

SMITH A O CORP  
Form S-4  
January 30, 2009  
Table of Contents

As filed with the Securities and Exchange Commission on January 30, 2009

Registration No. 333-

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM S-4**  
**REGISTRATION STATEMENT**

*UNDER*

*THE SECURITIES ACT OF 1933*

**A. O. SMITH CORPORATION**

(Exact name of registrant as specified in its charter)

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

**3621**  
(Primary Standard Industrial Classification  
Code Number)

**39-0619790**  
(I.R.S. Employer

Identification Number)

11270 West Park Place

Milwaukee, Wisconsin 53224-9508

(414) 359-4000

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

James F. Stern, Esq.

Executive Vice President, General Counsel and Secretary

A. O. Smith Corporation

11270 West Park Place

Milwaukee, Wisconsin 53224-9508

(414) 359-4000

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

*Copies to:*

Robert F. Wall

Winston & Strawn LLP

35 West Wacker Drive

Chicago, Illinois 60601

(312) 558-5600

Mark D. Gerstein

Latham & Watkins LLP

233 S. Wacker Drive, Suite 5800

Chicago, IL 60606

(312) 876-7700

**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable following the effectiveness of this registration statement, satisfaction or waiver of the other conditions to closing of the merger described herein and consummation of the merger.

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

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

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

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

**Table of Contents**

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ..

Exchange Act Rule 14d-1(d) (Cross-Border Third Party Tender Offer) ..

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed	Amount of registration fee (2)
			maximum aggregate offering price (1)	
Class A Common Stock, par value \$5.00 per share	7,947,690 (3)	N/A	\$268,682,346	\$10,560 (4)
Common Stock, par value \$1.00 per share	9,483,491 (5)	N/A	N/A (6)	N/A (7)
Total				\$10,560

- (1) Estimated solely for purposes of calculating the registration fee required by Section 6(b) of the Securities Act, and calculated pursuant to Rules 457(c) and 457(f) under the Securities Act. The proposed maximum aggregate offering price of the A. O. Smith Corporation ( A. O. Smith ) Class A common stock and A. O. Smith common stock was calculated based upon the market value of shares of Smith Investment Company ( SICO ) common stock (the securities to be cancelled in the merger) in accordance with Rule 457(c) under the Securities Act as follows: the product of (a) \$81.00, the average of the high and low prices per share of SICO on January 27, 2009, as quoted on the Pink OTC Markets, Inc., multiplied by (b) 3,317,066, the estimated maximum number of shares of SICO common stock outstanding as of January 27, 2009.
- (2) Calculated by multiplying the estimated aggregate offering price of securities by 0.00003930.
- (3) The maximum number of shares of A. O. Smith Class A common stock estimated to be issuable upon the completion of the merger described herein, calculated as the product of: (a) 3,317,066 shares of SICO common stock and (b) 2.396 shares of A. O. Smith Class A common stock. This number is based on the number of shares of SICO common stock outstanding, as of January 27, 2009, and is calculated in accordance with the formula set forth in the Agreement and Plan of Merger, dated as of December 9, 2008 (the Merger Agreement ), among A. O. Smith, SICO Acquisition, LLC, SICO and Smith Investment Company LLC.
- (4) Because the amount of registration fee payable is calculated based upon the aggregate offering price which is based upon the proposed maximum aggregate offering price of shares of SICO common stock outstanding as of January 27, 2009, this amount represents the total registration fee payable.
- (5) The maximum number of shares of A. O. Smith common stock estimated to be issuable upon the completion of the merger described herein, calculated as (a) the product of (i) 3,317,066 shares of SICO common stock and (ii) 0.463 shares of A. O. Smith common stock plus (b) 7,947,690 shares of A. O. Smith common stock, which represents the shares issuable upon conversion of all of the A. O. Smith Class A common stock registered hereunder. This number is based on the number of shares of SICO common stock outstanding, as of January 27, 2009 pursuant to the formula set forth in the Merger Agreement.

