

LEAR CORP  
Form S-4  
December 08, 2006

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As filed with the Securities and Exchange Commission on December 8, 2006  
Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**Form S-4**  
**REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

**Lear Corporation**

*(Exact name of Registrant as specified in its charter)*

**Delaware**

*(State or other jurisdiction of incorporation or  
organization)*

**13-3386776**

*(IRS Employer Identification No.)*

**and subsidiary guarantors:**

**Lear Operations Corporation**

**Lear Seating Holdings Corp. #50**

**Lear Corporation EEDS and Interiors**

**Lear Corporation (Germany) Ltd.**

**Lear Automotive Dearborn, Inc.**

**Lear Automotive (EEDS) Spain S.L.**

**Lear Corporation Mexico, S. de R.L. de C.V.**

*(Exact name of Registrants as specified in their respective charters)*

**Delaware**

**38-3265872**

**Delaware**

**38-2929055**

**Delaware**

**38-2446360**

**Delaware**

**13-3386716**

**Delaware**

**38-3384976**

**Spain**

**N.A.**

**Mexico**

**CIN830323-T75**

*(State or other jurisdiction of incorporation or  
organization)*

*(IRS Employer Identification No.)*

**2531**

*(Primary Standard Industrial Classification Code Number)*

**21557 Telegraph Road  
Southfield, Michigan 48033  
(248) 447-1500**

*(Address, including zip code, and telephone number,  
including area code, of Registrant's principal executive  
offices)*

**Daniel A. Ninivaggi  
Executive Vice President, Secretary  
and General Counsel  
Lear Corporation  
21557 Telegraph Road  
Southfield, Michigan 48033  
(248) 447-1500**

*(Name, address, including zip code, and telephone  
number,  
including area code, of agent for service)*

***Copies to:***

**Bruce A. Toth, Esq.  
Brian M. Schafer, Esq.  
Winston & Strawn LLP  
35 W. Wacker Drive  
Chicago, Illinois 60601  
(312) 558-5600**

**Approximate date of commencement of proposed sale to public:** As soon as practicable after this Registration Statement has become effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered</b>	<b>Proposed Maximum Offering Price per Share</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee(1)</b>
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81/2% Series B Senior Notes due 2013	\$300,000,000	100%	\$300,000,000	\$32,100
83/4% Series B Senior Notes due 2016	\$600,000,000	100%	\$600,000,000	\$64,200
Guarantees of 81/2% Series B Senior Notes due 2013	\$300,000,000	N/A	N/A	(2)
Guarantees of 83/4% Series B Senior Notes due 2016	\$600,000,000	N/A	N/A	(2)
<b>Total:</b>	<b>\$1,800,000,000</b>	<b>100%</b>	<b>\$900,000,000</b>	<b>\$96,300</b>

(1) Calculated in accordance with Rule 457(f) of the Securities Act.

(2) Pursuant to Rule 457(n), no separate registration fee is payable for the Guarantees.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

**SUBJECT TO COMPLETION, DATED DECEMBER 8, 2006**

**PROSPECTUS**

**EXCHANGE OFFER  
for  
All Outstanding  
81/2% Senior Notes Due 2013  
and  
83/4% Senior Notes Due 2016  
of  
Lear Corporation  
and  
Related Subsidiary Guarantees**

**THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON JANUARY , 2007,  
UNLESS EXTENDED.**

**TERMS OF THE EXCHANGE OFFER**

We are offering to exchange 81/2% Series B Senior Notes due 2013 and 83/4% Series B Senior Notes due 2016, which have been registered under the Securities Act of 1933, for all of our original unregistered 81/2% Senior Notes due 2013 and 83/4% Senior Notes due 2016.

The exchange notes, like the original notes, will be our senior unsecured obligations. Our obligations under the original notes are, and our obligations under the exchange notes will be, fully and unconditionally guaranteed on a senior unsecured basis by several of our wholly-owned subsidiaries that guarantee our obligations under our senior credit facilities and other existing senior notes.

The terms of the exchange notes are identical in all respects to the terms of the original notes for which they are being exchanged, except that the registration rights and related liquidated damages provisions, and the transfer restrictions, applicable to the original notes are not applicable to the exchange notes.

Subject to the satisfaction or waiver of specified conditions, we will exchange the applicable exchange notes for all original notes that are validly tendered and not withdrawn prior to the expiration of the exchange offer.

