

# **UNIVERSAL MFG. CO.**

## **Proxy Statement for Annual Meeting of Shareholders of Universal Mfg. Co.**

To Be Held November 18, 2014



# UNIVERSAL MFG. CO.

720 O Street, Lot D  
Lincoln, Nebraska 68508

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### SOLICITATION AND VOTING INFORMATION

The enclosed proxy is solicited by Universal Mfg. Co. on behalf of the Board of Directors for use at the Annual Meeting of Shareholders of the Company to be held on November 18, 2014, and at any adjournment thereof. The Annual Meeting is to be held at the Lincoln Country Club, 3200 S. 24<sup>th</sup> Street, Lincoln, Nebraska 68502, and will commence at 10:00 a.m. local time. This solicitation is being made by mail and the Company may also use its officers, directors and regular employees to solicit proxies from shareholders in person or by telephone, telegraph, e-mail, or letter without extra compensation.

The entire cost of this solicitation, which represents the amount normally expended for a solicitation relating to an uncontested election of directors, will be borne by the Company. Such cost will include but is not limited to legal, copy, postage, and other costs of preparing and supplying necessary originals and additional copies of the solicitation material and annual report to shareholders, for beneficial owners of shares held of record by brokers, dealers, banks and voting trustees and their nominees and, upon request, the reasonable expenses of such record holders for completing the mailing of such material and report to such beneficial owners.

#### Voting Rights and Outstanding Shares of Common Stock

Only shareholders of record of the Company's 816,000 shares of Common Stock outstanding as of the close of business on September 12, 2014, will be entitled to vote. Each share of Common Stock is entitled to one vote on any matter which may properly come before the meeting. This Proxy Statement, the form of proxy, and the 2014 Annual Report of the Company are being mailed on or about October 10, 2014. The 2014 Annual Report and this Proxy Statement were posted on the Company's website, [www.universalmfgco.com](http://www.universalmfgco.com), on the same day.

The presence of a majority of the outstanding shares of Common Stock of the Company entitled to vote, represented either in person or by proxy, will constitute a quorum at the Annual Meeting.

All votes will be tabulated by the inspector of election appointed for the Annual Meeting, who will separately tabulate votes cast for directors or withheld, affirmative and negative votes and abstentions. Abstentions on any of the proposals or votes withheld for all director nominees will be treated as present at the meeting for purposes of determining a quorum, but will not be counted as votes cast on the proposals presented to the shareholders.

## Proxy Voting

Shares of Common Stock cannot be voted at the Annual Meeting unless the holder of record is present in person or by proxy. The enclosed form of proxy is a means by which a shareholder or his or her agent or attorney-in-fact may authorize the voting of the shareholder's shares at the Annual Meeting. The shares of Common Stock represented by each properly executed proxy will be voted at the Annual Meeting in accordance with the shareholder's directions. Shareholders should specify their choices by marking the appropriate boxes on the enclosed proxy. If no choice has been specified and the enclosed proxy is properly executed and returned, the shares will be voted FOR the persons nominated by the Board for election as directors. If any other matters are properly presented to the Annual Meeting for action, the proxy holders will vote the proxies (which confer discretionary authority to vote on such matters) in accordance with their best judgment.

Execution of the enclosed proxy will not affect a shareholder's right to attend the Annual Meeting and vote in person. Any proxy given pursuant to such solicitation may be revoked by the shareholder at any time prior to the voting of the proxy. Any revocation of a proxy may be in writing delivered to the Company in advance or verbally by any shareholder in attendance at the Annual Meeting.

## Proxy Voting by Street Name Holders

If your shares are held in a brokerage account or by another nominee, you are considered the "beneficial owner" of shares held in "street name," and these proxy materials are being forwarded to you by your broker or nominee (the "record holder"). As the beneficial owner, you have the right to direct your record holder how to vote your shares, and the record holder is required to vote your shares in accordance with your instructions. If you do not give instructions to your record holder by 4:30 p.m. on November 13, 2014, the record holder will be entitled to vote your shares in its discretion on the proposals that are presented and considered at the 2014 Annual Meeting.

As the beneficial owner of shares, you are invited to attend the Annual Meeting. Please note, however, that if you are a beneficial owner, you may not vote your shares in person at the meeting unless you obtain a "legal proxy" from the record holder holding your shares.

