

RICHARDSON ELECTRONICS LTD/DE  
Form DEFM14A  
December 21, 2010

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)  
[TABLE OF CONTENTS](#)  
[TABLE OF CONTENTS](#)  
[TABLE OF CONTENTS](#)

[Table of Contents](#)

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**Richardson Electronics, Ltd.**

---

(Name of Registrant as Specified In Its Charter)

---

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  
  - (2)

## Edgar Filing: RICHARDSON ELECTRONICS LTD/DE - Form DEFM14A

Aggregate number of securities to which transaction applies:

- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

ý Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:
-

Table of Contents

**RICHARDSON ELECTRONICS, LTD.**

**40W267 Keslinger Road**

**P.O. Box 393**

**LaFox, Illinois 60147-0393**

Dear Stockholders:

It is my pleasure to invite you to a special meeting of the stockholders of Richardson Electronics, Ltd. to be held on January 13, 2011 at 3:15 p.m., Central time, at our corporate headquarters at 40W267 Keslinger Road, LaFox, Illinois 60147.

At the special meeting, you will be asked to consider and vote upon a proposal to sell to Arrow Electronics, Inc. all of the assets primarily used or held for us in our RF, Wireless and Power Division business unit, certain other Company assets, and certain liabilities, pursuant to an acquisition agreement, dated October 1, 2010.

After careful consideration, our Board of Directors determined that the proposed transaction and the related acquisition agreement are advisable and in the best interests of Richardson Electronics. Our Board of Directors unanimously approved the proposed transaction and recommends that you vote "FOR" the proposal to approve the transaction.

Whether or not you plan to attend the special meeting, we ask that you promptly sign, date and return the enclosed proxy card or voting instruction card in the envelope provided, or submit your proxy by telephone or over the Internet (if those options are available to you) in accordance with the instructions on the enclosed proxy card or voting instruction card.

The enclosed proxy statement provides you with detailed information about the special meeting, the proposed transaction and the Acquisition Agreement. A copy of the Acquisition Agreement is attached as Annex A to the proxy statement. We encourage you to read the proxy statement and all annexes thereto carefully and in their entirety. You may also obtain additional information about us from documents we have filed with the Securities and Exchange Commission.

Thank you in advance for your continued support and your consideration of this matter.

Best regards,

EDWARD J. RICHARDSON

*Chairman of the Board, Chief Executive Officer and  
President*

LaFox, Illinois  
December 23, 2010

*This proxy statement is dated December 23, 2010 and is first being mailed to stockholders  
on or about December 23, 2010.*

---

Table of Contents

**RICHARDSON ELECTRONICS, LTD.**

40W267 Keslinger Road  
P.O. Box 393  
LaFox, Illinois 60147-0393

---

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS  
TO BE HELD ON JANUARY 13, 2011**

---

To our Stockholders:

Notice is hereby given that a special meeting of the stockholders of Richardson Electronics, Ltd. will be held on January 13, 2011 at 3:15 p.m., Central time, at our corporate headquarters at 40W267 Keslinger Road, LaFox, Illinois 60147. At the special meeting or any postponement, adjournment or delay thereof (the "Special Meeting"), you will be asked to consider and vote upon the following proposals:

1. to approve the sale to Arrow Electronics, Inc. of all of the assets primarily used or held for use in our RF, Wireless and Power Division business unit, certain other Company assets, and certain liabilities (the "Transaction"), pursuant to the Acquisition Agreement, dated October 1, 2010 (the "Acquisition Agreement"), by and among Richardson Electronics, Ltd., certain subsidiaries of Richardson Electronics, Ltd. and Arrow Electronics, Inc.; and
2. to transact such other business as may properly come before the Special Meeting or any adjournment or postponement thereof.

Only stockholders of record at the close of business on December 13, 2010 are entitled to notice of and to vote at the Special Meeting.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE PROPOSAL TO APPROVE THE TRANSACTION.**

The affirmative vote of the holders of a majority of the voting power of our outstanding shares of our common stock is required to approve the Transaction.

The proxy statement accompanying this notice provides a more complete description of the matters to be acted upon at the Special Meeting. We encourage you to read the proxy statement and all annexes thereto carefully and in their entirety.

By order of the Board of Directors,

EDWARD J. RICHARDSON  
*Chairman of the Board, Chief Executive Officer and  
President*

LaFox, Illinois  
December 23, 2010

---

Table of Contents

**TABLE OF CONTENTS**

	<b>Page</b>
<u>TRADEMARKS AND COPYRIGHTS</u>	<u>1</u>
<u>QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE TRANSACTION</u>	<u>2</u>
<u>SUMMARY</u>	<u>8</u>
<u>CAUTIONARY STATEMENT CONCERNING FORWARD LOOKING INFORMATION</u>	<u>13</u>
<u>THE SPECIAL MEETING</u>	<u>14</u>
<u>THE TRANSACTION (PROPOSAL NO. 1)</u>	<u>17</u>
<u>RISK FACTORS RELATING TO THE PROPOSAL TO APPROVE THE TRANSACTION</u>	<u>36</u>
<u>THE ACQUISITION AGREEMENT AND CERTAIN RELATED AGREEMENTS</u>	<u>40</u>
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA</u>	<u>51</u>
<u>UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENTS</u>	<u>51</u>
<u>PROJECTED FINANCIAL INFORMATION</u>	<u>52</u>
<u>MARKET PRICE OF COMMON STOCK</u>	<u>54</u>
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	<u>55</u>
<u>STOCKHOLDER PROPOSALS FOR THE 2011 ANNUAL MEETING</u>	<u>57</u>
<u>OTHER MATTERS</u>	<u>57</u>
<u>WHERE YOU CAN FIND ADDITIONAL INFORMATION</u>	<u>57</u>
ANNEX A	Acquisition Agreement, dated October 1, 2010
ANNEX B	Opinion of Morgan Joseph LLC, dated September 27, 2010
ANNEX C	Audited Consolidated Financial Statements of Richardson Electronics, Ltd. included in its Annual Report on Form 10-K for the Year Ended May 29, 2010
ANNEX D	Unaudited Condensed Consolidated Financial Statements of Richardson Electronics, Ltd. included in its Quarterly Report on Form 10-Q for the Three Months Ended August 28, 2010
ANNEX E	Pro Forma Consolidated Financial Statements of Richardson Electronics, Ltd. for the Years Ended May 30, 2009 and May 29, 2010 and the Three Months Ended August 28, 2010

**TRADEMARKS AND COPYRIGHTS**

*We own or have rights to trademarks, service marks and trade names that we use in conjunction with the operation of our business including, without limitation, the following: Richardson Electronics<sup>TM</sup>, AmpereX<sup>TM</sup>, National Electronics<sup>TM</sup>, National®, Canvys<sup>TM</sup>, Image Systems®, and Pixelink®. Each trademark, service mark or trade name of any other company appearing in this proxy statement belongs to its*

*holder.*

---

Table of Contents

**QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE TRANSACTION**

*The following questions and answers are intended to address briefly some commonly asked questions regarding the Transaction, the Acquisition Agreement and the Special Meeting. These questions and answers may not address all questions that may be important to you as a stockholder of Richardson Electronics, Ltd. Please refer to the "Summary" beginning on page 8 and the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents referred to or incorporated by reference in this proxy statement. See "Where You Can Find Additional Information" beginning on page 57.*

*Unless the context otherwise requires, in this proxy statement, (i) references to "Richardson Electronics, Ltd.," "Richardson Electronics," "we," "our," "us" and "the Company" refer to Richardson Electronics, Ltd. and its subsidiaries, (ii) references to "RFPD" refer to the RF, Wireless and Power Division of the Company, (iii) references to "the Board" refer to the board of directors of the Company, (iv) references to "Arrow Electronics" refer to Arrow Electronics, Inc., (v) references to the "Acquisition Agreement" refer to that certain acquisition agreement, dated October 1, 2010, by and among the Company, the subsidiaries of the Company signatory thereto and Arrow Electronics, and (vi) references to the "Transaction" refer to the sale of the assets of RFPD and certain other assets pursuant to the Acquisition Agreement.*

**Q: Why did I receive these materials?**

A:

We have entered into an Acquisition Agreement to sell to Arrow Electronics Inc. ("Arrow Electronics") all of the assets primarily used or held for use in, and certain liabilities of, our RF, Wireless & Power Division ("RFPD"), as well as certain other Company assets, including our information technology assets, in exchange for \$210 million in cash (the "Transaction"). The terms of the Transaction are more fully described below under "The Transaction" beginning on page 17. A copy of the Acquisition Agreement is attached to this proxy statement as Annex A. The Board is soliciting your proxy to vote at a special meeting of our stockholders (the "Special Meeting") being held for the purpose of obtaining stockholder approval for the Transaction.