(6) The proposed maximum aggregate offering price is calculated based upon the market value of shares of SICO common stock outstanding as of January 27, 2009 and is set forth above. See Footnote 1 for additional information.

(7) The amount listed above represents the total aggregate registration fee payable. See Footnote 4 for additional information.

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

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**Table of Contents**

**The information in this document is not complete and is subject to change. We may not sell the securities offered by this document until the registration statement filed with the Securities and Exchange Commission is effective. This document is not an offer to sell these securities, and we are not soliciting an offer to buy these securities, in any state where the offer or sale is not permitted.**

**PRELIMINARY SUBJECT TO COMPLETION DATED \_\_\_\_\_, 2009**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

Dear Stockholders:

The boards of directors of A. O. Smith Corporation, or A. O. Smith, and Smith Investment Company, or SICO, approved an Agreement and Plan of Merger dated as of December 9, 2008 (the Merger Agreement) providing for the merger of SICO with and into SICO Acquisition, LLC, or MergerCo, a newly formed subsidiary of A. O. Smith. As of December 31, 2008, SICO owned approximately 97.9% of the outstanding shares of A. O. Smith Class A common stock and 7.1% of the outstanding shares of A. O. Smith common stock, representing a control position in A. O. Smith. A majority of the outstanding shares of SICO common stock is owned by members of the Smith Family, which is the founding family of A. O. Smith.

If the proposed merger is completed, stockholders of SICO will own shares of A. O. Smith directly, rather than through SICO. Stockholders of SICO will be entitled to receive (a) 2.396 shares of A. O. Smith Class A common stock and (b) 0.463 shares of A. O. Smith common stock for each outstanding share of SICO common stock that they hold immediately prior to the effective time of the merger, subject to the treatment of shares required to be placed into escrow, dissenting shares and fractional shares described in this joint proxy statement/prospectus. The calculation of the number of shares of A. O. Smith Class A common stock and A. O. Smith common stock the stockholders of SICO will be entitled to receive assumes that all of the shares of A. O. Smith common stock deposited into escrow are subsequently released to the former SICO stockholders. The consideration that SICO stockholders will be entitled to receive in the merger is more fully described in this joint proxy statement/prospectus under the heading The Merger Agreement Consideration to be Received in the Merger beginning on page 87.

The closing of the merger is conditioned upon, among other things, the affirmative vote of:

the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing at least 66-<sup>2</sup>/<sub>3</sub>% of the votes represented by the total number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, in favor of the proposal to adopt the Merger Agreement;

the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing a majority of the votes represented by the total number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, in favor of the proposal to adopt the Amended and Restated Certificate of Incorporation of A. O. Smith (the A. O. Smith Amended Charter );

the holders of A. O. Smith Class A common stock, voting as a separate class, representing a majority of the outstanding shares of A. O. Smith Class A common stock, in favor of the proposal to adopt the A. O. Smith Amended Charter;

the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing a majority of the votes cast by such holders at the A. O. Smith special meeting, in favor of the proposal to approve the issuance of A. O. Smith Class A common stock and A. O. Smith common stock to SICO stockholders pursuant to the Merger Agreement (the Stock Issuance ); and

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the holders of a majority of the outstanding shares of SICO common stock in favor of the proposal to approve the Merger Agreement.

SICO, which holds shares representing 78.9% of the voting power of the total outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, and 97.1% of the voting power of the total outstanding shares of A. O. Smith Class A common stock, voting as a separate class, has agreed to vote in favor of the merger and the other related proposals to be considered at the special meeting of A. O. Smith stockholders. In addition, holders of 52.7% of the voting power of the total outstanding shares of SICO common stock have agreed to vote in favor of the merger at the special meeting of SICO stockholders. Therefore, stockholders of A. O. Smith and SICO holding voting power sufficient to adopt and approve the merger and the related proposals have agreed to vote in favor of the merger and the related proposals.

**Table of Contents**

The obligations of A. O. Smith and SICO to complete the merger also are subject to the satisfaction or waiver of several other conditions to the merger. More information about A. O. Smith, SICO and the merger is contained in this joint proxy statement/prospectus. We encourage you to read carefully this joint proxy statement/prospectus before voting, including the section entitled Risk Factors beginning on page 29.

