

# WATTS WATER TECHNOLOGIES INC

## FORM 8-A12B

(Securities Registration (section 12(b)))

Filed 6/22/1995

Address	815 CHESTNUT ST NORTH ANDOVER, Massachusetts 01845
Telephone	978-688-1811
CIK	0000795403
Industry	Misc. Fabricated Products
Sector	Basic Materials
Fiscal Year	12/31

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 8-A

FOR REGISTRATION OF CERTAIN CLASSES OF SECURITIES  
PURSUANT TO SECTION 12(b) OR 12(g) OF THE  
SECURITIES EXCHANGE ACT OF 1934

### Watts Industries, Inc.

(Exact name of registrant as specified in its charter)

Delaware (State of incorporation or organization)	04-2916536 (I.R.S. Employer Identification No.)
815 Chestnut Street North Andover, Massachusetts (Address of principal executive offices)	01845 (Zip Code)

Securities to be registered pursuant to Section 12(b) of the Act:

Name of each exchange on Title of each class to be so registered which each class is to be registered
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**Class A Common Stock, \$.10 par value New York Stock Exchange**

Securities to be registered pursuant to Section 12(g) of the Act: None

#### INFORMATION REQUIRED IN REGISTRATION STATEMENT

##### Item 1. Description of Registrant's Securities to be Registered

The description of the Class A Common Stock, par value \$.10 per share ("Class A Common Stock"), of Watts Industries, Inc. (the "Company") is as follows:

##### Authorized and Outstanding Capital Stock

The authorized capital stock of the Company consists of 80,000,000 shares of Class A Common Stock, 25,000,000 shares of Class B Common Stock, par value \$.10 per share ("Class B Common Stock," and together with the Class A Common Stock, "Common Stock"), and 5,000,000 shares of undesignated preferred stock, par value \$.10 per share (the "Preferred Stock"), which Preferred Stock is issuable in series by the Board of Directors.

##### Class A Common Stock and Class B Common Stock

##### Voting

Each share of Class A Common Stock is entitled to one vote on all matters submitted to stockholders and each share of Class B Common Stock is entitled to ten votes on all such matters. Except for issuances of Class B Common Stock, certain charter amendments and as otherwise provided by law, all actions submitted to a vote of stockholders are voted on by the holders of Class A Common Stock and Class B Common Stock voting as a single class.

Holders of Common Stock are not entitled to cumulative voting rights. The holders of Common Stock have no preemptive or other subscription rights, and there are no redemption or sinking fund provisions or, except as provided below with respect to Class B Common Stock, conversion rights with respect to the Common Stock. All outstanding shares of Common Stock are fully paid and non-assessable.

At June 20, 1995, the Class B Common Stock represented approximately 38.5% of the Company's outstanding equity, but at that date had approximately 86.2% of the combined voting power of the Company's outstanding Class A Common Stock and Class B Common Stock. At June 20, 1995, substantially all of the outstanding shares of Class B Common Stock were held, directly or indirectly, by the Horne family. By reason of such voting power, the holders of Class B Common Stock have the ability to elect all of the Directors of the Company and to approve or disapprove acquisitions, mergers, consolidations and similar extraordinary transactions requiring a vote of stockholders (other than actions which require separate votes of the Class A Common Stock and Class B Common Stock, including amendments to the provisions of the Company's Restated Certificate of Incorporation, as amended (the "Certificate"), relating to the Company's capitalization and issuances of Class B Common Stock other than in connection with stock dividends or stock splits). The holders of Class B Common Stock will continue to have such power as long as they hold Class B Common Stock constituting at least 9.1% of the total number of outstanding shares of Class A Common Stock and Class B Common Stock. A more detailed description of the ownership of the Class B Common Stock is contained in the Company's Proxy Statement relating to its Annual Meeting of Stockholders.

The voting rights of the Class B Common Stock may make the Company less attractive as the potential target of a hostile tender offer or other proposal to acquire the stock or business of the Company, and merger proposals and proxy contests will be rendered more difficult, even if such actions would be in the best interests of the holders of the Class A Common Stock. Accordingly, increases in the market price of the Class A Common Stock, temporary or otherwise, which might result from actual or rumored takeover attempts, may be inhibited.

### **Dividends and Other Distributions**

The holders of Class A Common Stock and Class B Common Stock are entitled to receive ratably such dividends as may be declared by the Board of Directors out of funds legally available therefor, provided that stock dividends, if any, must be paid in shares of the respective class. If Preferred Stock were to be issued with a preference over the Class A Common Stock and Class B Common Stock as to dividends, it could impact the dividend rights of holders of Common Stock. In the event of a liquidation, dissolution or winding up of the Company, holders of Class A Common Stock and Class B Common Stock have the right to a ratable portion of the assets remaining after payment of all liabilities and any liquidation preferences of outstanding Preferred Stock, if any.

### **Transferability of Class B Common Stock**

Shares of Class B Common Stock are not transferable without causing a conversion of such shares into Class A Common Stock on a share-for-share basis, except for transfers by a stockholder to or among such stockholder's spouse, certain of such stockholder's relatives, certain trusts, including voting trusts, established for their benefit, certain charitable foundations and trusts, corporations and partnerships owned by such stockholder and such stockholder's permitted transferees, and such stockholder's estate ("Permitted Transferees"). Accordingly, there is no trading market for shares of the Class B Common Stock and the Class B Common Stock is not listed or traded on any exchange or in any market. Class B Common Stock is, however, convertible at all times, and without cost to the stockholder, into shares of Class A Common Stock on a share-for-share basis, and converts automatically into Class A Common Stock upon any transfer other than to a Permitted Transferee.

