

SUNAIR ELECTRONICS INC

Form DEF 14C

November 10, 2005

SCHEDULE 14C
(Rule 14a-101)
INFORMATION REQUIRED IN INFORMATION STATEMENT
SCHEDULE 14C INFORMATION
Information Statement Pursuant to Section 14(c)
of the Securities Exchange Act of 1934

Check the appropriate box:

- Preliminary information statement
- Confidential, For Use of the Commission only (as permitted by Rule 14c-5(d)(2))
- Definitive information statement

SUNAIR ELECTRONICS, INC.

(Name of Registrant as Specified in Its Charter)

Payment of filing fee (Check the appropriate box):

- No fee required.
- Fee computed on the table below per Exchange Act Rules 14c-5(g) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) 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:

- Fee paid previously with preliminary materials.
- 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:

**SUNAIR ELECTRONICS, INC.
3005 S.W. THIRD AVENUE
FT. LAUDERDALE, FL 33315**

NOTICE OF ACTION BY A MAJORITY OF THE SHAREHOLDERS

To Our Shareholders:

The purpose of this letter is to inform our shareholders that we intend to amend our Articles of Incorporation by written consent of a majority of our shareholders to change our name to Sunair Services Corporation.

WE ARE NOT ASKING FOR YOUR PROXY. Because the written consent of a majority of shareholders satisfies any applicable shareholder voting requirement under Florida law and our Articles of Incorporation and By-Laws, we are not asking for a proxy and you are not requested to send one.

The accompanying Information Statement is for information purposes only and explains the terms of the amendment to our Articles of Incorporation. Please read the accompanying Information Statement carefully.

By Order of the Board of Directors

/s/ SYNNOTT B. DURHAM
Synnott B. Durham
Secretary and Chief Financial Officer

Fort Lauderdale, FL
November 10, 2005

**SUNAIR ELECTRONICS, INC.
3005 S.W. THIRD AVENUE
FT. LAUDERDALE, FL 33315
INFORMATION STATEMENT**

This Information Statement is being mailed on or about November 10, 2005 to the shareholders of record of Sunair Electronics, Inc. at the close of business on November 2, 2005. This Information Statement is being sent to you for information purposes only. No action is required on your part.

**WE ARE NOT ASKING YOU FOR A PROXY
AND YOU ARE REQUESTED NOT TO SEND US A PROXY**

This Information Statement is being furnished to our shareholders to notify you about the adoption of a resolution by the written consent of the holders of a majority of our outstanding shares of common stock. The resolution adopted by such holders gives us the authority to amend our Articles of Incorporation to change our name from Sunair Electronics, Inc. to Sunair Services Corporation. We will amend Article I of our Articles of Incorporation in its entirety to read as follows:

**ARTICLE I
NAME**

The name of the corporation shall be SUNAIR SERVICES CORPORATION.

We are changing our name in order to more accurately reflect the current business activities of our company in its name. With our recent formation of the lawn and pest control services business and the acquisition of Middleton Pest Control, Inc., we no longer operate solely through our traditional high-frequency radio business. The Board of Directors believes that the new name better reflects the nature of our operations, which includes both the lawn and pest control services and high-frequency radio businesses, and will enable us to better implement our business plan. We believe the name change to Sunair Services Corporation further enhances our entry into the lawn and pest control services business and brands us and our subsidiary, Middleton Pest Control, Inc., as a premier provider of pest control and lawn care services. Our high-frequency radio business will continue to operate under the Sunair Communications, Inc. subsidiary. The name change will enable us to foster greater name recognition in the marketplace and allow us to take better advantage of the Sunair name in the marketing of the services provided by us. Accordingly, the Board of Directors has approved the amendment to our Articles of Incorporation to change our name to Sunair Services Corporation.

Our ticker symbol will remain the same, AMEX:SNR. The currently outstanding stock certificates evidencing shares of our common stock bearing the name Sunair Electronics, Inc. will continue to be valid and represent shares of our common stock following the name change. In the future, new certificates will be issued bearing our new name, but this will in no way effect the validity of your current stock certificates.

Pursuant to Rule 14c-2 under the Securities Exchange Act of 1934, as amended, the amendment to our Articles of Incorporation and the name change will become effective 20 calendar days after the mailing of this Information Statement to our shareholders, at which time we will file the amendment to our Articles of Incorporation with the Secretary of State of Florida. We anticipate that the actions contemplated herein will be effective on or about the close of business on November 30, 2005.

This Information Statement constitutes notice to our shareholders of corporate action taken by our shareholders without a meeting as required by the Florida Business Corporation Act.

We will pay the costs of preparing and sending out this Information Statement.

Voting Information

As of November 2, 2005, there were 10,186,377 shares of our common stock outstanding. Under Florida law and the provisions of our Articles of Incorporation and By-Laws, the affirmative vote of the holders of a majority of our outstanding shares of our common stock is required to approve the amendment to our Articles of Incorporation. Shareholders who hold 69.2% of our outstanding shares of common stock have executed a written consent approving the amendment to our Articles of Incorporation. This written consent satisfies the shareholder approval requirement for the proposed action.