You may withdraw tenders of original notes at any time prior to the expiration of the exchange offer.

We will not receive any proceeds from the exchange offer.

**See Risk factors, beginning on page 9, for a discussion of certain factors that should be considered before tendering your original notes in the exchange.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined whether this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

This prospectus is dated December , 2006.

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You should rely on the information contained in this prospectus or to which we have referred you or any other information you deem relevant in making your decision to tender. We have not authorized anyone to provide you with information that is different than the information contained or incorporated by reference in this prospectus. This prospectus may only be used where it is legal to sell these securities.

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**PROSPECTUS SUMMARY**

*This summary highlights selected information contained elsewhere, or incorporated by reference, in this prospectus. This summary includes a summary of what we believe are the material terms of the exchange offer and the exchange notes. We urge you to carefully read and review the entire prospectus and the other documents to which we refer to fully understand the terms of the exchange notes and the exchange offer. We contributed substantially all of our European interior business to a joint venture in October 2006, and on November 30, 2006, we entered into a definitive agreement to transfer substantially all of our North American interior business to a joint venture. This summary focuses on our core businesses, although there is no assurance that the divestiture of our North American interior business will be completed. To understand all of the terms of the exchange notes and the exchange offer and for a more complete understanding of our business, including our interior segment, you should read carefully this entire document and the documents incorporated by reference in this document. When we use the terms *Lear*, *we*, *us* and *our*, unless otherwise indicated or the context otherwise requires, we are referring to Lear Corporation and its consolidated subsidiaries. Our fiscal year ends on December 31 and each of our fiscal quarters consists of thirteen weeks.*

**Lear Corporation**

Our company was founded in 1917 as American Metal Products Corporation. Through a management-led buyout in 1988, Lear established itself as a private seat assembly operation for the North American automobile market with annual sales of approximately \$900 million. We completed our initial public offering in 1994, at a time when customers increasingly were seeking suppliers that could provide complete automotive interior systems on a global basis. Between 1993 and 2000, there was rapid consolidation in the automotive supplier industry, and during that time, we made 17 strategic acquisitions. These acquisitions assisted in transforming Lear from primarily a North American automotive seat assembly operation into a global tier 1 supplier of complete automotive interior systems, with capacity for full design, engineering, manufacture and delivery of the automotive interior.

Today, we have operations in 34 countries and rank #127 among the Fortune 500 list of publicly traded U.S. companies. We are a leading global automotive supplier with 2005 net sales of \$17.1 billion. Our business is focused on providing complete seat systems, electrical distribution systems and various electronic products, and we supply every major automotive manufacturer in the world. In seat systems, we believe we hold a #2 position globally based on seat units sold, in a market we estimate at \$45 to \$50 billion. In electrical distribution systems, we believe we hold a #3 position in North America and a #4 position in Europe based on units sold, in a global market we estimate at \$15 to \$20 billion.

We have a history of growth and strong cash flow generation. Our last major acquisition, UT Automotive, Inc., provided us with the advantage of being able to integrate electrical distribution systems throughout the automotive interior and was completed in 1999. Between 2000 and 2004, we focused on strengthening our balance sheet and leveraging our total interior capabilities. During this period, we reduced net debt by \$1.4 billion and were awarded the industry's first ever total interior integrator program by General Motors for the 2006 Cadillac DTS and Buick Lucerne models.

We have pursued a global strategy, aggressively expanding our operations in Europe, Central America, Africa and Asia. Since 2000, we have realized an 11% compound annual growth rate in net sales outside of North America, with 46% of our 2005 sales coming from outside of North America. Our Asian-related sales (on an aggregate basis, including both consolidated and unconsolidated sales) have grown from \$800 million in 2002 to an estimated \$2.5 billion in 2006. We expect additional Asian-related sales growth in 2007, led by expanding relationships with



Hyundai, Nissan and Toyota.

Our platform mix is well diversified. In 2005, our sales were comprised of the following vehicle categories: 54% cars, including 23% mid-size, 15% compact, 14% luxury/sport and 2% full-size, and 46% light truck, including 25% sport utility and 21% pickup and other light truck. We have expertise in all platform segments of the automotive market and expect to continue to win new business in line with the market trends.

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As an example, in North America, our revenues in the fast growing crossover segment, as a percentage of our total revenues, are in-line with the crossovers' total share of the market.