## Attendance and Voting at the Annual Meeting

If you own shares of Common Stock of record, you may attend the Annual Meeting and vote in person, regardless of whether you have previously voted on a proxy. We encourage you to vote your shares in advance of the Annual Meeting date by returning the enclosed proxy, even if you plan on attending the Annual Meeting. You may change or revoke your proxy at the Annual Meeting as described above even if you have already voted by proxy.

**YOUR PROXY VOTE IS IMPORTANT. PLEASE COMPLETE, SIGN AND RETURN THE ENCLOSED PROXY WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING.**

THE ENCLOSED PROXY IS SOLICITED BY THE COMPANY ON BEHALF OF ITS BOARD OF DIRECTORS. It delegates discretionary authority with respect to any additional matters which may properly come before the Annual Meeting. Although the Board is not currently aware of any matter other than those described in this Proxy Statement, if other matters do properly come before the Annual Meeting, proxies will vote thereon in accordance with their best judgment.

## AUDITORS; ELECTION OF DIRECTORS AND VOTING

There are two items on the agenda for the 2014 Annual Meeting: (1) a proposal to appoint McGladrey LLP, certified public accountants, as the independent auditors of the Company, and (2) the election of two directors to hold office for two years until the 2016 Annual Meeting of Shareholders or until a successor is duly elected and qualified.

### Auditors

McGladrey LLP was appointed as the independent auditors of the Company's financial records effective April 11, 2013. As indicated in the proxy, where no direction is given, the proxies solicited by the Board of Directors will be voted in favor of the appointment of McGladrey LLP. Votes withheld for this appointment will be treated as present at the meeting for purposes of determining a quorum, but will not be counted as votes for this proposal. Shareholders who neither submit a proxy nor attend the meeting, along with broker non-votes, will not be counted as either a vote for or against the appointment. Shareholders are entitled to one vote for each share of stock.

**Your Board recommends a vote FOR the appointment of McGladrey LLP as the independent auditors of the Company.**

If a quorum is present, this proposal will be decided by a majority of the votes cast at the Annual Meeting either for or against the appointment.

### Election of Directors

The following persons have been nominated to be elected to the Board of Directors: Jeff A. Einfalt and P. Kevin Pope. Messrs. Einfalt and Pope are currently directors of the Company. Detailed information on each nominee is provided below in the section entitled "Information About Current Directors and Nominees." The Company did not receive any additional nominee submissions for the 2014 election.

As indicated in the proxy, where no direction is given, the proxies solicited by the Board of Directors will be voted in favor of the election of the Board's nominees listed in this Proxy Statement. Votes withheld for all director nominees will be treated as present at the meeting for purposes of determining a quorum, but will not be counted as votes in the director election. If any of the nominees shall withdraw or otherwise become unavailable, which is not expected, the proxies will be voted for a substitute nominee who will be designated by the Board of Directors. Shareholders who neither submit a proxy nor attend the meeting, along with broker non-votes, will not be counted as either a vote for or against the election of directors.

**Your Board recommends a vote FOR the election of its nominees for the Board of Directors.**

### Cumulative Voting Description

Shareholders have cumulative voting rights. Each shareholder of record is entitled to as many votes for directors as the total number of shares of Common Stock held of record by such shareholder at the close of business on September 12, 2014, multiplied by two (2), which is the number of directors to be elected by the shareholders. These votes may be divided among the total number of directors to be elected or distributed among any lesser number in such proportion as the shareholder may desire. Unless otherwise instructed, the proxy holders will vote the proxies received by them equally for each of the Board's nominees shown in this Proxy Statement, reserving the right, however, to cumulate their votes

and distribute them among the nominees in their discretion. By marking the appropriate box on the form of proxy, a shareholder may withhold authority to vote for all of the Board's nominees. A shareholder may also withhold authority to vote for any one or more of the nominees by striking through the name (or names) of such nominees on the form of proxy. Neither shares nor proxies may be voted for a greater number of persons than the number of nominees shown below.

If a quorum is present, the two nominees receiving the highest vote totals will be elected as directors of the Company at the Annual Meeting.

#### INFORMATION ABOUT CURRENT DIRECTORS AND NOMINEES

The Articles of Incorporation of the Company provide for classification of directors into two classes to be elected in alternate years for two-year terms. The Company's Bylaws, as amended by the Board of Directors effective November 17, 2014, provide for two directors to be elected at the Annual Meeting in 2014.