A. O. Smith will hold a special meeting of its stockholders to consider and vote on the adoption of the Merger Agreement, the adoption of the A. O. Smith Amended Charter and the approval of the Stock Issuance.

SICO will hold a special meeting of its stockholders to consider and vote on the approval of the Merger Agreement.

The respective places, dates and times of the special meetings of A. O. Smith and SICO stockholders are as follows:

**For A. O. Smith stockholders:**

**The A. O. Smith board of directors recommends that A. O. Smith stockholders vote FOR the proposal to adopt the Merger Agreement, FOR the proposal to adopt the A. O. Smith Amended Charter and FOR the proposal to approve the Stock Issuance.**

**For SICO stockholders:**

**The SICO board of directors unanimously recommends that SICO stockholders vote FOR the proposal to approve the Merger Agreement.**

Your vote is very important. Whether or not you plan to attend your company's special meeting, please take the time to vote by following the instructions on the enclosed proxy card or in the case of A. O. Smith stockholders, by granting your proxy electronically over the Internet or by telephone.

We enthusiastically support this merger and join with our boards of directors in recommending that our stockholders vote FOR the proposals necessary to complete the merger.

Sincerely,

Paul W. Jones  
Chairman, President and Chief

Executive Officer

A. O. Smith Corporation

A. O. Smith common stock trades on the New York Stock Exchange LLC under the symbol AOS. A. O. Smith Class A common stock is quoted on the Over-the-Counter Bulletin Board under the symbol SAOSA.

SICO common stock is quoted on the Pink OTC Markets, Inc. under the symbol SMIC.

**Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved of the merger and the other transactions described in this joint proxy statement/prospectus nor have they approved or disapproved of the issuance of the A. O. Smith common stock or A. O. Smith Class A common stock to be issued in connection with the merger, or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

This joint proxy statement/prospectus is dated \_\_\_\_\_, 2009, and is being first mailed to A. O. Smith stockholders and SICO stockholders on or about \_\_\_\_\_, 2009.



**Table of Contents**

**CERTAIN FREQUENTLY USED TERMS**

This joint proxy statement/prospectus constitutes a prospectus of A. O. Smith Corporation for the shares of A. O. Smith Class A common stock and A. O. Smith common stock that it will issue to Smith Investment Company stockholders in the merger, and a joint proxy statement for stockholders of A. O. Smith Corporation and Smith Investment Company. Unless otherwise specified or the context so requires:

A. O. Smith means A. O. Smith Corporation, a Delaware corporation.

A. O. Smith Amended Charter means the Amended and Restated Certificate of Incorporation of A. O. Smith to be submitted for approval by A. O. Smith stockholders pursuant to the Merger Agreement, which is described more fully under the heading A. O. Smith Amended Charter beginning on page 102.

A. O. Smith Class A common stock means the Class A common stock, par value \$5.00 per share, of A. O. Smith.

A. O. Smith common stock means the common stock, par value \$1.00 per share, of A. O. Smith.

A. O. Smith Existing Charter means the Restated Certificate of Incorporation of A. O. Smith, restated as of October 10, 2000.

A. O. Smith Special Committee means the Special Committee of the Board of Directors of A. O. Smith.

A. O. Smith Unaffiliated Stockholders means the holders of A. O. Smith Class A common stock and A. O. Smith common stock other than SICO.

Berlin Industries means Berlin Industries, Inc., a Delaware corporation, and its successor Berlin Industries LLC, a Delaware limited liability company, that was a wholly-owned subsidiary of SICO prior to the Spin-Off.

Central States means Central States Distribution Service, Inc., an Illinois corporation, and its successor Central States Distribution Service LLC, a Delaware limited liability company, that was a wholly-owned subsidiary of SICO prior to the Spin-Off.

Class A Exchange Ratio has the meaning set forth under the heading The Merger Agreement Consideration to be Received in the Merger A. O. Smith Class A Common Stock beginning on page 88.