Since early 2005, the North American automotive market has become increasingly challenging. Higher fuel prices have led to a shift in consumer preferences away from SUVs, and our North American customers have faced increasing competition from foreign competitors. In addition, higher commodity costs (principally, steel, copper, resins and other oil-based commodities) have caused margin pressure in the sector. In response, our North American customers have reduced production levels on several of our key platforms and have taken aggressive actions to reduce costs. As a result, we experienced a significant decrease in our operating earnings in 2005 in each of our product segments. Although production volumes remain lower in 2006 on many of our key platforms, production schedules are less volatile. Our seating business has demonstrated improved operating performance in 2006.

The negative impact of the recent industry environment has been more pronounced in our interior business. This business, which includes instrument panels and cockpit systems, headliners and overhead systems, door panels, flooring and acoustic systems and interior trim, represented \$3.1 billion of net sales in 2005. The interior segment is more capital intensive and sensitive to fluctuations in commodity prices, particularly resins. It is also characterized by overcapacity and a relatively fragmented supplier base. Further consolidation and restructuring is required to return this market segment to an appropriate profit level. When our major customers indicated an intent to focus on interior component purchases rather than total interior integration, we decided to exit this segment of the interior market and focus on the product lines for which we can provide more value. In October 2006, we completed the contribution of substantially all of our European interior business to International Automotive Components Group, LLC ( IAC ), a joint venture with WL Ross & Co. LLC ( WL Ross ) and Franklin Mutual Advisers, LLC ( Franklin ), in exchange for a one-third equity interest in IAC. In addition, on November 30, 2006, we entered into an Asset Purchase Agreement with International Automotive Components Group North America, Inc. and International Automotive Components Group North America, LLC (together, IAC North America ), WL Ross and Franklin under which we agreed to transfer substantially all of the assets of our North American interior business segment (as well as our interests in two China joint ventures) and \$25 million of cash to IAC North America. Under the terms of the agreement, we will receive a 25% equity interest in the IAC North America joint venture and warrants to purchase an additional 7% equity interest. See Recent Developments. We believe that with a global footprint, IAC and IAC North America will be well positioned to participate in a consolidation of this market segment and become a strong interior supplier.

Within our core product segments, seating and electronic and electrical, we believe we can provide more value for our customers and that there is significant opportunity for continued growth. We are pursuing a more product line focused strategy, investing in consumer driven products and selective vertical integration. In 2005, we initiated a comprehensive restructuring strategy to align capacity with our customers as they rationalize their operations and to more aggressively expand our low cost country manufacturing and purchasing initiatives to improve our overall cost structure. We believe our commitment to customer service and quality will result in a global leadership position in each of our core product segments. We are targeting 5% annual growth in global sales, while growing our annual sales in Asia and with Asian customers by 25%. We believe these recent business improvements and initiatives, coupled with our strong platform for growth in our core seating and electronic and electrical businesses, will drive our profit margins back to historical levels.

## **Recent Developments**

*European Interior Business.* On October 16, 2006, we completed the contribution of substantially all of our European interior business to IAC, our joint venture with WL Ross and Franklin, in exchange for a one-third equity interest in IAC. In connection with the transaction, we entered into various ancillary agreements providing us with customary minority shareholder rights and registration rights with respect to our equity interest in IAC. Our European interior business included substantially all of our interior components business in Europe (other than Italy and one facility in

France), consisting of nine manufacturing facilities in five countries supplying door panels, overhead systems, instrument panels, cockpits and interior trim to various original equipment manufacturers. IAC also owns the European interior business formerly held by

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Collins & Aikman Corporation. In connection with the transaction, we recognized a loss on the divestiture of approximately \$29 million in the third quarter of 2006. For pro forma unaudited condensed consolidated financial statements which take into account the effect of this transaction, among other things, please see our Current Report on Form 8-K filed with the Securities and Exchange Commission on December 8, 2006.

*North American Interior Business.* On November 30, 2006, we entered into an Asset Purchase Agreement with IAC North America, WL Ross and Franklin under which we agreed to transfer substantially all of the assets of our North American interior business segment (as well as our interests in two China joint ventures) and \$25 million of cash to IAC North America. Under the terms of the agreement, we will receive a 25% equity interest in the IAC North America joint venture and warrants to purchase an additional 7% equity interest. WL Ross and Franklin will make aggregate cash contributions of \$75 million to the joint venture in exchange for the remaining equity and extend a \$50 million term loan to IAC North America. IAC North America will assume the ordinary course liabilities of our North American interior business and we will retain certain pre-closing liabilities, including pension and post-retirement healthcare liabilities incurred through the closing date of the transaction. We will fund up to an additional \$40 million, and WL Ross and Franklin will contribute up to an additional \$45 million, in the event that IAC North America does not meet certain financial targets in 2007. In connection with the transaction, we have entered into various ancillary agreements providing for customary minority shareholder rights and registration rights with respect to our equity interest in the joint venture.

