's business segments and the components of operating expenses are discussed more fully in the following sections.

23 The Power Electronics Group, which is comprised of Condor and Teal, recorded a sales increase of \$4,212,000, or 27%, and an increase in income from operations of \$771,000, or 41%. Condor experienced an increase in sales of \$1,050,000, or 10%, and an increase in income from operations of \$257,000, or 23%. Teal also experienced a sales increase of \$3,162,000, or 60%, and an increase in income from operations of \$514,000, or 66%. Condor's increase in sales for the quarter is attributable to a sales increase in its medical and industrial product lines, which more than offset a decrease in sales in its telecommunications product line. Condor's increase in income from operations is primarily due to its increase in sales volume. Teal's sales increase was attributable to increases in its medical imaging product line and its semiconductor product line. Teal's increase in income from operations is due to its significant increase in sales volume. SL-MTI's sales increased \$325,000, or 6%, while income from operations increased \$258,000, or 78%. The increase in sales was driven by increases in sales of its medical product line. The increase in income from operations is due to a combination of an increase in sales and improved efficiency experienced at its manufacturing facility in Cedro, Mexico. These manufacturing efficiencies contributed to improved gross margins in 2004, compared to 2003. RFL's sales increased \$130,000, or 2%, during the third quarter of 2004, compared to the third quarter of 2003 and income from operations increased by \$82,000, or 20%, for the comparable periods. The increase in income from operations is due to the increase in sales compared to 2003 as the percentage of cost of products sold remained comparable to 2003.

COST OF PRODUCTS SOLD As a percentage of net sales, cost of products sold in each of the three-month periods ended September 30, 2004 and September 30, 2003 was approximately 64% and 63%, respectively. Although the cost of products sold as a percentage of net sales remained relatively constant for the comparative quarters, the mix within the Company's business segments changed. The cost of products sold percentage for the Power Electronics Group increased approximately 3% in the third quarter of 2004, compared to the third quarter of 2003. Within the Power Electronics Group, Condor's cost of products sold percentage increased slightly due primarily to increased direct labor and overtime costs incurred to meet its current level of backlog. Teal's cost of products sold percentage increased due to product mix and increases in the cost of raw materials. SL-MTI decreased its cost of products sold percentage the third quarter of 2004, as compared to the same period last year, due to an increase in sales volume and improved operating efficiencies at its manufacturing facility in Cedro, Mexico. RFL's cost of products sold as a percentage of sales remained relatively constant in 2004, compared to 2003.

ENGINEERING AND PRODUCT DEVELOPMENT EXPENSES Engineering and product development expenses for the three month periods ended September 30, 2004 and September 30, 2003 were approximately 7% of net sales. Engineering and product development expenses increased \$339,000, or 17%, in the third quarter of 2004, as compared to the same period in 2003. All of the Company's business segments increased their engineering and product development expenditures in 2004, compared to 2003. Condor and SL-MTI are working on new products and product enhancements at a greater rate in 2004, compared to 2003. Teal and RFL had marginal increases in 2004, as compared to 2003.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES Selling, general and administrative expenses for each of the third quarters in 2004 and 2003 were approximately 19% of sales and 21% of sales, respectively. These expenses increased by 24 \$402,000, or 7%, largely as the result of an 18% sales increase over 2003. The most significant increases in selling, general and administrative costs were experienced by Teal due primarily to corresponding increases in sales volume of \$3,162,000, or 60%, which caused sales related costs to increase. In addition, the Company named an Executive Vice President and Chief Operating Officer during the year, which is a position that did not exist in the third quarter of 2003.

DEPRECIATION AND AMORTIZATION Depreciation and amortization expenses remained relatively constant at approximately 2% of sales for each of the third quarters of 2003 and 2004.

AMORTIZATION OF DEFERRED FINANCING COSTS In connection with entering into the Senior Credit Facility on January 6, 2003, the Company incurred costs of approximately \$1,342,000. These costs have been deferred and are being amortized over the three-year term of the Senior Credit Facility. For each of the quarters ended September 30, 2004 and September 30, 2003, amortization of these deferred financing assets was \$112,000 and \$123,000, respectively.