Security Ownership Of Certain Beneficial Owners And Management

The following table sets forth, as of November 2, 2005 (or such other date indicated in the footnotes below), the number and percent of shares beneficially owned by the following: (i) each person known to us to own beneficially more than 5 percent of the outstanding shares of our common stock; (ii) each of our current directors; (iii) each of our executive officers who had an annual salary and bonus for 2004 in excess of \$100,000, referred to in this information statement as the Named Executive Officers, and our new President and Chief Executive Officer; and (iv) all of our directors and executive officers as a group.

| Name ⁽¹⁾ | Number of Shares Beneficially Owned ⁽²⁾ | Percent of Common Stock |
|--|---|-------------------------------|
| Coconut Palm Capital Investors II, Ltd. 595 South Federal Highway Suite 600, Boca Raton, FL 33342 ⁽³⁾ | 14,995,900 | 74.3% |
| Michael Brauser 595 S. Federal Highway Boca Raton, FL 33432 ⁽⁴⁾ | 1,200,000 | 11.1% |
| Joseph S. DiMartino | 0 | * |
| Mario B. Ferrari ⁽⁵⁾ | 14,995,900 | 74.3% |
| Arnold Heggstad, Ph.D. ⁽⁶⁾ | 28,000 | * |
| Michael D. Herman | 2,056,700 | 20.2% |
| James E. Laurent ⁽⁷⁾ | 52,665 | * |
| Steven P. Oppenheim ⁽⁸⁾ | 20,000 | * |
| Richard C. Rochon ⁽⁵⁾ | 14,995,900 | 74.3% |
| Charles P. Steinmetz | 411,524 | 4.0% |
| Henry A. Budde ⁽⁹⁾ | 39,260 | * |
| Synnott B. Durham ⁽¹⁰⁾ | 33,660 | * |
| John J. Hayes ⁽¹¹⁾ | 623,266 | 5.9% |
| All directors and executive officers as a group (11 persons) ⁽¹²⁾ | 18,260,975 | 89.9% |

* Less than 1%.

(1) Except as otherwise indicated, the address of each person named in this table is c/o Sunair

Electronics,
Inc.,
3005 S.W.
Third Avenue,
Fort Lauderdale,
Florida 33315.

- (2) In determining the number and percentage of shares beneficially owned by each person, shares that may be acquired by such person pursuant to options or warrants exercisable within 60 days after November 2, 2005 are deemed outstanding for purposes of determining the total number of outstanding shares for such person and are not deemed outstanding for such purpose for all other shareholders. To our knowledge, except as otherwise indicated, beneficial ownership includes sole voting and dispositive power with respect to all shares owned by them.

- (3) Consists of
4,995,900
shares of our
common stock
and 10,000,000
shares of our
common stock
underlying
warrants issued
to Coconut
Palm that are
immediately
exercisable.
Coconut Palm
has the sole
power to
dispose of

13,430,000
shares of
common stock
beneficially
owned by it.
Coconut Palm
has the sole
power to vote,
or to direct the
vote of,
14,995,900
shares of
Common Stock.
1,565,900 of the
14,995,900
shares of our
common stock
consist of an
aggregate of
780,900 shares
of common
stock and
785,000 shares
underlying
warrants that are
immediately
exercisable,
which Coconut
Palm has the
sole power to
vote pursuant to
proxy
agreements that
were executed
by certain
limited partners
of Coconut Palm
upon their
redemption of
their limited
partnership units
for shares of our
common stock
and warrants to
purchase shares
of our common
stock
beneficially
owned by

Coconut Palm.
Richard C.
Rochon,
Chairman of our
Board of
Directors, and
Mario B.
Ferrari, Vice
Chairman of our
Board of
Directors, are
the natural
persons who
exercise voting
and investment
control over the
shares.

(4) Mr. Brauser
acquired such
shares upon the
redemption of
his limited
partnership units
in Coconut Palm
and has granted
Coconut Palm
the sole power
to vote such
shares pursuant
to a proxy
agreement.
Includes
600,000 shares
underlying
warrants that are
immediately
exercisable.

(5) Shares consist of
all shares
beneficially
owned by
Coconut Palm.
Assumes
beneficial
ownership of
such shares is
attributed to
Messrs. Rochon
and Ferrari.

Messrs. Rochon
and Ferrari
disclaim
beneficial
ownership of
these shares.

- (6) Includes 20,000 shares issuable upon exercise of options that are exercisable within 60 days after November 2, 2005.
- (7) Includes 16,660 shares issuable upon exercise of options that are exercisable within 60 days after November 2, 2005.
- (8) Consists of 20,000 shares issuable upon exercise of options that are exercisable within 60 days after November 2, 2005.
- (9) Includes 16,660 shares issuable upon exercise of options that are exercisable within 60 days after November 2, 2005.
- (10) Includes 16,660 shares issuable upon exercise of

options that are exercisable within 60 days after November 2, 2005.

- (11) Includes 41,666 shares issuable upon exercise of options that are exercisable within 60 days after November 2, 2005. Also includes 290,800 shares of our common stock and 290,800 shares underlying warrants that Mr. Hayes has the immediate right to acquire as a limited partner of Coconut Palm. Upon his acquisition of the shares that Mr. Hayes has the right to acquire as a limited partner of Coconut Palm, Coconut Palm will have the sole power to vote such shares. Mr. Hayes began serving as our President and Chief Executive Officer in February, 2005.

- (12) Includes 10,131,664

shares issuable
upon exercise of
options and
warrants that are
immediately
exercisable or
are exercisable
within 60 days
after
November 2,
2005.

By Order of the Board of Directors

/s/ SYNNOTT B. DURHAM
Synnott B. Durham
Secretary and Chief Financial Officer

Fort Lauderdale, FL
November 10, 2005