The closing of the transaction for our North American interior business is subject to various conditions, including the receipt of required third-party consents, as well as other closing conditions customary for transactions of this type. In connection with the transaction, we expect to recognize a pre-tax loss on divestiture of approximately \$675 million in the fourth quarter of 2006. We expect the transaction to close in the first quarter of 2007, although no assurances can be given that the IAC North America transaction will be consummated on the terms contemplated or at all. For pro forma unaudited condensed consolidated financial statements which take into account the effect of this transaction, among other things, please see our Current Report on Form 8-K filed with the Securities and Exchange Commission on December 8, 2006.

*Icahn Stock Issuance.* On November 8, 2006, we completed the sale of 8,695,653 shares of our common stock in a private placement to affiliates of and funds managed by Carl C. Icahn for a purchase price of \$23 per share. We believe that the proceeds of this offering will provide us additional financial and operating flexibility and allow us to make strategic investments to further strengthen our core businesses.

Our principal executive offices are located at 21557 Telegraph Road, Southfield, Michigan 48033. Our telephone number at that location is (248) 447-1500. Our website address is <http://www.lear.com>. Information on our website does not constitute part of this prospectus.

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**Summary of the Terms of the Exchange Offer**

**General**

On November 24, 2006, we completed a private offering of the original notes, which consisted of \$300,000,000 aggregate principal amount of our 8 1/2% Senior Notes due 2013 and \$600,000,000 aggregate principal amount of our 8 3/4% Senior Notes due 2016. In connection with the private offering, we entered into a registration rights agreement in which we agreed, among other things, to deliver this prospectus to you and to complete an exchange offer for the original notes.

**The exchange offer**

We are offering to exchange up to \$300,000,000 aggregate principal amount of our 8 1/2% Series B Senior Notes due 2013, which have been registered under the Securities Act, for a like aggregate principal amount of our original unregistered 8 1/2% Senior Notes due 2013. We are also offering to exchange up to \$600,000,000 aggregate principal amount of our 8 3/4% Series B Senior Notes due 2016, which have been registered under the Securities Act, for a like aggregate principal amount of our original unregistered 8 3/4% Senior Notes due 2016.

Original notes may be tendered only in \$1,000 increments. Subject to the satisfaction or waiver of specified conditions, we will exchange the applicable exchange notes for all original notes that are validly tendered and not withdrawn prior to the expiration of the exchange offer. We will cause the exchange to be effected promptly after the expiration of the exchange offer.

**Resales**

Based on interpretations by the staff of the Securities and Exchange Commission, we believe that exchange notes issued in the exchange offer may be offered for resale, resold, or otherwise transferred by you, without compliance with the registration and prospectus delivery requirements of the Securities Act, if:

you acquire the exchange notes in the ordinary course of your business;

you are not engaging in and do not intend to engage in a distribution of the exchange notes;

you do not have an arrangement or understanding with any person to participate in a distribution of the exchange notes; and

you are not an affiliate of Lear within the meaning of Rule 405 under the Securities Act.

If you are an affiliate of Lear, or are engaging in or intend to engage in, or have any arrangement or understanding with any person to participate in, a distribution of the exchange notes:

you cannot rely on the applicable interpretations of the staff of the Securities and Exchange Commission; and

you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

If you are a broker or dealer seeking to receive exchange notes for your own account in exchange for original notes that you acquired

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as a result of market-making or other trading activities, you must acknowledge that you will deliver this prospectus in connection with any offer to resell, resale, or other transfer of the exchange notes that you receive in the exchange offer.

**Expiration date**

The exchange offer will expire at 5:00 p.m., New York City time, on January , 2007, unless extended by us.

**Withdrawal**

You may withdraw the tender of your original notes at any time prior to the expiration of the exchange offer. We will return to you any of your original notes that are not accepted for exchange for any reason, without expense to you, promptly after the expiration or termination of the exchange offer.