**Q: What do I need to do now?**

A:

We urge you to carefully read this proxy statement, including its annexes, and to consider how the Transaction will affect you. Even if you plan to attend the Special Meeting, if you hold your shares in your own name as the stockholder of record, please vote your shares by signing, dating and returning the enclosed proxy card. You can also attend the Special Meeting and vote by ballot in person. If you hold your shares in "street name," follow the procedures provided by your bank, broker or other nominee.

**Q: Why does the Transaction require stockholder approval?**

A:

The Board is seeking stockholder approval of the Transaction because we are a Delaware corporation and the Transaction may constitute the sale of "substantially all" of our property and assets under Section 271 of the General Corporation Law of the State of Delaware (the "DGCL"). Section 271 of the DGCL requires that a Delaware corporation obtain the approval of the stockholders for the sale of "all or substantially all of its property and assets." Additionally, approval of the Transaction by stockholders is a closing condition under the Acquisition Agreement.

**Q: What will the net proceeds from the Transaction be and what will they be used for?**

A:

We expect the net proceeds from the Transaction to be approximately \$180 million. However, the actual proceeds available to us is subject to uncertainties. See "The Transaction Material United States Federal Income Tax Consequences" beginning on page 35. We have not yet determined how we will use the proceeds, but we may use them for a variety of purposes, including any or all of the following: strategic acquisitions, repurchases of outstanding shares of common stock, dividends to stockholders and general corporate purposes. Among the strategic acquisitions that we may consider are acquisitions of companies involved in engineering and manufacturing electronic equipment, including equipment used in alternative energy markets.

Table of Contents

**Q: What will happen if the Transaction is not approved by stockholders or is not completed for any other reason?**

A:

If the Transaction is not completed: (i) in certain circumstances, we will be required to pay to Arrow Electronics a termination fee of \$8,400,000, plus up to \$1,600,000 of Arrow Electronics' expenses incurred in connection with the Transaction, (ii) we may have difficulty recouping the significant transaction costs incurred in connection with the Transaction, (iii) our relationships with customers, business partners and employees of RFPD may be damaged and the business of RFPD may be harmed, and (iv) the market price for our common stock may decline.

**Q: When is the Transaction expected to be completed?**

A:

If the Transaction is approved by stockholders at the Special Meeting, we expect to complete the Transaction in early 2011. However, the Transaction is subject to various regulatory clearances and the satisfaction or waiver of other conditions, and it is possible that factors outside of our control could result in the Transaction being completed at a later date or not at all. There may be a substantial amount of time between the Special Meeting and the completion of the Transaction. While the exact timing of the completion of the Transaction cannot be predicted, the Acquisition Agreement may be terminated by any of the parties if the closing has not occurred on or before April 1, 2011.

**Q: How will Arrow Electronics finance the Transaction?**

A:

Arrow Electronics intends to finance the Transaction with available cash. The Transaction is not conditioned on Arrow Electronics securing third-party financing.

**Q: How will the Transaction affect outstanding equity awards held by our directors, executive officers and other employees?**

A:

The Transaction will have no affect on the outstanding equity awards held by our directors, executive officers and other employees, other than the extension of the termination date for options held by executive officers and other employees affiliated with RFPD and being hired by Arrow Electronics as a result of the Transaction (the "Transferred Employees"). For the Transferred Employees, the period during which they may exercise their Company stock options will be extended from 90 days to one year after termination of employment with us.

**Q: Will the Transaction trigger any payments to our current or former executive officers or directors?**

A:

All of our executive officers participate in the 2011 incentive plan, which establishes financial metrics and other performances objectives for each executive officer. Under the 2011 incentive plan, each executive officer, other than Wendy Diddell, our Executive Vice President of Corporate Development, has a portion of his or her annual bonus opportunity based on our annual net income after taxes. In addition, Edward J. Richardson, our Chairman of the Board, Chief Executive Officer and President, participates in the Edward J. Richardson Incentive Compensation Plan. Under the plan, Mr. Richardson is eligible for an annual cash bonus equal to 2% of our annual net income after taxes.

Awards under both plans are subject to the discretion of the compensation committee and, if the Transaction is completed, the compensation committee may determine to include within net income for fiscal 2011 some or all of the proceeds from the Transaction and may therefore award bonuses to some or all of our executive officers based on net income generated from the Transaction. However, the compensation committee has not made any decision on these matters and such decision will be made in 2011 once the financial results for the year ended May 29, 2011 are known. For additional information regarding these matters, see "The Transaction Interests of Our Directors and Executive Officers in the Transaction" beginning on page 33.



Table of Contents

**Q: Will Richardson Electronics continue to be publicly traded on The NASDAQ Global Market and subject to rules and regulations of the Securities and Exchange Commission ("SEC")?**

A:

Yes. Whether or not the Transaction is completed, we expect to continue to be publicly traded on The NASDAQ Global Market and to remain subject to the rules and regulations of the SEC, including the periodic reporting requirements of the Securities Exchange Act of 1934, as amended.

**Q: What will be the nature of our business following completion of the Transaction?**

A:

After the Transaction is completed, we will have two remaining divisions: Electron Device Group ("EDG") and Canvys. EDG provides engineered solutions including manufacturing and distributing electronic components and equipment to customers in diverse markets including the steel, automotive, textile, plastics, semiconductor manufacturing, and broadcast industries. Our team of engineers design solutions based on high power/ high frequency vacuum devices for applications such as industrial heating, laser technology, semiconductor manufacturing equipment, radar, and welding. Canvys is a global provider of integrated display products, workstations, and value-add services to the healthcare, industrial and medical original equipment manufacturer ("OEM"), and digital signage markets. We offer custom display solutions that include touch screens, protective panels, custom enclosures, specialized cabinet finishes, application specific software packages, and our own privately branded display products. In addition, we partner with leading branded hardware vendors to offer the highest quality liquid crystal displays, mounting devices, and customized computing platforms. On a combined basis, EDG and Canvys had net sales of \$135.4 million in the year ended May 29, 2010 and \$37.5 million in the three months ended August 28, 2010. For additional information regarding these matters, see "Unaudited Condensed Consolidated Financial Information."

**Q: What am I being asked to vote on at the Special Meeting?**

A:

You will be asked to consider and vote upon the following proposals: to approve the sale to Arrow Electronics of all of the assets primarily used or held for use in RFPD, certain other Company assets, and certain liabilities, pursuant to the Acquisition Agreement.

**Q: How does the Board recommend that I vote?**

A:

After careful consideration of a variety of factors described in this proxy statement, the Board unanimously recommends that you vote "FOR" the proposal to approve the Transaction. You should read "The Transaction Reasons for the Transaction" beginning on page 24 for a discussion of the factors that the Board considered in deciding to recommend approval of the Transaction.

**Q: When and where is the Special Meeting?**

A:

The Special Meeting will be held on January 13, 2011 at 3:15 p.m., Central time, at our corporate headquarters at 40W267 Keslinger Road, LaFox, Illinois 60147.

**Q: Who is entitled to vote at the Special Meeting?**

A:

Only stockholders at the close of business on December 13, 2010, the record date for the Special Meeting (the "Record Date"), are entitled to notice of and to vote at the Special Meeting. If you hold your shares through a bank, broker or other nominee (in "street name"), you must obtain from the record holder a "legal proxy" issued in your name in order to vote in person at the Special Meeting. At the close of business on the Record Date, there were 14,975,209 shares of our common stock and 3,001,961 shares of our Class B common stock outstanding and entitled to vote, representing 44,994,819 votes.