INTEREST INCOME (EXPENSE) Interest income for the three-month period ended September 30, 2004 was \$22,000, as compared to \$34,000 in the same period last year. Interest expense decreased by \$29,000, or 33%, due primarily to the reduction of debt.

TAXES The effective tax rate (benefit) for the three-month period ended September 30, 2004 was approximately (1%). This tax benefit reflects the statutory rate after adjustments for state and international tax

provisions, offset by the recording of benefits from research and development tax credits primarily related to prior years which were recorded during the period. The effective tax rate for the comparable period in 2003 was approximately 39%, which was not significantly impacted by additional taxes credits recorded in the period.

DISCONTINUED OPERATIONS For the three months ended September 30, 2004, the Company recorded net loss from discontinued operations, net of tax, of \$3,000. This amount includes net billings to insurance companies related to the recovery of certain legal fees for environmental matters in the amount of \$190,000, net of tax. These income amounts were offset by current environmental, legal and litigation charges related to discontinued operations. For the three months ended September 30, 2003, the Company recorded a loss from discontinued operations, net of tax, of \$706,000. This amount consisted primarily of the after-tax loss of SurfTech in the amount of \$437,000 and the cost of environmental and legal charges related to discontinued operations.

ASSET IMPAIRMENT During the quarter ending September 30, 2003 the Company recorded an impairment charge of \$275,000 against the carrying value of the Company's property, located in Camden New Jersey. There were no asset impairment charges recorded during the quarter ending September 30, 2004.

NINE MONTHS ENDED SEPTEMBER 30, 2004, COMPARED WITH NINE MONTHS ENDED SEPTEMBER 30, 2003 The table below shows the comparison of net sales for each of the nine-month periods ended September 30, 2004 and September 30, 2003:

	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003	\$ Variance	% Variance
Total	54,160	45,089	9,071	20%
Power Electronics Group:				
Condor	\$30,966	\$30,468	\$498	2%
Teal	23,194	14,621	8,573	59%
SL-MTI	16,403	978	15,425	157%
RFL	16,518	17,388	(870)	(5%)

The table below shows the comparison of income from operations for each of the nine-month periods ended September 30, 2004 and September 30, 2003:

	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003	\$ Variance	% Variance
Total	\$6,153	\$4,554	\$1,599	35%
Power Electronics Group:				
Condor	\$2,758	\$2,905	(\$147)	(5%)
Teal	3,719	1,677	2,042	122%
SL-MTI	1,846	1,136	710	63%
RFL	1,332	1,564	(232)	(15%)
Other	(3,502)	(2,728)	(774)	(28%)

Consolidated net sales for the nine-month period ended September 30, 2004, compared to the nine-month period ended September 30, 2003 increased \$9,179,000, or 20%. This increase was due mainly to an increase in sales in the Power Electronics Group of \$9,071,000, or 20%. Within the Power Electronics Group, Condor's sales increased \$498,000, or 2%, while Teal had a significant increase in sales of \$8,573,000, or 59%. SL-MTI had a sales increase of \$978,000, or 6% and RFL experienced a sales decrease of \$870,000, or 5%. The sales decrease at RFL was caused by sluggish demand in its served markets. The Company recorded income from operations of \$6,153,000 for the nine months ended September 30, 2004, compared to income from operations of \$4,554,000 for the corresponding period last year. This change represents an increase of \$1,599,000, or 35%. Income from continuing operations was \$4,799,000, or \$0.81 per diluted share, for the first nine months of 2004, compared to \$2,459,000, or \$0.42 per diluted share, for the same period in 2003. Net income from continuing operations increased by \$2,340,000 or 95%. Income from 26 discontinued operations benefited by approximately \$1,266,000, or \$0.21 per diluted share, due to research and development tax credits recorded during 2004. The Company's business segments and the components of operating expenses are discussed more fully in the following sections. The Power Electronics Group recorded a sales increase of \$9,071,000, or 20%, and an increase in income from operations of \$1,895,000, or 41%. Within the Power Electronics Group, Condor recorded a sales increase of \$498,000, or 2%. Teal reported a sales increase of \$8,573,000, or 59%. Condor's sales increase for the nine-month period ended September 30, 2004 was attributed to a 3% increase in domestic sales, as compared to the nine-month period ended September 30, 2003. For the same periods, international sales decreased 18%. Domestic sales increased in Condor's medical and industrial product lines. Teal's income from operations increased by \$2,042,000, or 122%, compared to 2003. Teal's increased income from operations was due to the significant increase in sales volume, which was partially offset by higher related selling and administrative costs. In the first three quarters of 2004, Teal's medical imaging product line increased in sales by 41%, as compared to 2003 and its semiconductor product line increased sales by 97%, as compared to the same period in 2003. For the first nine months of 2004 compared to the first nine months of 2003, SL-MTI's sales increased by \$978,000, or 6%, while income from operations increased by \$710,000, or 63%. The increase in sales was primarily due to increased demand