Messrs. Einfalt and Pope are presently directors of the Company and have been previously elected by the shareholders. R. Brad Harse has served on the Board of Directors since 2004, but a seat on the Board is being eliminated by the reduction of the number of directors to five (5) resulting from the amendment of the Bylaws. The following table contains certain information with respect to the persons currently serving as directors as well as the persons nominated for election at the 2014 Annual Meeting:

#### **CURRENT NOMINEES:**

<u>Name and Principal Occupation</u>	<u>Age</u>	<u>Year First Became Director</u>	<u>Term Expires</u>
JEFF A. EINFALT Consultant to Kinder Porter Scott Foundation Lincoln, Nebraska	52	2004	2014
P. KEVIN POPE President Pen-Link, Ltd. Lincoln, Nebraska	45	2010	2014

#### **OTHER DIRECTORS WITH CONTINUING TERMS:**

<u>Name and Principal Occupation</u>	<u>Age</u>	<u>Year First Became Director</u>	<u>Term Expires</u>
DONALD L. DUNN Chief Executive Officer and President Universal Mfg. Co. Lincoln, Nebraska	62	2003	2015
ROBERT E. SCOTT President, Kinport Corporation Lincoln, Nebraska	42	2005	2015

**This Table is continued on the following page.**

PAUL B. LUBER  
Chief Executive Officer and Chairman of the Board  
The Jor-Mac Company  
155 East Main Street  
Lomira, Wisconsin

53

2013

2015

Jeff A. Einfalt has been a consultant to Kinder Porter Scott Foundation since 2011. Robert E. Scott is a director of this Foundation.

P. Kevin Pope is the President of Pen-Link, Ltd, which provides electronic surveillance solutions to law enforcement and intelligence agencies. He has had this position since 2007.

In October 2010, Donald L. Dunn became employed by the Company as its Chief Executive Officer and President, and effective November 2010, as the Chairman of the Board of Man Lift Mfg. Co., a wholly owned subsidiary of the Company. Since December 2007, Mr. Dunn has been affiliated on an of counsel basis with Rembolt Ludtke LLP, a law firm with its principal office in Lincoln, Nebraska. Rembolt Ludtke LLP is general legal counsel for the Company.

Since 2000, Paul B. Luber has served as the Chief Executive Officer and Chairman of the Board of The Jor-Mac Company, Lomira, Wisconsin. Since 2010, he has also served as the Chief Executive Officer and Chairman of the Board of Super Steel LLC, Milwaukee, Wisconsin. Since 2012, Mr. Luber has also served as Managing Member of L4 Holdings LLO, Milwaukee, Wisconsin.

All other directors have been in their respective occupations for more than the past five years.

#### Audit Committee

The Audit Committee reviews the services provided by the Company's independent auditors, consults with the independent auditors and reviews the need for internal procedures and the adequacy of internal controls. Currently, the members of the Audit Committee are Messrs. Einfalt (Chair), Harse and Scott. The Board of Directors believes that a majority of the members of the Audit Committee are independent within the meaning of the listing standards of the National Association of Securities Dealers, the operators of the Nasdaq Stock Market. The Board of Directors adopted the Audit Committee Charter in July 2011.

#### Other Committees

The Board of Directors established a Nominating Committee which currently consists of Messrs. Scott (Chair), Luber and Dunn. Nominations for the 2014 election of directors had to be received no earlier than February 1, 2014 and no later than June 1, 2014. There are two nominee submissions for the 2014 election, both of whom were nominated by the Board of Directors. **Nomination for election to the Board of Directors to be considered at the 2015 Annual Meeting must be submitted in writing to the Nominating Committee no earlier than February 1, 2015 and no later than June 1, 2015.**

The Board of Directors established a Human Resources and Compensation Committee to evaluate the organizational structure and personnel needs of the Company's divisions and to recruit and hire qualified individuals to complete the Company's management team, and to review and recommend compensation levels. This Committee currently consists of Messrs. Pope (Chair), Luber, Einfalt, and Dunn. This Committee has not adopted a Charter.

The Board of Directors established an Acquisitions Committee (f/k/a Mergers and Acquisition Committee) to consider business expansion opportunities that are brought to the attention of the Company. The Committee members currently consist of Messrs. Einfalt (Co-Chair), Dunn (Co-Chair), Luber and Scott.

The Board of Directors established an Investment Committee to assist and render advice regarding the investment of available cash to maximize return. The Committee members currently consist of Messrs. Einfalt (Chair) and Harse.