**Interest on the exchange notes and the original notes**

Each exchange note will accrue interest from the date of the completion of the exchange offer. Accrued and unpaid interest on the original notes exchanged in the exchange offer will be paid on the first interest payment date for the exchange notes to the holders on the relevant record date of the exchange notes issued in respect of the original notes being exchanged. Interest on the original notes being exchanged in the exchange offer shall cease to accrue on the date of the completion of the exchange offer.

**Conditions to the exchange offer**

The exchange offer is subject to customary conditions. We may assert or waive these conditions in our sole discretion. See The exchange offer Conditions to the exchange offer.

**Exchange agent**

Bank of New York is serving as exchange agent for the exchange offer.

**Procedures for tendering original notes**

Any holder of original notes that wishes to tender original notes must cause the following to be transmitted to and received by the exchange agent no later than 5:00 p.m., New York City time, on the expiration date:

The certificates representing the tendered original notes or, in the case of a book-entry tender, a confirmation of the book-entry transfer of the tendered original notes into the exchange agent's account at The Depository Trust Company, as book-entry transfer facility;

A properly completed and duly executed letter of transmittal in the form accompanying this prospectus or, at the option of the tendering holder in the case of a book-entry tender, an agent's message in lieu of such letter of transmittal; and

Any other documents required by the letter of transmittal.

**Guaranteed delivery procedures**

Any holder of original notes that cannot cause the original notes or any other required documents to be transmitted to and received by the exchange agent before 5:00 p.m., New York City time, on the expiration date, may tender original notes according to the guaranteed delivery

procedures set forth in The exchange offer Guaranteed delivery  
procedures.



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<b>Special procedures for beneficial owners</b>	If you are the beneficial owner of original notes that are registered in the name of your broker, dealer, commercial bank, trust company, or other nominee, and you wish to participate in the exchange offer, you should promptly contact the person through which you beneficially own your original notes and instruct that person to tender original notes on your behalf. See <i>The exchange offer</i> Procedures for tendering.
<b>Representations of tendering holders</b>	By tendering original notes pursuant to the exchange offer, each holder will make the representations described in <i>The exchange offer</i> Procedures for tendering.
<b>Acceptance of original notes and delivery of exchange notes</b>	Subject to the satisfaction or waiver of the conditions to the exchange offer, we will accept for exchange any and all original notes that are properly tendered and not withdrawn prior to 5:00 p.m., New York City time, on the expiration date. We will cause the exchange to be effected promptly after the expiration of the exchange offer.
<b>Certain U.S. federal income tax considerations</b>	The exchange of original notes for exchange notes pursuant to the exchange offer generally will not be a taxable event for U.S. federal income tax purposes. See <i>Certain United States federal income tax considerations</i> .
<b>Use of proceeds</b>	We will not receive any proceeds from the issuance of exchange notes pursuant to the exchange offer. We will pay all expenses incident to the exchange offer.

**Consequences of Exchanging or Failure to Exchange Original Notes Pursuant to the Exchange Offer**

<b>Holders that are not broker-dealers</b>	<p>Generally, if you are not an affiliate of Lear within the meaning of Rule 405 under the Securities Act, upon the exchange of your original notes for exchange notes pursuant to the exchange offer, you will be able to offer your exchange notes for resale, resell your exchange notes and otherwise transfer your exchange notes without compliance with the registration and prospectus delivery provisions of the Securities Act.</p> <p>This is true so long as you have acquired the exchange notes in the ordinary course of your business, you have no arrangement with any person to participate in a distribution of the exchange notes and neither you nor any other person is engaging in or intends to engage in a distribution of the exchange notes.</p>
<b>Holders that are broker-dealers</b>	<p>A broker-dealer who acquired original notes directly from us cannot exchange those original notes in the exchange offer.</p> <p>Otherwise, each broker-dealer that receives exchange notes for its own account in exchange for original notes must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes.</p>

You should read [Plan of distribution](#) for a more detailed discussion of these requirements.

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**Failure to exchange**

Upon consummation of the exchange offer, holders that were not prohibited from participating in the exchange offer and did not tender their original notes will not have any registration rights under the registration rights agreement with respect to such nontendered original notes. Accordingly, nontendered original notes will continue to remain outstanding and continue to be subject to the significant restrictions on transfer described in the legend on them. The nontendered original notes will continue to accrue interest. We do not intend to register the original notes under the Securities Act.

**Summary of the Terms of the Exchange Notes**

The exchange notes will evidence the same debt as the original notes for which they are being exchanged. The exchange notes and the original notes will be governed by the same indenture. Except where the context requires otherwise, references in this prospectus to notes or securities are references to both original notes and exchange notes, as the case may be.