for its DC Motors' which experienced a sales increase of \$1,472,000, or 14%. These sales were primarily made to the medical market. The increase in income from operations was the result of increased sales volume and significantly improved gross margins. The gross margin improvements were caused by efficiencies at SL-MTI's manufacturing facility in Cedro, Mexico. These increases were partially offset by increased engineering and product development spending. RFL's sales decreased by \$870,000, or 5%, for the nine-month period ended September 30, 2004, compared to the same period in 2003. Income from operations decreased by \$232,000, or 15%, for the comparable periods. Domestic sales decreased 8%, while international sales increased by 4%. Sales of control systems and teleprotection equipment experienced decreases of \$1,147,000, or 13%, while sales of RFL's carrier communications product line increased \$584,000, or 9%. RFL is experiencing weak demand in the U.S. market, as large infrastructure expansion projects by electric power utility companies continue to be deferred in favor of smaller maintenance projects. RFL has maintained its gross margins, compared to 2003, due to certain cost containment programs. Despite lower sales volume, RFL increased its expenditures for engineering and product development by approximately 12%, compared to 2003.

COST OF PRODUCTS SOLD Cost of products sold as a percentage of sales for each of the nine-month periods ended September 30, 2004 and September 30, 2003 was approximately 63%. With the exception of SL-MTI, all of the business segments' cost of products sold as a percentage of sales were comparable to the same period in 2003. Cost of products sold as a percentage of sales at SL-MTI improved by approximately 4%, due to increased volume and improved manufacturing efficiencies, as previously discussed.

ENGINEERING AND PRODUCT DEVELOPMENT EXPENSES Engineering and product development expenses for the nine-month periods ended September 30, 2004 and September 30, 2003 remained at approximately 8% of sales. Engineering and product development expenses increased \$898,000, or 15%, in the first nine months of 2004, as compared to the same period in 2003. All of the Company's business segments increased their engineering and product development expenditures in 2004, compared to 2003.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES Selling, general and administrative expenses for the nine-month period ended September 30, 2004 were approximately 20% of sales, compared to 21% of sales in the same period in 2003. These expenses increased by \$914,000, or 5%, over the comparative periods. The major reason for the increase were costs related to greater sales volume. Also contributing to the increase was \$451,000 in compensation expense related to certain stock based compensation arrangements with key executives, which were non-cash charges for the period. In addition, of the Company named an Executive Vice President and Chief Operating Officer during the year, which was a position that did not exist in 2003.

DEPRECIATION AND AMORTIZATION Depreciation and amortization expenses were approximately 2% of sales in each of 2004 and 2003.

AMORTIZATION OF DEFERRED FINANCING COSTS Amortization of deferred financing costs was \$336,000 for the first nine months of 2004 and \$324,000 for the same period last year. These costs were less than 1% of sales in both periods.