Table of Contents

**Q: Am I entitled to appraisal rights in connection with the Transaction?**

A:  
No. Delaware law does not provide for stockholder appraisal rights in connection with the Transaction.

**Q: What vote is required for stockholders to approve the Transaction?**

A:  
The affirmative "FOR" vote of the holders representing a majority of the voting power of the outstanding shares of our common stock and our Class B common stock, voting together, is required to approve the Transaction. At the record date, shares representing 22,497,410 votes constituted a majority and Mr. Richardson held shares representing 29,806,486 votes, which represent approximately 66% of our voting power. In connection with the execution of the Acquisition Agreement, Mr. Richardson and Arrow Electronics entered into a voting agreement pursuant to which Mr. Richardson has appointed certain officers of Arrow Electronics as proxy for him to vote all of his shares at the special meeting for the Transaction.

**Q: How many shares must be present or represented to conduct business at the Special Meeting?**

A:  
A quorum must be present or represented at the Special Meeting for our stockholders to conduct business at the Special Meeting. We will have a quorum for the Special Meeting if the holders outstanding shares of our common stock entitled to vote at the Special Meeting and representing a majority of the voting power, or 22,497,410 votes, are present at the Special Meeting, either in person or represented by proxy. Abstentions and "broker non-votes" are counted as present for the purpose of determining whether a quorum is present. Generally, a broker non-vote occurs on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. In connection with the execution of the Acquisition Agreement, Mr. Richardson and Arrow Electronics entered into a voting agreement pursuant to which Mr. Richardson has appointed certain officers of Arrow Electronics as proxy for him to vote all of his shares at the special meeting for the Transaction.

**Q: How do I vote?**

A:  
You may vote using any of the following methods:

Proxy card or voting instruction card. Be sure to complete, sign and date the card and return it in the prepaid envelope.

By telephone or over the Internet. If you hold shares in street name, you will receive separate voting instructions from your bank, broker or other nominee and may vote by telephone or over the Internet if they offer that alternative. Although most brokers, banks and nominees offer telephone and Internet voting, availability and the specific procedures vary.

In person at the Special Meeting. All stockholders may vote in person at the Special Meeting. You may also be represented by another person at the Special Meeting by executing a proper proxy designating that person. If you hold shares in street name, you must obtain a legal proxy from your bank, broker or other nominee and present it to the inspector of election with your ballot when you vote at the Special Meeting.

**Q: How many votes do I have?**

A:  
Holders of our common stock are entitled to one vote for each share of our common stock owned as of the close of business on the record date. Holders of our Class B common stock are entitled to ten votes for each share of our Class B common stock owned as of the close of business on the record date.

Table of Contents

**Q: What can I do if I change my mind after I vote my shares?**

A:

If you are a stockholder of record, you may revoke your proxy at any time before it is voted at the Special Meeting by:

sending a written notice of revocation to our Corporate Secretary;

submitting a new, properly completed proxy dated later than the date of the revoked proxy;

voting over the Internet at a later time; or

attending the Special Meeting and voting in person.

If you hold shares in street name through your bank, broker or other nominee, you may submit new voting instructions by contacting your bank, broker or other nominee. You may also vote in person at the Special Meeting if you obtain a legal proxy as described in the answer to the next question. Attendance at the Special Meeting will not, by itself, revoke a proxy.

**Q: How can I attend the Special Meeting?**

A:

You are entitled to attend the Special Meeting only if you were a stockholder of the Company as of the close of business on December 13, 2010, the Record Date for the Special Meeting, or hold a valid proxy for the Special Meeting. You should be prepared to present photo identification for admittance. In addition, if you are a stockholder of record, your ownership will be verified against the list of stockholders of record on the Record Date prior to being admitted. If you are not a stockholder of record but hold shares in street name, you should be prepared to provide proof of beneficial ownership as of the Record Date (such as your most recent account statement prior to the Record Date), a copy of the voting instruction card provided to you by your bank, broker, or other nominee, or similar evidence of ownership. If you do not provide photo identification or comply with the other procedures outlined above, you will not be admitted to the Special Meeting.

The Special Meeting will begin promptly on January 13, 2011 at 3:15 p.m., Central time.

**Q: What happens if additional matters are presented at the Special Meeting?**

A:

Other than the two items of business described in this proxy statement, we are not aware of any other business to be acted upon at the Special Meeting. If you grant a proxy, the persons named as proxy holders, Edward Richardson and Kyle Badger, will have the discretion to vote your shares on any additional matters properly presented for a vote at the Special Meeting.

**Q: What if I fail to vote or abstain from voting?**

A:

If you fail to vote or abstain from voting, including if you fail to instruct your broker, bank or other nominee to vote, it will have the effect of a vote "AGAINST" the Transaction.

**Q: What if I return a signed proxy card, but do not vote for the matter listed on the proxy card?**

A:

If you properly complete and sign your proxy card and timely return it, but do not indicate how your shares should be voted on the matter, the shares represented by your proxy will be voted as the Board recommends and, therefore, "FOR" the proposal to approve the Transaction.

**Q: If my shares are held in "street name" by my bank, broker or other nominee, will my bank, broker or other nominee vote my shares for me?**

A:

Your bank, broker or other nominee will only be permitted to vote your shares held in street name if you instruct them how to vote. You should follow the procedures on the voting instruction card provided by your bank, broker or other nominee regarding the voting of your shares. The failure to instruct your bank, broker or other nominee how to vote your shares will have the same effect as a vote "AGAINST" the proposal to approve the Transaction.

Table of Contents

**Q: What do I do if I receive more than one proxy or set of voting instructions?**

A:

If your shares are registered differently or are held in more than one account, you may receive more than one proxy and/or set of voting instructions relating to the Special Meeting. To ensure that all of your shares are voted, please complete, sign, date and return each proxy card and voting instruction card that you receive, or vote your shares by telephone or over the Internet (if those options are available to you).

**Q: What is the deadline for voting my shares?**

A:

If you hold shares as the stockholder of record, your vote by proxy must be received before the polls close at the Special Meeting.

If you hold shares in street name, please follow the voting instructions provided by your broker, trustee or nominee. You may vote your shares in person at the Special Meeting only if you obtain a legal proxy from your bank, broker or other nominee and present it to the inspector of election with your ballot when you vote at the Special Meeting.

**Q: Is my vote confidential?**

A:

Proxy instructions, ballots and voting tabulations that identify individual stockholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within the Company or to third parties, except (i) as necessary to meet applicable legal requirements, (ii) to allow for the tabulation of votes and certification of the vote, and (iii) to facilitate a successful proxy solicitation.

**Q: What if I sell my shares before the Special Meeting?**

A:

If you sell your shares after the Record Date but before the Special Meeting you will still be entitled to vote at the Special Meeting.

**Q: Who will bear the cost of this solicitation?**

A:

We are making this solicitation and will bear the entire cost of the solicitation, including the preparation, assembly, printing and mailing of this proxy statement and any additional materials furnished to our stockholders. The initial solicitation of proxies by mail may be supplemented by telephone, fax, e-mail, Internet and personal solicitation by our directors, officers or other regular employees. No additional compensation for soliciting proxies will be paid to our directors, officers or other regular employees for their proxy solicitation efforts. We expect to reimburse banks, brokers and other persons for their reasonable out-of-pocket expenses in handling proxy materials for beneficial owners of our common stock.

**Q: Who can help answer any other questions that I have?**

A:

If you have additional questions about the Transaction, need assistance in submitting your proxy or voting your shares of our common stock, or need additional copies of this proxy statement or the enclosed proxy card, please contact us at Richardson Electronics, Ltd., 40W267 Keslinger Road, PO Box 393, LaFox, Illinois 60147-0393, Attention: Corporate Secretary.