**Issuer**

Lear Corporation.

**Securities offered**

\$300,000,000 principal amount of 81/2% Series B Senior Notes due 2013 and \$600,000,000 principal amount of 83/4% Series B Senior Notes due 2016.

**Maturity date**

December 1, 2013 in the case of the 2013 exchange notes and December 1, 2016 in the case of the 2016 exchange notes.

**Interest payment dates**

June 1 and December 1, beginning on June 1, 2007.

**Ranking**

The exchange notes will be senior unsecured obligations and will rank *pari passu* to our existing and future senior indebtedness, and senior to all future subordinated indebtedness. The guarantees by our subsidiaries will rank *pari passu* with the existing and future senior indebtedness of our subsidiaries that guarantee the exchange notes. As of September 30, 2006, we and our subsidiary guarantors had \$2.3 billion of senior indebtedness outstanding, of which \$1.0 billion is secured, and our subsidiaries that are not guarantors had \$76 million senior indebtedness outstanding.

**Guarantees**

Five of our domestic subsidiaries and two of our foreign subsidiaries will jointly, severally and unconditionally guarantee the exchange notes on a senior unsecured basis.

**Optional redemption**

We may redeem the 2013 exchange notes prior to December 1, 2010 and the 2016 exchange notes prior to December 1, 2011 in whole or in part from time to time at a price based on a *make whole* formula described in this prospectus.

In addition, we may redeem some or all of the 2013 exchange notes at any time on or after December 1, 2010 or some or all of the 2016 exchange

notes at any time on or after December 1, 2011, at specified redemption prices discussed under the caption Description of the exchange notes  
Optional redemption.

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**Change of control offer**

If we experience a change of control (as defined under the caption Description of the exchange notes Certain definitions ), we must give holders of the exchange notes the opportunity to sell us their exchange notes at 101% of their face amount, plus accrued interest.

We might not be able to pay you the required price for exchange notes you present to us at the time of a change of control, because:

we might not have enough funds at that time; or

the terms of our senior debt may prevent us from paying.

**Certain indenture provisions**

The indenture governing the exchange notes will contain covenants limiting our (and most or all of our subsidiaries ) ability to:

create liens on our assets to secure debt; and

enter into sale and leaseback transactions.

These covenants are subject to a number of important limitations and exceptions.

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**RISK FACTORS**

*You should carefully consider the following risk factors and all other information contained or incorporated by reference in this prospectus, including the section entitled *Forward-looking statements* and our historical and pro forma financial statements and the related notes included or incorporated by reference in this prospectus, before deciding whether to participate in the exchange offer. The risks described below are not the only risks facing us. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, financial condition or results of operations. If any of the following risks materialize, our business, financial condition or results of operations could be materially and adversely affected. In that case, you may lose some or all of your investment. The risk factors set forth below, with the exception of the last risk factor, are generally applicable to the original notes as well as the exchange notes.*

**Risks Related to the Exchange Offer**

*If you fail to exchange your original notes for exchange notes, you will no longer have any registration rights with respect to your original notes.*

Upon the completion of the exchange offer, you will no longer have any registration rights with respect to the original notes you still hold. These original notes are privately placed securities and will remain subject to the restrictions on transfer contained in the legend on the notes. In general, you cannot sell or offer to sell the original notes without complying with these restrictions, unless the original notes are registered under the Securities Act and applicable state securities laws. We do not intend to register the original notes under the Securities Act.

**Risks Related to Our Business**

*A decline in the production levels of our major customers could reduce our sales and harm our profitability.*

Demand for our products is directly related to the automotive vehicle production by our major customers. Automotive sales and production can be affected by general economic or industry conditions, labor relations issues, regulatory requirements, trade agreements and other factors. Automotive industry conditions in North America and Europe continue to be challenging. In North America, the industry is characterized by significant overcapacity, fierce competition and significant pension and healthcare liabilities for the domestic automakers. In Europe, the market structure is more fragmented with significant overcapacity, and several of our key platforms have experienced production declines.