INTEREST INCOME (EXPENSE) Interest income for the nine months ended September 30, 2004 decreased by \$47,000 as compared to the same period last year. This decrease was primarily related to the pay down of the purchaser's note received as part of the sale of EME. Interest expense for the same nine-month period decreased by \$150,000, or 42%, due primarily to the reduced debt levels.

TAXES The effective tax rate for the nine months ended September 30, 2004 was approximately 16%, compared to 39% for the nine months ended September 30, 2003. The effective tax rate for the nine months ended September 30, 2004 reflects the statutory rate, after adjustments for state and international tax provisions, partially offset by research and development credits.

DISCONTINUED OPERATIONS For the nine months ended September 30, 2004, the Company recorded income from discontinued operations, net of tax, of \$2,473,000. This amount is primarily related to a settlement fee received by SL Waber, net of tax, in the amount of \$2,488,000 (see Note 12 to the Consolidated Financial Statements), the reversal of tax reserves related to EME of \$289,000, net of expenses and net billings to insurance companies related to the recovery of certain legal fees for environmental matters in the amount of \$333,000, net of tax. These income amounts were partially offset by current environmental, legal and litigation charges related to discontinued operations. For the nine months ended September 30, 2003, the Company recorded a net loss from discontinued operations, net of tax, of \$1,419,000. This amount consisted primarily of the net loss for SurfTech, net of tax, in the amount of \$711,000 and the cost of environmental and legal charges related to discontinued operations.

FORWARD-LOOKING INFORMATION From time to time, information provided by the Company, including written or oral statements made by representatives, may contain forward-looking information as defined in the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, contain forward-looking information, particularly statements that address activities, events or developments that the Company

expects or anticipates will or may occur in the future, such as expansion and growth of the Company's business, future capital expenditures and the Company's prospects and strategy. In reviewing such information, it should be kept in mind that actual results may differ materially from those projected or suggested in such forward-looking information. This forward-looking information is based on various factors and was derived utilizing numerous assumptions. Many of these factors previously have been identified in filings or statements made by or on behalf of the Company. Important assumptions and other important factors that could cause actual results to differ materially from those set forth in the forward-looking information include changes in the general economy, changes in capital investment and/or consumer spending, competitive factors and other factors affecting the Company's business in or beyond the Company's control. These factors include a change in the rate of inflation, a change in state or federal legislation or regulations, an adverse determination with respect to a claim in litigation or other claims (including environmental matters), the ability to recruit and develop employees, the ability to successfully implement new technology and the stability of product costs. These factors also include the timing and degree of any business recovery in certain of the Company's markets that are currently experiencing a cyclical economic downturn. Other factors and assumptions not identified above could also cause actual results to differ materially from those set forth in the forward-looking information. The Company does not undertake to update forward-looking information contained herein or elsewhere to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking information. Future factors include the effectiveness of cost reduction actions undertaken by the Company; increasing price, products and services competition by U.S. and non-U.S. competitors, including new entrants; rapid technological developments and changes and the Company's ability to continue to introduce and develop competitive new products and services on a timely, cost-effective basis; availability of manufacturing capacity, components and materials; credit concerns and the potential for deterioration of the credit quality of customers; customer demand for the Company's products and services; ability of the Company to continue to finance its operations on satisfactory terms; U.S. and non-U.S. governmental and public policy changes that may affect the level of new investments and purchases made by customers; changes in environmental and other U.S. and non-U.S. governmental regulations; protection and validity of patent and other intellectual property rights; compliance with the covenants and restrictions of bank credit facilities; and outcome of pending and future litigation and governmental proceedings. These are representative of the future factors that could affect the outcome of the forward-looking statements. In addition, such statements could be affected by general industry and market conditions and growth rates, general U.S. and non-U.S. economic conditions, including increased economic uncertainty and instability, and interest rate and currency exchange rate fluctuations and other future factors. For a further description of future factors that could cause actual results to differ materially from such forward-looking statements, see the discussion in the Company's Annual Report on Form 10-K for the year ended December 31, 2003, Part I, Item 1 - Risk Factors.