All committees are subject to change after the election of directors at the 2014 Annual Meeting of the Shareholders.

### Meetings and Attendance

During fiscal year 2013-2014 the full Board of Directors held four quarterly meetings and one special meeting, the Audit Committee conducted two meetings, the Nominating Committee conducted one meeting, the Human Resources and Compensation Committee held one meeting, the Investment Committee did not meet, and the Acquisition Committee did not meet. All directors participated in the meetings of the committees on which they serve.

## MANAGEMENT

The Company's day to day affairs are managed by its executive officers who are appointed for a one year term. Executive officers of the Company, and other significant employees of the Company, are listed below:

<u>Name and Age</u>	<u>Current Position and Business History</u>
Robert E. Scott (42). . . . .	Chairman of the Board of the Company since November 13, 2007.
Donald L. Dunn (62). . . . .	President and Chief Executive Officer of the Company since October 12, 2010; Chairman of the Board of Man Lift Mfg. Co. since November 2010.
R. Brad Harse (65). . . . .	Secretary and Treasurer of the Company since November 2010.
Dawn M. Sutter (43). . . . .	Chief Financial Officer since December 3, 2013, when she was hired by the Company. Prior to her employment with the Company, from 2011 to 2013, Mrs. Sutter was a financial director at Infogroup, and from 2008 to 2010, she was the controller at Transgenomic, Inc.



## COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

The following table sets forth all compensation paid or payable by the Company during the past fiscal year to the Executive Officers and Directors of the Company:

### SUMMARY COMPENSATION TABLE

#### Annual Compensation

<u>Name and Principal Position</u>	<u>Year (1)</u>	<u>Salary and Bonus (2)</u>	<u>Stock Option Awards(3)</u>	<u>All Other Compensation</u>
Donald L. Dunn Chief Executive Officer and President (5)	2014	\$259,588	\$52,656	\$22,895 (4)
Dawn M. Sutter Chief Financial Officer (7)	2014	\$167,596	N/A	\$3,500 (6)
Jeffrey H. Bailey Director (9)	2014	\$0	N/A	\$33,230 (8)

(1) - For fiscal year ended July 31, 2014.

(2) - Mr. Dunn and Mrs. Sutter were entitled to an annual salary and bonus based on annual operating profit and/or return on assets determined on a fiscal year basis. The amount listed in this column represents the sum of the annual salary and bonus compensation for the fiscal year ended July 31, 2014.

(3) - Mr. Dunn was granted stock options in 2012 and 2013. The amount listed in this column reflects the grant date fair value of the stock option award granted during the current (\$27,167) and prior (\$25,488) fiscal year as computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718. The amounts shown do not correspond to the actual value that will be recognized by Mr. Dunn.

(4) - The amount listed as "All Other Compensation" includes a value of \$6,000 paid to Mr. Dunn as an allowance for the use of his personal automobile, \$4,895 as a matching contribution to the Company's 401k Plan, and \$12,000 director fees.

(5) - Mr. Dunn became employed as the Chief Executive Officer and President of the Company on October 12, 2010, and as Chairman of the Board of Man Lift Mfg. Co. effective November 2010. He was not employed by the Company prior to October 12, 2010.

(6) - The amount listed as "All Other Compensation" includes a value of \$3,500 paid to Mrs. Sutter as an allowance for the use of her personal automobile .

(7) - Mrs. Sutter became employed as the Chief Financial Officer of the Company effective December 3, 2013. She was not employed by the Company prior to December 3, 2013. Her compensation is the actual compensation paid to her during the portion of the fiscal year during which she was employed by the Company.

(8) - The amount listed as "All Other Compensation" includes a value of \$4,000 paid to Mr. Bailey for director fees, and \$29,230 paid to Bailey & Associates as consulting fees. These amounts represent compensation paid to him while he was a member of the Board of Directors.

(9) - Mr. Bailey decided not to stand for re-election to the Board of Directors and his term expired in November, 2013. He rendered consulting services to the Company through Bailey & Associates, LLC, a company that he owns.