Table of Contents

**SUMMARY**

*This summary highlights selected information contained in this proxy statement and may not contain all the information that may be important to you. Accordingly, we encourage you to read carefully this proxy statement, its annexes and the documents referred to or incorporated by reference in this proxy statement in their entirety. Each item in this summary includes a page reference directing you to a more complete description of that topic. See "Where You Can Find Additional Information" beginning on page 57.*

**The Parties to the Transaction (page 17)**

*Richardson Electronics, Ltd.*

Richardson Electronics, Ltd. is a global provider of engineered solutions and a global distributor of electronic components to the radio frequency ("RF"), wireless and power conversion, electron device, and display systems markets. Utilizing our core engineering and manufacturing capabilities, our strategy is to provide specialized technical expertise and value-add, or "engineered solutions." We provide solutions and add value through design-in support, systems integration, prototype design and manufacturing, testing, and logistics for end products of its customers. More information is available online at [www.rell.com](http://www.rell.com). Our common stock trades on the NASDAQ Global Market under the ticker symbol RELL.

*Arrow Electronics, Inc.*

Arrow Electronics ([www.arrow.com](http://www.arrow.com)) is a global provider of products, services and solutions to industrial and commercial users of electronic components and enterprise computing solutions. Headquartered in Melville, N.Y., Arrow serves as a supply channel partner for over 900 suppliers and 125,000 original equipment manufacturers, contract manufacturers and commercial customers through a global network of more than 310 locations in 51 countries and territories. More information is available online at [www.arrow.com](http://www.arrow.com).

**The Special Meeting (page 14)**

*Date, Time, Place and Purpose (page 14)*

The Special Meeting will be held at our corporate headquarters at 40W267 Keslinger Road, LaFox, Illinois 60147, on January 13, 2011, at 3:15 p.m., Central time.

The purpose of the Special Meeting is for our stockholders to consider and vote upon the following proposals:

1. to approve the sale to Arrow Electronics of all of the assets primarily used or held for use in RFPD, certain other Company assets, and certain liabilities, pursuant to the Acquisition Agreement; and
2. to transact such other business as may properly come before the Special Meeting or any adjournment or postponement thereof.

*Record Date, Quorum, Voting (page 14)*

Only holders of our common stock at the close of business on December 13, 2010, the Record Date, are entitled to notice of and to vote at the Special Meeting. As of the Record Date, there were 14,975,209 shares of our common stock and 3,001,961 shares of our Class B common stock outstanding and entitled to vote.

A quorum must be present or represented at the Special Meeting for our stockholders to conduct business at the Special Meeting. A quorum will be present or represented at the Special Meeting if the holders of a majority of the outstanding shares of our common stock entitled to vote at the Special

Table of Contents

Meeting and representing a majority of the voting power, or 22,497,410 votes, are present at the Special Meeting, either in person or represented by proxy.

Each share of our common stock entitles its holder to one vote on all matters properly coming before the Special Meeting. The affirmative "FOR" vote of the holders of a majority of the outstanding shares of our common stock is required to approve the Transaction pursuant to the Acquisition Agreement.

*Revocation of Proxies (page 15)*

Proxies received at any time before the Special Meeting and not revoked or superseded before being voted will be voted at the Special Meeting. If you are a stockholder of record, you may revoke your proxy at any time before it is voted at the Special Meeting by:

sending a written notice of revocation to our Corporate Secretary;

submitting a new, properly completed proxy dated later than the date of the revoked proxy;

voting over the Internet at a later time; or

attending the Special Meeting and voting in person.

If you hold shares in street name, you may submit new voting instructions by contacting your bank, broker or other nominee. You may also vote in person at the Special Meeting if you obtain a legal proxy as described in the answer to the previous question. Attendance at the Special Meeting will not, by itself, revoke a proxy.

**The Transaction (page 17)**

*General*

On October 1, 2010, we entered into the Acquisition Agreement, pursuant to which we agreed to sell all of the assets of our RFPD business, and certain other assets, subject to stockholder approval. A copy of the Acquisition Agreement is attached as Annex A. We encourage you to read the Acquisition Agreement carefully and in its entirety.

*Recommendation of the Board (page 26)*

Taking into consideration the fairness opinion of Morgan Joseph LLC, referred to herein as Morgan Joseph, a copy of which is attached to this proxy statement as Annex B and other factors relating to the advisability and fairness of the Transaction, the Board determined that the Transaction is in the best interest of the Company and unanimously approved the Acquisition Agreement and the transactions contemplated thereby, including the Transaction, and unanimously recommends that you vote "FOR" the approval of the Transaction.

*Opinion of Morgan Joseph (page 26)*

At a meeting of the Board held on September 27, 2010, Morgan Joseph delivered its oral opinion, which it subsequently confirmed in writing, to the Board that, as of that date and based upon and subject to the assumptions and other matters described in the written opinion, the consideration to be received by us pursuant to the Acquisition Agreement was fair to us from a financial point of view. The complete text of Morgan Joseph's opinion, which sets forth the assumptions made, procedures followed, matters considered, and qualifications and limitations on and scope of the review undertaken by Morgan Joseph, is attached to this proxy statement as Annex B. You should read the Morgan Joseph opinion carefully and in its entirety. Morgan Joseph provided its opinion for the information and assistance of the Board in connection with and for the purpose of the Board's evaluation of the transaction contemplated by the Acquisition Agreement. The Morgan Joseph opinion does not address





Table of Contents

any other aspect of the Transaction, or any related transaction, and does not constitute a recommendation to any Company stockholder as to how that stockholder should vote or act on any matter relating to the Transaction.

*Net Proceeds from the Transaction and Their Expected Use (page 31)*

Pursuant to the Acquisition Agreement, aggregate consideration for the Transaction will consist of \$210 million in cash. The consideration may further increase or decrease based on a potential purchase price adjustment for working capital. Additionally, the net proceeds will vary based on final transaction expenses and taxes payable on the gain on sale. The Transaction will be a taxable event to us for United States federal income tax purposes. See "Material United States Federal Income Tax Consequences."

*Use of Proceeds*

We have not yet determined how we will use the proceeds, but we may use them for a variety of purposes, including any or all of the following: strategic acquisitions, repurchases of outstanding shares of common stock, dividends to stockholders and general corporate purposes, including further investment in our remaining businesses.

*Nature of our Business Following the Transaction (page 31)*

After the Transaction is completed, we will have two remaining divisions: Electron Device Group ("EDG") and Canvys. EDG provides engineered solutions including manufacturing and distributing electronic components and equipment to customers in diverse markets including the steel, automotive, textile, plastics, semiconductor manufacturing, and broadcast industries. Canvys is a global provider of integrated display products, workstations, and value-add services to the healthcare, industrial and medical original equipment manufacturer ("OEM"), and digital signage markets. On a combined basis, EDG and Canvys had net sales of \$135.4 million in the year ended May 29, 2010 and \$37.5 million in the three months ended August 28, 2010.

*Effect of the Transaction on Stock Options and Stock-Based Awards and Interests of Our Directors and Executive Officers in the Transaction (page 33)*

Under the terms of our outstanding non-qualified stock option agreements, an employee whose employment with us terminates has 90 days from the date of such termination to exercise vested but unexercised stock options that were held by such employee on the date of termination. In connection with the Transaction, we will be amending the terms of the outstanding non-qualified stock option agreements of those employees whose employment will transfer to Arrow Electronics at closing by extending the time period that they have to exercise their vested but unexercised options to the earlier of one year following termination of employment or the original term of the award. The transaction will have no effect on the stock options or stock-based awards held by our directors or executive officers.

*Appraisal Rights in Respect of the Transaction (page 34)*

Under Delaware law, our stockholders are not entitled to appraisal rights in connection with the Transaction.

**The Acquisition Agreement (page 40)**

*General (page 40)*

Under the terms of the Acquisition Agreement, Arrow Electronics will purchase all of the assets primarily used or held for use in RFPD, certain other Company assets, and certain liabilities from us

Table of Contents

and our subsidiaries for a purchase price of \$210 million, subject to potential working capital related adjustments.