### **Issuances, Retirement and Conversion of Class B Common Stock**

Except with respect to stock splits and stock dividends, the Company may not issue any additional shares of Class B Common Stock without the approval of a majority of the votes of the outstanding shares of Class B Common Stock and Class A Common Stock voting as separate classes. Accordingly, an acquisition to be accounted for as a pooling of interests will require such a separate class vote. The Board of Directors may issue shares of authorized but unissued Class A Common Stock and Preferred Stock without further stockholder action. All shares of Class B Common Stock converted into Class A Common Stock will be retired and, except as described above, will not be reissued. If at any time the number of outstanding shares of Class B Common Stock falls below 5% of the aggregate number of outstanding shares of Common Stock, the outstanding shares of Class B Common Stock will be automatically converted into shares of Class A Common Stock on a share-for-share basis.

### **Preferred Stock**

The Company is authorized to issue up to 5,000,000 shares of Preferred Stock which may be issued from time to time in one or more series. The Board of Directors is authorized to determine the rights, preferences, privileges and restrictions, including the dividend rights, conversion rights, voting rights (which may not exceed one vote per share), terms of redemption (including sinking fund provisions, if any), redemption price or prices, and liquidation preferences of any series of Preferred Stock and to fix the number of shares of any such series without any further vote or action by the stockholders. The purpose of authorizing the Board of Directors to issue Preferred Stock is, in part, to eliminate delays associated with a stockholder vote on specific issuances. The issuance of Preferred Stock could have the effect of making it more difficult for a third party to acquire, or discouraging the acquisition of, a significant portion of the outstanding stock of the Company.

The Board of Directors may in the future resolve to issue shares of Preferred Stock or rights to acquire such shares, to implement a shareholder rights plan which creates voting or other impediments or under which shares are distributed to a third-party investor, to a group of investors or stockholders or issued to an employee stock ownership plan to discourage persons seeking to gain control of the Company by means of a merger, tender offer, proxy contest or otherwise if such change in control is not in the best interest of the Company and its stockholders.

### **Certain Provisions of Certificate and By-laws**

## **General**

A number of provisions of the Company's Certificate and Amended and Restated By-laws ("By-laws") concern matters of corporate governance and the rights of stockholders. Certain of these provisions, as well as the existence of the superior voting rights of the Class B Common Stock and the ability of the Board of Directors to issue shares of Preferred Stock and to set the voting rights, preferences and other terms thereof, may discourage or make more difficult a merger, tender offer or proxy contest and could delay or frustrate the removal of incumbent Directors or the assumption of control by stockholders, even if such event could be favorable to the interests of stockholders. To the extent takeover attempts are discouraged, temporary fluctuations in the market price of the Class A Common Stock, which may result from actual or rumored takeover attempts, may be inhibited.

## **Meetings of Stockholders**

The Company's By-laws provide that a special meeting of stockholders may be called only by the Board of Directors unless otherwise required by law. The Company's By-laws provide that only those matters set forth in the notice of the special meeting may be considered or acted upon at that special meeting, unless otherwise provided by law. In addition, the Company's By-laws set forth certain advance notice and informational requirements and time limitations on any Director nomination or any new business which a stockholder wishes to propose for consideration at an annual meeting of stockholders.

## **Amendment of Certificate**

The Certificate provides that a separate class vote of the Class A Common Stock and Class B Common Stock is required for amendments to the Certificate relating to the Company's capitalization and issuances of Class B Common Stock other than in connection with stock dividends or stock splits.

## **Amendment of By-laws**

The By-laws provide that they may be amended or repealed by the Board of Directors or by the stockholders. Such action by the Board of Directors requires the affirmative vote of a majority of the Directors then in office. Such action by the stockholders requires the affirmative vote of the holders of a majority of the voting power of the Class A Common Stock and Class B Common Stock, voting together as a single class.

## **Statutory Business Combination Provision**

The Company is subject to the provisions of Section 203 of the Delaware General Corporation Law ("Section 203") which provides, with certain exceptions, that a Delaware corporation may not, unless certain conditions are met, engage in any of a broad range of business combinations with a person or affiliate, or associate of such person, who is an "interested stockholder" (as defined in Section 203) for a period of three years from the date that such person became an interested stockholder.

A corporation may, at its option, exclude itself from the coverage of Section 203 by amending its certificate of incorporation or by-laws by action of its stockholders to exempt itself from coverage, provided that such by-law or charter amendment shall not become effective until 12 months after the date it is adopted. Neither the Certificate nor the By-laws contains any such exclusion.

## **Item 2. Exhibits**

The Class A Common Stock described herein is to be registered on the New York Stock Exchange, on which no other securities of the Registrant are registered. Accordingly, all exhibits required in accordance with Part II to the Instructions as to Exhibits on Form 8-A have been duly filed with the New York Stock Exchange.

## **SIGNATURE**

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereto duly authorized.

## **Watts Industries, Inc.**

By: /s/ Kenneth J. McAvoy  
Kenneth J. McAvoy  
Chief Financial Officer,  
Treasurer and Secretary

*Dated: June 22, 1995*

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**End of Filing**

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