Mr. Dunn is a party to an Employment Agreement with the Company dated October 12, 2010. He is entitled to a base annual salary of \$100,000, and to participate in a cash bonus incentive plan based on the Company's earnings each fiscal year before interest, taxes, depreciation and amortization (EBITDA) beginning at 2.5% of annual EBITDA over \$500,000, to a maximum of 10% of annual EBITDA over \$2 million. Mr. Dunn was paid no cash bonus under this Plan for fiscal 2011-2012; he earned \$50,168 as a bonus under this Plan for fiscal 2012-2013, and he earned \$159,588 as a bonus under this Plan for fiscal 2013-2014. There is no stated term of the Employment Agreement and it is terminable at-will by either party. Mr. Dunn participates in the 2012 Stock Option Plan as described below. Mr. Dunn has agreed to not compete with the business of the Company for 12 months following termination of employment.

The Board adopted the 2012 Stock Option Plan effective as of August 1, 2012. The Plan authorizes the Compensation Committee to grant options to eligible employees to acquire up to 86,000 shares of Common Stock of the Company at an option price not less than 100% of the fair market value of the stock on the date that the option is granted. If options for all such shares were granted, it would constitute approximately 9.534% of the total number of issued and outstanding shares. Pursuant to the 2012 Stock Option Plan, as of August 31, 2014:

- (a) Options to acquire 17,200 shares were granted to Mr. Dunn at an exercise price of \$6.625 per share for 8,600 shares and \$7.50 per share for the other 8,600 shares. His rights to these shares vested based on the financial performance of the Company during the fiscal years ended July 31, 2013 and 2014. Further, options to acquire an additional 8,600 shares were granted to Mr. Dunn at an exercise price of \$9.80 per share subject to a vesting schedule based on the financial performance of the Company during the fiscal year ending July 31, 2015.
- (b) An option to acquire 4,300 shares was granted to Mr. Philip Sprio, President of Man Lift Mfg. Co., at an exercise price of \$9.80 per share. His rights are subject to a vesting schedule of 20% per year.

All inside and outside directors of the Company are paid \$1,000 per month as director fees. The Company adopted a 401(k) Plan for its supervisory, clerical, sales and production employees. Mr. Dunn participates in the Plan.

**OWNERSHIP OF VOTING SECURITIES**  
**BY DIRECTORS AND NOMINEES AND OFFICERS**

The following table sets forth the share ownership for each of the directors, nominees for director and officers as of September 17, 2014:

<b><u>Title of Class</u></b>	<b><u>Name and Address of Beneficial Owner</u></b>	<b><u>Amount and Nature of Beneficial Ownership</u></b>	<b><u>Percent of Class</u></b>
Common Stock	Donald L. Dunn 720 O Street, Lot D Lincoln, NE 68508	81,547(1)	9.787%
	Jeff A. Einfalt 1230 P Street, Apt. 2B Lincoln, NE 68508	0(2)	0%
	R. Brad Harse 4200 South Street Lincoln, NE 68506	0	0%
Common Stock	Robert E. Scott 440 N. 8 <sup>th</sup> Street, Suite 140 Lincoln, NE 68508	232,277(3)	27.878%
	P. Kevin Pope 5936 VanDervoort Drive Lincoln, NE 68516	0	0%
Common Stock	Paul B. Luber 155 East Main Street Lomira, WI 53048	7,000	0.84%
	Dawn M. Sutter 720 O Street, Lot D Lincoln, NE 68508	0	0%

- (1) - Includes 14,745 shares owned by Mr. Dunn's IRA, and 17,200 shares authorized and vested pursuant to the Company's 2012 Stock Option Plan. It does not include 8,600 shares which are authorized but not vested for the 2014-2015 fiscal year.
- (2) - Jeff A. Einfalt's total does not include 12,889 shares owned by Trusts and Individual Retirement Accounts for the benefit of Marilyn Einfalt, his mother. If he is deemed to have voting and dispositive power over such shares, then the total rises to 12,889 shares, which is 1.547%.
- (3) - Includes 228,277 shares owned by WRK, LLC, to which Mr. Scott has shared voting and dispositive power; and 1,000 owned by Mr. Scott's child; and 3,000 shares owned by Mr. Scott's SEP retirement account. It does not include 3,000 shares owned by Mr. Scott's brother William D. Scott and his children. (Note that if Mr. Scott is regarded as having shared voting and dispositive power for these shares, then his total rises to 235,277 shares, which is 28.238%).

In addition to the shared voting power and shared investment power indicated in the above footnotes, spouses of the persons listed may be regarded as having beneficial ownership and shared voting power and shared dispositive power with respect to the shares shown.