General Motors and Ford, our two largest customers, together accounted for approximately 44% of our net sales in 2005, excluding net sales to Saab, Volvo, Jaguar and Land Rover, which are affiliates of General Motors and Ford. Inclusive of their respective affiliates, General Motors and Ford accounted for approximately 28% and 25%, respectively, of our net sales in 2005. Automotive production by General Motors and Ford has declined between 2000 and 2005. North American production has continued to decline in 2006 for General Motors, Ford and also for DaimlerChrysler. The automotive operations of both General Motors and Ford have recently experienced significant operating losses, and both automakers are continuing to restructure their North American operations, which could have a material impact on our future operating results. While we have been aggressively seeking to expand our business in the Asian market and with Asian automotive manufacturers worldwide to offset these declines, no assurances can be given as to how successful we will be in doing so. As a result, any decline in the automotive production levels of our major customers, particularly with respect to models for which we are a significant supplier, could materially reduce our sales and harm our profitability, thereby making it more difficult for us to make payments

under our indebtedness, including the exchange notes.

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***The financial distress of our major customers and within the supply base could significantly affect our operating performance.***

During 2005, General Motors and Ford lowered production levels on several of our key platforms, particularly light truck platforms, in an effort to reduce inventory levels. GM, Ford and DaimlerChrysler have continued to lower North American light truck production in 2006. In addition, these customers have experienced declining market shares in North America and are continuing to restructure their North American operations in an effort to improve profitability. The domestic automotive manufacturers are also burdened with substantial structural costs, such as pension and healthcare costs, that have impacted their profitability and labor relations. Several other global automotive manufacturers are also experiencing operating and profitability issues as well as labor concerns. In this environment, it is difficult to forecast future customer production schedules, the potential for labor disputes or the success or sustainability of any strategies undertaken by any of our major customers in response to the current industry environment. This environment may also put additional pricing pressure on their suppliers, like us, to reduce the cost of our products, which would reduce our margins. In addition, cuts in production schedules are also sometimes announced by our customers with little advance notice, making it difficult for us to respond with corresponding cost reductions. Our supply base has also been adversely affected by industry conditions. Lower production levels for our key customers and increases in certain raw material, commodity and energy costs have resulted in severe financial distress among many companies within the automotive supply base. Several large suppliers have filed for bankruptcy protection or ceased operations. Unfavorable industry conditions have also resulted in financial distress within our supply base and an increase in commercial disputes and the risk of supply disruption. In addition, the adverse industry environment has required us to provide financial support to distressed suppliers or take other measures to ensure uninterrupted production. While we have taken certain actions to mitigate these factors, we have offset only a portion of their overall impact on our operating results. The continuation or worsening of these industry conditions would adversely affect our profitability, operating results and cash flow.

***The discontinuation of, the loss of business with respect to or a lack of commercial success of a particular vehicle model for which we are a significant supplier could reduce our sales and harm our profitability.***

Although we have purchase orders from many of our customers, these purchase orders generally provide for the supply of a customer's annual requirements for a particular model and assembly plant, renewable on a year-to-year basis, rather than for the purchase of a specific quantity of products. Therefore, the discontinuation of, the loss of business with respect to or a lack of commercial success of a particular vehicle model for which we are a significant supplier could reduce our sales and harm our profitability, thereby making it more difficult for us to make payments under our indebtedness, including the exchange notes.

***Our substantial international operations make us vulnerable to risks associated with doing business in foreign countries.***

As a result of our global presence, a significant portion of our revenues and expenses are denominated in currencies other than U.S. dollars. In addition, we have manufacturing and distribution facilities in many foreign countries, including countries in Europe, Central and South America and Asia. International operations are subject to certain risks inherent in doing business abroad, including:

- exposure to local economic conditions;
- expropriation and nationalization;
- foreign exchange rate fluctuations and currency controls;



withholding and other taxes on remittances and other payments by subsidiaries;

investment restrictions or requirements;

export and import restrictions; and

increases in working capital requirements related to long supply chains.

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Expanding our business in Asian markets and our business relationships with Asian automotive manufacturers worldwide are important elements of our strategy. In addition, our strategy includes expanding our European market share and expanding our manufacturing operations in lower-cost regions. As a result, our exposure to the risks described above may be greater in the future. The likelihood of such occurrences and their potential effect on us vary from country to country and are unpredictable. However, any such occurrences could be harmful to our business and our profitability, thereby making it more difficult for us to make payments under our indebtedness, including the exchange notes.