*Restrictions on Solicitation of Other Offers (page 43)*

During the pendency of the Acquisition Agreement, we will not, and will cause our each of our affiliates and subsidiaries not to (a) directly or indirectly solicit, initiate or encourage the submission of any alternative acquisition proposals, (b) enter into any agreement with respect to any alternative acquisition proposal; or (c) directly or indirectly take any action to facilitate any inquiries or the making of any proposal that constitutes any alternative acquisition proposal.

*Non-Compete and Non-Solicitation (page 45)*

For a period of three years beginning after the closing, subject to certain customary exceptions, (a) the Sellers have agreed not to manufacture, distribute, market or sell any RFPD products or any products that are mechanically and electronically interchangeable with RFPD products anywhere in the world, provided that Sellers may manufacture such products if operating as a contract manufacturer to a customer or if it first offers RFPD the opportunity to purchase such products for distribution and (b) Arrow Electronics has agreed not to, and to cause its affiliates not to manufacture, distribute, market or sell any electron tubes anywhere in the world. The parties have also agreed to mutual restrictions on the solicitation of one another's employees for a period of three years from the closing, subject to certain restrictions.

*Conditions to Closing (page 46)*

Each party's obligations to close are subject to a number of customary closing conditions, including (a) the accuracy in all material respects of the other party's representations and warranties and the performance in all material respects of the other party's obligations under the Acquisition Agreement, (b) the approval of the Transaction by our stockholders, (c) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act relating to the Transaction; (d) the absence of any judicial order that prohibits the consummation of the Transaction; and (e) the delivery by each party of certain customary closing documents.

*Termination (page 46)*

The Acquisition Agreement may be terminated under a number of circumstances, including (a) by mutual written consent of us and Arrow Electronics; (b) by us or Arrow Electronics if the closing shall not have occurred on or before April 1, 2011, (c) by us or Arrow Electronics, if at our special stockholder meeting the Acquisition Agreement and transactions contemplated thereby are not approved, (d) by Arrow Electronics, if our Board withdraws or modifies its recommendation to our stockholders to approve the Transaction, or approves or recommends an alternative acquisition proposal, or (e) by us if we enter into an alternative agreement that we deem to be a superior deal, in accordance with the relevant provision of the Acquisition Agreement.

*Termination Fees and Expenses (page 46)*

Under certain circumstances, we may be obligated to pay a termination fee to Arrow Electronics equal to \$8,400,000, and in addition, to pay all of Arrow Electronics' transaction expenses, up to a maximum amount of \$1,600,000.

*Indemnification (page 47)*

Subject to certain limitations, the parties have each agreed to indemnify one another against and in respect of any and all losses incurred in connection with, arising from or as a result of a number of

Table of Contents

items, including (a) any breach, non-fulfillment or violation of the covenants made in the Acquisition Agreement, (b) any breach of any of the representations and warranties made in the Acquisition Agreement, and (c) any fraud, intentional misrepresentation or criminal acts committed on or prior to the Closing Date.

**Agreements Related to the Acquisition Agreement (page 49)**

*Voting Agreement (page 49)*

In order to induce Arrow Electronics to enter the Transaction, Arrow Electronics and Mr. Richardson, who beneficially owns and has the right to vote shares of our Common Stock and Class B Common Stock which collectively represent approximately 66% of the voting power of the issued and outstanding shares of our Common Stock and Class B Common Stock, have entered into a Voting Agreement pursuant to which Mr. Richardson has appointed Arrow Electronics' Secretary and Treasurer as proxy for him to vote all of his shares of our Common Stock and Class B Common Stock at the special meeting for the Transaction and against any proposal regarding any other alternative acquisition proposal for RFPD. The Voting Agreement automatically terminates if the Acquisition Agreement is terminated by its terms.

*Transition Services Agreement (page 49)*

To help facilitate the transition of RFPD to Arrow Electronics, the Company will agree to provide or cause to be provided to Arrow Electronics, certain financial support services, warehouse services, and access to facilities on a transitional basis commencing immediately following the Closing and in accordance with the terms and subject to the conditions set forth in the Transition Services Agreement. In addition, Arrow Electronics will agree to provide or cause to be provided to the Company, certain information technology services on a transitional basis following the Closing in accordance with the terms and subject to the conditions set forth in the transition services agreement. Arrow Electronics will also provide certain warehouse services, and access to facilities and equipment on a transitional basis to us following the Closing.

*LaFox Facility Lease (page 49)*

In connection with the Transaction, we will agree to lease to Arrow Electronics an approximately 25,375 square foot portion of the building that we own located at 40W267 Keslinger Road, LaFox, IL. Arrow Electronics will use the premises solely for office use in connection with the operation of the business formerly conducted by RFPD and other ancillary uses reasonably related thereto. The initial term of the Lease will be five years and Arrow Electronics will have the option to extend the term of the Lease for two additional periods of one year.

*Manufacturing Agreement (page 49)*

In connection with the Transaction, we will enter into a manufacturing agreement with Arrow Electronics for a term of three years. Pursuant to this manufacturing agreement, we will agree to manufacture and sell certain products used in the RFPD business to Arrow Electronics in accordance with the terms and subject to the conditions described therein.

*Trademark License Agreement (page 50)*

Pursuant to the Acquisition Agreement, we will enter into a trademark license agreement with Arrow Electronics, granting Arrow Electronics a worldwide, perpetual, royalty-free, non-exclusive right and license to certain of our marks for use in connection with the sale, offering for sale, advertising and promotion of goods and services of the RFPD business. The Trademark License Agreement will remain in effect, enforceable, and continue in perpetuity from the execution date unless terminated sooner under certain circumstances specified therein.

Table of Contents

**CAUTIONARY STATEMENT CONCERNING FORWARD LOOKING INFORMATION**

Certain statements in this proxy statement may constitute "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities and Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. The terms "may," "should," "could," "anticipate," "believe," "continues," "estimate," "expect," "intend," "objective," "plan," "potential," "project" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties, and assumptions that are difficult to predict. These statements are based on management's current expectations, intentions, or beliefs and are subject to a number of factors, assumptions, and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Future events, risks and uncertainties, individually or in the aggregate, could cause our actual results to differ materially from those expressed or implied in these forward-looking statements. The material factors and assumptions that could cause actual results to differ materially from current expectations include, without limitation, the following:

the inability to close the Transaction in a timely manner;

the inability to complete the Transaction due to the failure to obtain stockholder approval or the failure to satisfy other conditions to completion of the Transaction, including required regulatory and court approvals;

the failure of the transaction to close for any other reason;

the effect of the transaction on our business relationships, operating results and business generally;

the uncertainty surrounding the amount of after-tax proceeds that we will receive in connection with the Transaction;

the less diversified nature of our business and operations post-closing;

the non-competition provisions that we will be bound by post-closing;

the contingent liabilities that we will be taking on post-closing;

general competitive, economic, political and market conditions and fluctuations;

actions taken or conditions imposed by the United States and foreign governments; and

adverse outcomes of pending or threatened litigation or government investigations.

Additionally, we are subject to other factors that may affect future results of the Company described in the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended May 29, 2010, and our Quarterly Report on Form 10-Q for the quarter ended August 28, 2010, which should be read in conjunction with this proxy statement. Readers are strongly urged to read the full cautionary statements contained in those materials. We undertake no obligation to update any such factor or to publicly announce the results of any revisions to any forward-looking statements contained herein whether as a result of new information, future events, or otherwise.

Table of Contents

**THE SPECIAL MEETING**

**Date, Time and Place**

The Special Meeting will be held on January 13, 2011 at 3:15 p.m., Central time, at our corporate headquarters at 40W267 Keslinger Road, LaFox, Illinois 60147.

**Purpose of the Special Meeting**

The purpose of the Special Meeting is for our stockholders to consider and vote upon the following proposals:

1. to approve the sale to Arrow Electronics of all of the assets primarily used or held for use in RFPD, certain other Company assets, and certain liabilities, pursuant to the Acquisition Agreement; and
2. to transact such other business as may properly come before the Special Meeting or any adjournment or postponement thereof.