The following table sets forth certain cumulative information per the above as to the shares of Common Stock beneficially owned by all officers and directors of the Company as a group as of September 17, 2014 on a diluted basis:

<u>Title of Class</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percentage of Class</u>
Common Stock	320,824 (1)	38.505%

(1) - Includes shares with respect to which members of the group may be regarded as having shared voting power and/or dispositive power as determined per the shares in columns above (and if the additional shares per footnotes 2 and 3 above is included the total rises to 336,713 shares, which is 40.412%).

#### PRINCIPAL HOLDERS OF VOTING SECURITIES

The following table sets forth the names and certain information with respect to each person who was known by the Company to be the beneficial or record owner of more than five percent (5%) of the Company's Common Stock, except as otherwise noted, as of September 17, 2014.

<u>Title of Class</u>	<u>Name and Address of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percent of Class (1)</u>
Common Stock	Cede & Co. Box 20 Bowling Green Station New York, NY 10004	764,562 (2)	91.762%
Common Stock	Robert E. Scott 440 N. 8 <sup>th</sup> Street, Suite 140 Lincoln, NE 68508	232,277 (3) (4)	27.878%
Common Stock	WRK, LLC c/o Robert E. Scott 440 N. 8 <sup>th</sup> Street, Suite 140 Lincoln, NE 68508	228,277 (4)	27.398%
Common Stock	Donald L. Dunn 720 O Street, Lot D Lincoln, NE 68508	81,547(5)	9.787%

(1) - Based on a total of 833,200 shares, consisting of 816,000 shares issued and outstanding, and 17,200 shares for which rights are vested and exercisable under the Company's 2012 Stock Option Plan which are deemed to be outstanding.

- (2) - The Company's stock transfer records reflect that these shares are held in nominee name. These shares are beneficially owned by more than one beneficial owner.
  - (3) - Includes 228,277 shares owned by WRK, LLC, to which Mr. Scott has shared voting and dispositive power; and 1,000 owned by Mr. Scott's child; and 3,000 shares owned by Mr. Scott's SEP retirement account. It does not include 3,000 shares owned by Mr. Scott's brother William D. Scott and his children. (Note that if Mr. Scott is regarded as having shared voting and dispositive power for these shares, then his total rises to 235,277 shares, which is 28.238%).
  - (4) - Director Robert E. Scott is the Co-Manager of this Nebraska limited liability company. See also Note 3.
  - (5) - Includes 14,745 shares owned by Mr. Dunn's IRA. It also includes 17,200 shares authorized and vested pursuant to the Company's 2012 Stock Option Plan, but it does not include 8,600 shares which are authorized but not vested for the 2014-2015 fiscal year.
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In addition to the persons listed above, any spouses of the persons listed may be regarded as having beneficial ownership and shared voting and shared investment power with respect to the shares shown.

#### CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company has established a term debt and an open line of credit facility with its subsidiary, Man Lift Mfg. Co. ("MLM Co."). The term debt was associated with the acquisition by the Company of the assets and business of Man & Material Lift Engineering, LLC and HB Equipment, LLC (collectively the "Bailey Companies") on December 1, 2010 (herein referred to as the "Man Lift Transaction"). Advances on the line of credit are made from time to time on such terms, amounts and conditions as the officers deem to be fair and reasonable to the companies. There is no security for the debt owed to the Company by MLM Co. The debt is consolidated on the balance sheet of the Company for financial statement reporting purposes.

Donald L. Dunn, who is the Chief Executive Officer and President of the Company and Chairman of the Board of MLM Co., is a member of the Board of Directors of Security First Bank of Lincoln, Nebraska. Security First provided financing for the Man Lift Transaction consisting of (a) a term loan for \$1.5 million, annual interest rate of 5%, amortized over 10 years, and (ii) a \$1.5 million line of credit, which is collateralized in part by assets of the Company. In August of 2013, the term debt was repaid in full and the operating line of credit was increased to \$2.5 million. In July, 2014, the Company renewed its operating line of credit with Security First Bank of \$2.5 million. This line of credit matures in one year and accrues interest at the New York prime rate of interest plus 0.5%. The current rate is three and three-fourths percent (3.75%). As of July 31, 2014, the outstanding balance of the line of credit loan was \$0.