***High raw material costs may continue to have a significant adverse impact on our profitability.***

Unprecedented increases in costs of certain raw materials, principally steel, resins and certain chemicals, as well as higher energy costs, had a significant adverse impact on our operating results in 2005. Raw material, energy and commodity costs have remained high and continued to have an adverse impact on our operating results in the first nine months of 2006. While we have developed and implemented strategies to mitigate or partially offset the impact of higher raw material, energy and commodity costs, these strategies, together with commercial negotiations with our customers and suppliers, offset only a portion of the adverse impact. In addition, no assurances can be given that the magnitude and duration of these cost increases or any future cost increases will not have a larger adverse impact on our profitability and consolidated financial position than currently anticipated.

***A significant labor dispute involving us or one or more of our customers or suppliers or that could otherwise affect our operations could reduce our sales and harm our profitability.***

Most of our employees and a substantial number of the employees of our largest customers and suppliers are members of industrial trade unions and are employed under the terms of collective bargaining agreements. Virtually all of our unionized facilities in the United States and Canada have a separate agreement with the union that represents the workers at such facilities, with each such agreement having an expiration date that is independent of other collective bargaining agreements. We have collective bargaining agreements covering approximately 81,500 employees globally. Within the United States and Canada, contracts covering approximately 20% of the unionized workforce are scheduled to expire during 2007. The current collective bargaining agreements of our three largest customers in the United States expire in 2007. A labor dispute involving us or any of our customers or suppliers or that could otherwise affect our operations could reduce our sales and harm our profitability, thereby making it more difficult for us to make payments under our indebtedness, including the notes. A labor dispute involving another supplier to our customers that results in a slowdown or closure of our customers' assembly plants where our products are included in assembled vehicles could also have a material adverse effect on our business. In addition, the inability by us or any of our suppliers, our customers or our customers' other suppliers to negotiate an extension of a collective bargaining agreement covering a large number of employees upon its expiration could reduce our sales and harm our profitability. Significant increases in labor costs as a result of the renegotiation of collective bargaining agreements could also be harmful to our business and our profitability.

***Adverse developments affecting one or more of our major suppliers could harm our profitability.***

We obtain components and other products and services from numerous tier II automotive suppliers and other vendors throughout the world. In certain instances, it would be difficult and expensive for us to change suppliers of products and services that are critical to our business. In addition, our OEM customers designate many of our suppliers and as a result, we do not always have the flexibility or authority to change suppliers. Certain of our suppliers are financially distressed or may become financially distressed. In addition, an increasing number of our suppliers are located outside of North America or Western Europe. Any significant disruption in our supplier relationships, including certain relationships with sole-source suppliers, could harm our profitability, thereby making it more difficult for us to make

payments under our indebtedness, including the exchange notes.

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***The inability to complete the divestiture of our North American interior business would adversely affect our business strategy and financial position.***

Our interior business segment has been unprofitable since 2005, which we believe is a result of industry overcapacity, high raw material costs and insufficient pricing, and we have decided to exit the segment. In October 2006, we contributed substantially all of our European interior business to IAC, a joint venture with WL Ross and Franklin, in exchange for an approximate one-third equity interest in IAC. On November 30, 2006, we entered into an Asset Purchase Agreement with IAC North America, WL Ross and Franklin under which we agreed to transfer substantially all of the assets of our North American interior business segment (as well as our interests in two China joint ventures) and \$25 million of cash to IAC North America. Under the terms of the agreement, we will receive a 25% equity interest in the IAC North America joint venture and warrants to purchase an additional 7% equity interest. In connection with the transaction, we expect to recognize a pre-tax loss on divestiture of approximately \$675 million in the fourth quarter of 2006. The closing of the transaction is subject to various conditions, including the receipt of required third-party consents, as well as other closing conditions customary for transactions of this type. No assurance can be given that this or any other transaction involving the North American interior business ultimately will be consummated. If we are unable to close the transaction on terms substantially similar to those described above or at all, our North American business strategy and ability to improve our financial position going forward may be negatively impacted.

***A significant product liability lawsuit, warranty claim or product recall involving us or one of our major customers could harm our profitability.***

In the event that our products fail to perform as expected and such failure results in, or is alleged to result in, bodily injury and/or property damage or other losses, we may be subject to product liability lawsuits and other claims. In addition, we are a party to warranty-sharing and other agreements with our customers related to our products. These customers may seek contribution or indemnification from us for all or a portion of the costs associated with product liability and warranty claims, recalls or other corrective actions involving our products. These types of claims could significantly harm our profitability, thereby making it more difficult for us to make payments under our indebtedness, including the exchange notes.

***We are involved from time to time in legal proceedings and commercial or contractual***