29 ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK There have been no material changes in quantitative and qualitative market risk from the disclosure contained in Item 7A of the Company's Annual Report on Form 10-K for the year ended December 31, 2003, which is incorporated herein by reference.

ITEM 4. CONTROLS AND PROCEDURES The Company, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's "disclosure controls and procedures," as such term is defined in Rules 13a-15e and 15d-15e promulgated under the Securities Exchange Act of 1934, as amended, (the "Exchange Act") as of this Quarterly Report on Form 10-Q (this "Report"). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this Report to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. There have been no changes in internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS See Note 10 to the Consolidated Financial Statements.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF

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PROCEEDS On December 12, 2003, the Company announced that its Board of Directors had authorized the repurchase of up to 10% of the outstanding shares of common stock of the Company. Any repurchases are to be made on the open market or in negotiated transactions. For the nine months ended September 30, 2004, the Company purchased 545,900 shares pursuant to the repurchase program and 46,500 shares through its deferred compensation plans.

30 ISSUER PURCHASES OF EQUITY SECURITIES	Total Number of Shares	Maximum Number of Shares	Total Price Paid
Announced Plans	20,600(1)	20,600	\$ 9.13 - 593,924
Plans or Programs	4,300(1)	4,300	\$ 9.41 - 593,924
Period Purchased	4,200(1)	4,200	\$ 9.67 - 593,924
or Programs	80,250(2)	80,250	\$ 9.83 - 71,650
January 1 - 31, 2004	80,250(2)	80,250	\$ 9.83 - 71,650
February 1 - 29, 2004	16,500(3)	16,500	\$ 9.86 - 11,800
March 1 - 31, 2004	16,000(4)	16,000	\$ 10.18 - 16,000
April 1 - 30, 2004	1,700(1)	1,700	\$ 10.55 - 510,474
May 1 - 31, 2004	80,850(5)	80,850	\$ 11.04 - 79,650
June 1 - 30, 2004	368,000(6)	368,000	\$ 11.48 - 366,800
July 1 - 31, 2004	48,024	48,024	
August 1 - 31, 2004	592,400(7)	592,400	\$ 11.01(8) - 545,900
September 1 - 30, 2004			
Total	592,400(7)	592,400	\$ 11.01(8) - 545,900

1. The Company purchased these shares other than through a publicly announced plan or program in open market transactions or in negotiated transactions. 2. Of the 80,250 shares purchased, 8,600 shares were purchased by the Company other than through a publicly announced plan or program in open market transactions or in negotiated transactions. 3. Of the 16,500 shares purchased, 4,700 shares were purchased by the Company other than through a publicly announced plan or program in open market transactions or in negotiated transactions. 4. Of the 16,000 shares purchased, no shares were purchased by the Company other than through a publicly announced plan or program in open market transactions or in negotiated transactions. 5. Of the 80,850 shares purchased, 1,200 shares were purchased by the Company other than through a publicly announced plan or program in open market transactions or in negotiated transactions. 6. Of the 368,000 shares purchased, 1,200 shares were purchased by the Company other than through a publicly announced plan or program in open market transactions or in negotiated transactions. 7. Of the aggregate 592,400 shares purchased, an aggregate of 46,500 shares were purchased through deferred compensation plans. 8. The average price per share for purchases made through a publicly announced plan or program was \$11.13 per share for the 545,900 shares purchase. The total amount paid for the shares was \$6,076,000.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K (a) Exhibits 31.1 Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. 31.2 Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. 32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. 31 32.2 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (b) Reports on Form 8-K None. 32 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 thereunto duly authorized. Date: November 8, 2004 SL INDUSTRIES, INC.

----- (Registrant) By: /s/ Warren G. Lichtenstein ----- Warren G. Lichtenstein Chairman of the Board and Chief Executive Officer (Principal Executive Officer) By: /s/ David R. Nuzzo ----- David R. Nuzzo Chief Financial Officer (Principal Accounting Officer) 33