**Record Date and Quorum**

Stockholders of record at the close of business on December 13, 2010, the record date, are entitled to notice of and to vote their shares at the Special Meeting. At the record date, 14,975,209 shares of our common stock, and 3,001,961 shares of our Class B common stock were issued and outstanding. The common stock is listed for trading on the Nasdaq Global Market under the symbol "RELL". The presence in person or by proxy of the holders of record of a majority of the combined voting power of the outstanding shares of common stock and Class B common stock entitled to vote is required to constitute a quorum for the transaction of business at the Special Meeting. Abstentions and broker non-votes (which occur when a broker indicates on a proxy card that it is not voting on a matter) are considered as shares present at the Special Meeting for the purpose of determining a quorum. If you hold your shares through a bank, broker or other nominee (in "street name"), you must obtain from the record holder a "legal proxy" issued in your name in order to vote in person at the Special Meeting.

**How to Vote**

Telephone and Internet voting information is provided on your proxy card. A control number, located on the proxy card, is designed to verify your identity, allow you to vote your shares and confirm that your voting instructions have been properly recorded.

If your shares are held in the name of a bank or broker, you should follow the voting instructions on the form you receive from the bank or broker. The availability of telephone or Internet voting will depend on your bank or broker's voting process. If you choose not to vote by telephone or Internet, please return your proxy card, properly signed, and the shares represented will be voted in accordance with your directions. You can specify your choices by marking the appropriate boxes on the proxy card.

If your proxy card is signed and returned without specifying choices, the shares will be voted FOR the approval of the transactions contemplated by the Acquisition Agreement, and otherwise in the discretion of the proxies referenced in the proxy card.

We know of no other matters scheduled to come before the meeting. If any other matters properly come before the meeting, the proxies solicited hereby will be voted on such matters in the discretion of the persons voting such proxies, except proxies that are marked to deny discretionary authority.

We encourage you to vote your shares in advance of the Special Meeting date even if you plan on attending the Special Meeting.

Table of Contents

**Vote Required**

Holders of common stock are entitled to one vote for each share of common stock held on the record date, and holders of the Class B common stock are entitled to ten votes for each share of Class B common stock held on the record date. If a quorum is present at the Special Meeting, the affirmative vote of a majority of the combined voting power of the outstanding shares of common stock and Class B Common Stock present in person or represented by proxy and voting on the matter is required to approve the transactions contemplated by the Acquisition Agreement.

**Abstentions and Broker Non-Votes**

Shares represented by proxies which are marked or voted "abstain" on the proposal to approve the transactions contemplated by the Acquisition Agreement, and proxies which are marked or voted to deny discretionary authority on other matters will be counted for the purpose of determining the number of shares represented by proxy at the meeting. Such proxies will thus have the same effect as if the shares represented thereby were voted against the proposal to approve the transactions contemplated by the Acquisition Agreement, and against such other matters, respectively. If a broker indicates on the proxy that it does not have discretionary authority as to certain shares to vote on a particular matter, those shares will not be considered as present and entitled to vote with respect to that matter.

**Revocability of Proxies**

You may revoke your proxy at any time before it is voted (in the case of proxy cards) by giving notice to our Secretary or by executing and mailing a later-dated proxy. To revoke a proxy given, or change your vote cast, by telephone or on the Internet, you must do so by telephone or on the Internet, respectively (following the directions on your proxy card), by 11:59 p.m. Eastern time on January 12, 2011.

**Proxy Solicitation**

We will bear the expense of soliciting proxies. Our officers and certain other employees, without additional remuneration, may also solicit proxies personally or by telephone, e-mail or other means.

**Please vote using your proxy or voting instruction card, or by telephone or over the Internet (if those options are available to you), so your vote can be counted.**

**Revocation of Proxies**

Proxies received at any time before the Special Meeting and not revoked or superseded before being voted will be voted at the Special Meeting. If you are a stockholder of record, you may revoke your proxy at any time before it is voted at the Special Meeting by:

sending a written notice of revocation to our Corporate Secretary;

submitting a new, properly proxy dated later than the date of the revoked proxy;

voting over the Internet at a later time; or

attending the Special Meeting and voting in person.

If you hold shares in street name, you may submit new voting instructions by contacting your bank, broker or other nominee. You may also vote in person at the Special Meeting if you obtain a legal proxy as described in the answer to the previous question. Attendance at the Special Meeting will not, by itself, revoke a proxy.

Table of Contents

**Attending the Special Meeting**

You are entitled to attend the Special Meeting only if you were a stockholder of Richardson Electronics at the close of business on the Record Date, or hold a valid proxy for the Special Meeting. You should be prepared to present photo identification for admittance. In addition, if you are a stockholder of record, your ownership will be verified against the list of stockholders of record on the record date prior to being admitted. If you are not a stockholder of record but hold shares in street name, you should be prepared to provide proof of beneficial ownership on the Record Date (such as your most recent account statement prior to the Record Date), a copy of the voting instruction card provided to you by your bank, broker, or other nominee, or similar evidence of ownership. If you do not provide photo identification or comply with the other procedures outlined above, you will not be admitted to the Special Meeting.

**Solicitation of Proxies**

This proxy solicitation is being made and paid for by us on behalf of the Board. The initial solicitation of proxies by mail may be supplemented by telephone, fax, e-mail, Internet and personal solicitation by our directors, officers or other regular employees. No additional compensation for soliciting proxies will be paid to our directors, officers or other regular employees for their proxy solicitation efforts. We expect to reimburse banks, brokers and other persons for their reasonable out-of-pocket expenses in handling proxy materials for beneficial owners of our common stock.

**Common Stock Ownership of Directors and Executive Officers**

As of December 13, 2010, our directors and executive officers had, or were deemed to have, beneficial ownership of shares of our common stock and Class B common stock representing, in the aggregate, approximately 67% of our voting power entitled to vote at the Special Meeting. Mr. Richardson, our Chairman, Chief Executive Officer and President, has agreed to vote his shares in favor of the Transaction. In addition, we have no reason to believe that our other directors and executive officers will not vote all of the shares for which they have, or are deemed to have, beneficial ownership "FOR" the proposal to approve the Transaction.

**Other Matters**

At this time, we know of no other matters to be submitted to our stockholders at the Special Meeting. If any other matters properly come before the Special Meeting in which your proxy has provided discretionary authority, your shares of common stock will be voted in accordance with the discretion of the persons named on the enclosed proxy card in accordance with their best judgment.

**Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on January 13, 2011**

The proxy statement is available at <http://www.rell.com/content/english/aboutus/Pages/FinancialsFilings.aspx>.

**Questions and Additional Information**

If you have questions about this proxy statement, the special meeting or the Transaction or need assistance with voting procedures, you should contact:

Richardson Electronics, Ltd.  
40W267 Keslinger Road  
PO Box 393  
LaFox, IL 60147-0393  
(630) 208-2200

Table of Contents

**THE TRANSACTION (PROPOSAL NO. 1)**

We are asking our stockholders to approve the Transaction.

**The Parties to the Transaction**

Richardson Electronics, Ltd.  
40W267 Keslinger Road  
PO Box 393  
LaFox, Illinois 60147-0393  
Telephone: (630) 208-2200  
*www.rell.com*

We are a global provider of engineered solutions and a global distributor of electronic components to the radio frequency, wireless and power conversion, electron device, and display systems markets. Utilizing our core engineering and manufacturing capabilities, our strategy is to provide specialized technical expertise and value-add, or "engineered solutions." We provide solutions and add value through design-in support, systems integration, prototype design and manufacturing, testing, and logistics for end products of our customers. We employ approximately 755 people in 28 countries.

Arrow Electronics, Inc.  
50 Marcus Drive  
Melville, New York 11747  
Telephone: (631) 847-2000  
*www.arrow.com*

Arrow Electronics is a global provider of products, services and solutions to industrial and commercial users of electronic components and enterprise computing solutions. Headquartered in Melville, N.Y., Arrow Electronics serves as a supply channel partner for over 900 suppliers and 125,000 original equipment manufacturers, contract manufacturers and commercial customers through a global network of more than 310 locations in 51 countries and territories.