During fiscal 2013-2014, the Company borrowed \$2,012,747.59 from Security First Bank and used the proceeds, together with other cash available to the Company, to pay-off the acquisition debt associated with the Man Lift Transaction and to redeem 35,633 shares of common stock from the Bailey Companies for \$400,000 (\$11.23 per share). These shares were the remaining shares issued as part of the Man Lift Transaction. This new term loan amortizes over a period of 10 years, with the interest rate fixed at four percent (4%) for the entire term. As part of the redemption agreement, the Company amended the covenant not to compete with Mr. Jeffrey H. Bailey, who previously served on the Board of Directors of the Company and who owns the Bailey Companies.

Mr. Dunn has an Of Counsel relationship with Rembolt Ludtke LLP, the principal law firm of the Company and its subsidiary. Mr. Dunn has no ownership interest in Rembolt Ludtke LLP, and Mr. Dunn

does not provide legal services to the Company or its subsidiary. The Company and its subsidiary incurred legal fees to Rembolt Ludtke LLP of \$7,987 in fiscal 2014, and legal fees of \$23,400 in fiscal 2013.

From January 2013 until February 28, 2014, the Company leased office space in Lincoln, Nebraska, from Rembolt Ludtke LLP, a law firm that is general legal counsel to the Company. It paid \$100 per month, or a total of \$700 for 7 months during fiscal 2013-2014 until the arrangement ended. Since March 1, 2014, the Company has leased space from Arlington Properties, Inc., a Nebraska corporation which is partially owned by Robert E. Scott, a director of the Company and Chairman of the Board. Since March 1, 2014, the Company paid rent of \$1,200 per month plus common area charges to Arlington Properties, Inc. The arrangement continues pursuant to the terms of a lease agreement.

The Board of Directors is responsible for review and oversight of all related party transactions.

### ANNUAL REPORT AND FINANCIAL STATEMENTS

The Company's annual report for the fiscal year ended July 31, 2014, including financial statements, has accompanied or preceded the mailing of this proxy statement, but it is not deemed a part of the proxy soliciting material. Annual Reports and Financial Statements of the Company for prior years may be reviewed at the Company's website [www.universalmfgco.com](http://www.universalmfgco.com).

### AUDIT MATTERS

The Audit Committee selected McGladrey, LLP ("McGladrey") to serve as independent auditors for the Company effective April 11, 2013. Representatives of McGladrey are expected to be present at the Annual Meeting of Shareholders. Such representatives will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions from shareholders. For several prior years, Kiesling Associates LLP served as the independent auditors for the Company. After a bid process, McGladrey was retained by the Company's Audit Committee to replace Kiesling Associates LLP, and this action was ratified by the Board of Directors. During the two most recent fiscal years and any subsequent interim period preceding such change, there were no reportable events or disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure that would have caused the firm to make reference to the subject matter of the disagreement(s) in connection with its report.

### SHAREHOLDERS' PROPOSALS

In order for any proposal of shareholders to be presented as an item of business at the 2015 Annual Meeting of Shareholders of the Company, the proposal must be received at the Company's principal executive offices no later than May 25, 2015.

Any shareholder who desires to present a proposal for inclusion in the next year's proxy statement must deliver a written proposal to the Company's President at 720 O Street, Lot D, Lincoln, NE 68508 no later than the close of business on May 25, 2015. The submission should include the proposal and a statement of the reasons for it, the name and address of the shareholder, the number of shares beneficially owned of record by the submitting shareholder, and a description of any material direct or indirect financial or other interest the shareholder (or any affiliate or associate) may have in the proposal.

## SHAREHOLDER LIST AND TRANSFER AGENT

For at least ten days prior to the meeting, a list of the shareholders entitled to vote at the annual meeting will be available for examination, for purposes germane to the meeting, during ordinary business hours at the Company's offices. The list will also be available for examination at the meeting.

As authorized by the Board of Directors, the Company changed its stock transfer agent to Securities Transfer Corp., 2591 Dallas Parkway, Suite 102, Frisco, TX 75034, phone (469) 633-0101.

## OTHER MATTERS

The Board of Directors knows of no other matter to be acted upon at the meeting. However, if any other matter is lawfully brought before the meeting, the shares covered by the proxy in the accompanying form will be voted on such matter in accordance with the best judgment of the persons acting under such proxy.

By Order of the Board of Directors  
Donald L. Dunn, President

October 10, 2014

TO BE CERTAIN THAT YOUR SHARES WILL BE REPRESENTED AT THE 2014 ANNUAL MEETING OF SHAREHOLDERS WE URGE YOU TO SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD PROMPTLY, WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON.

30908.007  
4828-4265-8845, v. 3