**Background of the Transaction**

The Board continuously reviews our results of operations and competitive position, as well as the strategic alternatives available to us. RFPD has generally recognized lower gross margin as a percentage of total sales than our other businesses. In early 2007, the Board became concerned that RFPD's business was at risk of being commoditized and that it would no longer fit within our engineered solutions business strategy.

In the summer of 2007, we engaged an investment bank to provide financial advisory services to us in connection with a proposed sale or other strategic disposition of RFPD. Beginning in June 2007 and continuing through October 2007, the investment bank contacted approximately 30 to 35 potential buyers, consisting of both strategic and financial parties, to investigate whether they had any interest in acquiring RFPD. Six of these parties, including Arrow Electronics, entered into non-disclosure agreements with us and performed preliminary due diligence. After preliminary due diligence, five of these parties decided not to provide a written expression of interest, although one party, a large, strategic competitor, provided a verbal indication of interest at a purchase price of approximately \$100 million or net book value.

On October 28, 2007, Arrow Electronics submitted a non-binding preliminary indication of interest to purchase all of the assets of our RFPD business for an estimated total purchase price between \$183 million and \$200 million. We believed this purchase price was too low and directed the investment bank to continue to solicit interest from additional parties through the end of 2007. No additional parties expressed an interest in a proposed transaction involving RFPD, and on January 8, 2008, the



Table of Contents

Board reviewed and discussed Arrow Electronics' non-binding preliminary indication of interest. The Board agreed to permit Arrow Electronics to conduct more extensive due diligence, but urged management to seek a higher purchase price.

Thereafter, we informed Arrow Electronics that we considered its purchase price to be too low, but that we would permit it to conduct further due diligence if it believed that such due diligence would enable it to increase its estimated purchase price. Arrow Electronics agreed, and in early February we granted Arrow Electronics access to an electronic data room to allow it to conduct further due diligence.

On March 7, 2008, Arrow Electronics delivered another non-binding indication of interest in acquiring the assets of our RFPD business, this time proposing a purchase price of \$200 million, together with the proposed terms under which Arrow Electronics would be willing to enter into a transaction. From March 8 through March 13, the investment bank relayed to and discussed with Arrow Electronics our concerns with Arrow Electronics' indication of interest and proposed terms, including that we still believed the purchase price to be too low, that Arrow Electronics must assume leases for all facilities used primarily by RFPD, that Arrow Electronics must offer employment to all employees of RFPD and certain support staff, and that Arrow Electronics must be responsible for any severance payments due to such employees who decide not to accept Arrow Electronics' offer of employment.

On March 14, 2008, Arrow Electronics delivered a letter setting forth additional information regarding its non-binding indication of interest in response to our concerns, which indicated a purchase price of \$210 million, that Arrow Electronics would assume leases for all facilities used primarily by RFPD, that Arrow Electronics would offer employment to all direct employees of RFPD and certain mutually agreed support staff, and that Arrow Electronics would be responsible for any severance payments due to employees of RFPD to whom Arrow Electronics decided not to make offers of employment. On March 15, 2008, Arrow Electronics provided a revised letter making certain further clarifications, and we entered into an exclusivity agreement with:

(b)

o (1)

3

SEC Use Only

4

Citizenship or Place of Organization  
Delaware

Number of  
Shares

Beneficially  
Owned by  
Each  
Reporting  
Person With

5

Sole Voting Power  
0 shares

6

Shared Voting Power  
31,891

7

Sole Dispositive Power  
0 shares

8

Shared Dispositive Power  
31,891

9

Aggregate Amount Beneficially Owned by Each Reporting Person  
31,891

10

Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares\*

11

Edgar Filing: RICHARDSON ELECTRONICS LTD/DE - Form DEFM14A

Percent of Class Represented by Amount in Row 9  
0.0%(1)

12

Type of Reporting Person\*  
PN

---

(1) Based on 82,686,487 shares of the Issuer's Common Stock outstanding as of November 4, 2015, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, filed with the Securities and Exchange Commission on November 12, 2015.

CUSIP NO. 89785L 107

13 G

1	Names of Reporting Persons. Upfront III Investors, L.P.	
2	Check the Appropriate Box if a Member of a Group* (a) <input checked="" type="checkbox"/> x (b) <input type="checkbox"/> o (1)	
3	SEC Use Only	
4	Citizenship or Place of Organization Delaware	
5	Sole Voting Power 0 shares	Number of Shares Beneficially Owned by Each Reporting Person With
6	Shared Voting Power 63,152	
7	Sole Dispositive Power 0 shares	
8	Shared Dispositive Power 63,152	
9	Aggregate Amount Beneficially Owned by Each Reporting Person 63,152	
10	Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares* <input type="checkbox"/> o	
11	Percent of Class Represented by Amount in Row 9 0.1%(1)	
12	Type of Reporting Person* PN	

---

(1) Based on 82,686,487 shares of the Issuer's Common Stock outstanding as of November 4, 2015, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, filed with the Securities and Exchange Commission on November 12, 2015.

CUSIP NO. 89785L 107

13 G

1	Names of Reporting Persons. Upfront Ventures Management, Inc.
2	Check the Appropriate Box if a Member of a Group* (a) <input checked="" type="checkbox"/> x (b) <input type="checkbox"/> o (1)
3	SEC Use Only
4	Citizenship or Place of Organization Delaware
5	Sole Voting Power 0 shares
6	Shared Voting Power 2,246,620
7	Sole Dispositive Power 0 shares
8	Shared Dispositive Power 2,246,620
9	Aggregate Amount Beneficially Owned by Each Reporting Person 2,246,620
10	Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares* <input type="checkbox"/> o
11	Percent of Class Represented by Amount in Row 9 2.7%(1)
12	Type of Reporting Person* PN

---

(1) Based on 82,686,487 shares of the Issuer's Common Stock outstanding as of November 4, 2015, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, filed with the Securities and Exchange Commission on November 12, 2015.

CUSIP NO. 89785L 107

13 G

1	Names of Reporting Persons. Upfront Ventures Management, LLC
2	Check the Appropriate Box if a Member of a Group* (a) <input checked="" type="checkbox"/> x (b) <input type="checkbox"/> o (1)
3	SEC Use Only
4	Citizenship or Place of Organization Delaware
5	Sole Voting Power 0 shares
6	Shared Voting Power 2,246,620
7	Sole Dispositive Power 0 shares
8	Shared Dispositive Power 2,246,620
9	Aggregate Amount Beneficially Owned by Each Reporting Person 2,246,620
10	Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares* <input type="checkbox"/> o
11	Percent of Class Represented by Amount in Row 9 2.7%(1)
12	Type of Reporting Person* OO

---

(1) Based on 82,686,487 shares of the Issuer's Common Stock outstanding as of November 4, 2015, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, filed with the Securities and Exchange Commission on November 12, 2015.

CUSIP NO. 89785L 107

13 G

1	Names of Reporting Persons. Steven Dietz	
2	Check the Appropriate Box if a Member of a Group* (a) <input checked="" type="checkbox"/> x (b) <input type="checkbox"/> o (1)	
3	SEC Use Only	
4	Citizenship or Place of Organization United States of America	
5	Sole Voting Power 73,092	Number of Shares Beneficially Owned by Each Reporting Person With
6	Shared Voting Power 9,588,532	
7	Sole Dispositive Power 73,092	
8	Shared Dispositive Power 9,588,532	
9	Aggregate Amount Beneficially Owned by Each Reporting Person 9,661,624	
10	Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares* <input type="checkbox"/> o	
11	Percent of Class Represented by Amount in Row 9 11.7%(1)	
12	Type of Reporting Person* IN	

---

(1) Based on 82,686,487 shares of the Issuer's Common Stock outstanding as of November 4, 2015, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, filed with the Securities and Exchange Commission on November 12, 2015.

CUSIP NO. 89785L 107

13 G

1	Names of Reporting Persons. Yves B. Sisteron	
2	Check the Appropriate Box if a Member of a Group* (a) <input checked="" type="checkbox"/> x (b) <input type="checkbox"/> o (1)	
3	SEC Use Only	
4	Citizenship or Place of Organization United States of America	
Number of Shares Beneficially Owned by Each Reporting Person With	5	Sole Voting Power 0 shares
	6	Shared Voting Power 9,585,332
	7	Sole Dispositive Power 0 shares
	8	Shared Dispositive Power 9,585,332
9	Aggregate Amount Beneficially Owned by Each Reporting Person 9,585,332	
10	Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares* <input type="checkbox"/> o	
11	Percent of Class Represented by Amount in Row 9 11.6 %(1)	
12	Type of Reporting Person* IN	

---

(1) Based on 82,686,487 shares of the Issuer's Common Stock outstanding as of November 4, 2015, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, filed with the Securities and Exchange Commission on November 12, 2015.



CUSIP NO. 89785L 107

13 G

1	Names of Reporting Persons. Mark Suster	
2	Check the Appropriate Box if a Member of a Group* (a) <input checked="" type="checkbox"/> x (b) <input type="checkbox"/> o (1)	
3	SEC Use Only	
4	Citizenship or Place of Organization United States of America	
5	Sole Voting Power 0 shares	Number of Shares Beneficially Owned by Each Reporting Person With
6	Shared Voting Power 9,585,332	
7	Sole Dispositive Power 0 shares	
8	Shared Dispositive Power 9,585,332	
9	Aggregate Amount Beneficially Owned by Each Reporting Person 9,585,332	
10	Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares* <input type="checkbox"/> o	
11	Percent of Class Represented by Amount in Row 9 11.6%(1)	
12	Type of Reporting Person* IN	

---

(1) Based on 82,686,487 shares of the Issuer's Common Stock outstanding as of November 4, 2015, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, filed with the Securities and Exchange Commission on November 12, 2015.

Edgar Filing: RICHARDSON ELECTRONICS LTD/DE - Form DEFM14A

Introductory Note: This Statement on Schedule 13G (this Statement ) is filed on behalf of the Reporting Persons, in respect of shares of Common Stock, par value \$0.0001 per share ( Common Stock ), of TrueCar, Inc. (the Issuer ).

**Item 1**

(a) Name of Issuer:  
TrueCar, Inc.  
Address of Issuer's Principal Executive Offices:  
120 Broadway, Suite 200  
  
Santa Monica, CA 90401

**Item 2**

(a) Name of Person(s) Filing:  
Upfront II, L.P.  
  
Upfront II Partners, L.P.  
  
Upfront GP II, L.P.  
  
Upfront II Investors, L.P.  
  
GRP Management Services Corp.  
  
Upfront III, L.P.  
  
Upfront GP III, L.P.  
  
Upfront III Partners, L.P.  
  
Upfront III Investors, L.P.  
  
Upfront Ventures Management, Inc.  
  
Upfront Ventures Management, LLC  
  
Steven Dietz

Yves B. Sisteron  
  
(b) Mark Suster  
Address of Principal Business Office:  
c/o Upfront Venture

1314 7th Street  
  
Santa Monica, CA 90401

(b) Citizenship:  
Reference is made to the response to item 4 on each of pages 2-16 of this Schedule 13G (this Schedule ), which responses are incorporated herein by reference

(d) Title of Class of Securities:  
Common Stock

(e)

CUSIP Number:  
89785L 107

**Item 3**

Not applicable.

**Item 4** **Ownership.**

Reference is hereby made to the responses to items 5-9 and 11 of pages 2 - 16 of this Schedule, which responses are incorporated by reference herein.

GRP Management Services Corp. is the sole general partner of Upfront II, L.P., Upfront II Partners, LP, Upfront GP II, L.P., and Upfront II Investors, L.P. Upfront Ventures Management, Inc. is the sole general partner of Upfront III, L.P., Upfront GP III, L.P., Upfront III Partners, L.P. and Upfront III Investors, L.P. The managers of both GRP Management Services Corp. and Upfront Ventures Management, Inc. are Steven Dietz, Yves B. Sisteron and Mark Suster. These managers jointly exercise voting and dispositive control over the shares directly held by each fund. Upfront Ventures Management, LLC is the sole shareholder of Upfront Ventures Management, Inc.

In addition, Mr. Dietz beneficially owns (i) 17,114 shares in his individual capacity, (ii) 18,470 shares held of record by The Dietz Family Trust for which Mr. Dietz serves as trustee, (iii) 900 shares held of record by Mr. Dietz's elder son, (iv) 1,000 shares held of record by Mr. Dietz's younger son, (v) 1,300 shares held of record by Mr. Dietz's daughter and (vi) 28,755 shares exercisable within 60 days of December 31, 2015. Mr. Dietz has sole voting and dispositive control over the shares held by The Dietz Family Trust.

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

If this statement is being filed to report the fact that as of the date hereof, the Reporting Persons have ceased to be the beneficial owner of more than five percent of the class of securities, check the following:

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

Not applicable.

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

Not applicable.

**Item 8** **Identification and Classification of Members of the Group.**

Not applicable.

**Item 9** **Notice of Dissolution of Group.**

Not applicable.

**Item 10**

**Certification.**

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

**SIGNATURES**

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

Date: February , 2016

**UPFRONT II, L.P.**

By: Upfront GP II, L.P.  
Its: General Partner

By: GRP Management Services Corp.  
Its: General Partner

By: /s/ Dana Kibler  
Name: Dana Kibler  
Title: Chief Financial Officer

**UPFRONT II PARTNERS, L.P.**

By: Upfront GP II, L.P.  
Its: General Partner

By: GRP Management Services Corp.  
Its: General Partner

By: /s/ Dana Kibler  
Name: Dana Kibler  
Title: Chief Financial Officer

**UPFRONT GP II, L.P.**

By: GRP Management Services Corp.  
Its: General Partner

By: /s/ Dana Kibler  
Name: Dana Kibler  
Title: Chief Financial Officer

**UPFRONT II INVESTORS, L.P.**

Edgar Filing: RICHARDSON ELECTRONICS LTD/DE - Form DEFM14A

By: GRP Management Services Corp.  
Its: General Partner

By: /s/ Dana Kibler  
Name: Dana Kibler  
Title: Chief Financial Officer

**GRP MANAGEMENT SERVICES CORP.**

By: /s/ Dana Kibler  
Name: Dana Kibler  
Title: Chief Financial Officer

**UPFRONT III, L.P.**

By: Upfront GP III, L.P.  
Its: General Partner

By: Upfront Ventures Management, Inc.  
Its: General Partner

By: /s/ Dana Kibler  
Name: Dana Kibler  
Title: Chief Financial Officer

**UPFRONT GP III, L.P.**

By: Upfront Ventures Management, Inc.  
Its: General Partner

By: /s/ Dana Kibler  
Name: Dana Kibler  
Title: Chief Financial Officer

**UPFRONT III PARTNERS, L.P.**

By: Upfront GP III, L.P.  
Its: General Partner

By: Upfront Ventures Management, Inc.  
Its: General Partner

By: /s/ Dana Kibler  
Name: Dana Kibler  
Title: Chief Financial Officer

**UPFRONT III INVESTORS, L.P.**

By: Upfront GP III, L.P.  
Its: General Partner

By: Upfront Ventures Management, Inc.  
Its: General Partner

By: /s/ Dana Kibler  
Name: Dana Kibler  
Title: Chief Financial Officer

**UPFRONT VENTURES MANAGEMENT, INC.**

By: /s/ Dana Kibler  
Name: Dana Kibler  
Title: Chief Financial Officer

**UPFRONT VENTURES MANAGEMENT, LLC**

By: /s/ Dana Kibler  
Name: Dana Kibler

Title: Chief Financial Officer

/s/ Steven Dietz  
Steven Dietz

/s/ Yves B. Sisteron  
Yves B. Sisteron

/s/ Mark Suster  
Mark Suster