Closing Common Exchange Ratio has the meaning set forth under the heading The Merger Agreement Consideration to be Received in the Merger A. O. Smith Common Stock beginning on page 88.

Code means the Internal Revenue Code of 1986, as amended.

DGCL means the Delaware General Corporation Law.

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Duff & Phelps means, as applicable, Duff & Phelps Securities, LLC, financial advisor to the SICO Special Committee, and its affiliate, Duff & Phelps, LLC.

Escrow Shares has the meaning set forth under the heading The Merger Agreement A. O. Smith Common Stock in Escrow.

IRS means the Internal Revenue Service.

IRS Letter Ruling means a private letter ruling from the IRS ruling that, among other things, the merger will qualify as a reorganization under Section 368(a) of the Code.

Latham means Latham & Watkins LLP, legal advisor to SICO.

Merger Agreement means the Agreement and Plan of Merger, dated as of December 9, 2008, among A. O. Smith, MergerCo, SICO and SpinCo, as the same may be amended, supplemented or otherwise modified from time to time.

**Table of Contents**

MergerCo means SICO Acquisition, LLC, a Delaware limited liability company.

Merger Consideration means the consideration to be received by the SICO stockholders in the merger as described under the heading The Merger Agreement Consideration to be Received in the Merger, beginning on page 87.

Morgan Stanley means Morgan Stanley & Co. Incorporated, financial advisor to the A. O. Smith Special Committee.

NRS means the Nevada Revised Statutes.

Per Share Escrow Release Number has the meaning set forth under the heading The Merger Agreement Consideration to be Received in the Merger A. O. Smith Common Stock in Escrow beginning on page 89.

Quarles means Quarles & Brady LLP, legal advisor to certain members of the Smith Family.

Reinhart means Reinhart Boerner Van Deuren s.c., legal advisor to the SICO Special Committee.

Shareholders Representative means SpinCo, in its capacity as shareholders representative for the stockholders of SICO as described under the heading The Merger Agreement Indemnification Shareholders Representative beginning on page 99.

SICO means Smith Investment Company, a Nevada corporation.

SICO common stock means the common stock, par value \$0.10 per share, of SICO.

SICO Special Committee means the Special Committee of the Board of Directors of SICO.

SICO Unaffiliated Stockholders means the holders of SICO common stock other than (a) the members of the Smith Family who filed a Schedule 13D/A with the SEC on August 19, 2008 and (b) any other person or entity who becomes a party to the voting trust agreement in the form attached as Annex G to this joint proxy statement/prospectus before the effective time of the merger, together with, in each case, any affiliates of any such person or entity.

Smith Family means the founding family of A. O. Smith and certain trusts for their benefit.

SpinCo means Smith Investment Company LLC, a Delaware limited liability company.

Spin-Off has the meaning set forth under the heading The Companies SICO, beginning on page 119.

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Stock Issuance refers to the issuance of shares of A. O. Smith common stock and A. O. Smith Class A common stock by A. O. Smith to SICO stockholders in the merger.

Winston means Winston & Strawn LLP, legal advisor to the A. O. Smith Special Committee.

**Table of Contents**

**REFERENCES TO ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates important business and financial information about A. O. Smith from other documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available for you to review at the public reference room of the United States Securities and Exchange Commission, or the SEC, located at 100 F Street, N.E., Room 1580, Washington, DC 20549, and through the SEC's website, [www.sec.gov](http://www.sec.gov). You also can obtain those documents incorporated by reference in this joint proxy statement/prospectus, excluding exhibits to those documents, without charge, by requesting them from A. O. Smith in writing at A. O. Smith Corporation, 11270 West Park Place, Milwaukee, Wisconsin 53224-9508, Attention: Corporate Secretary, or by telephone at (414) 359-4000. Additionally, you may obtain certain of those documents at A. O. Smith's website, [www.aosmith.com](http://www.aosmith.com).

**If you would like to request documents, please do so by \_\_\_\_\_, 2009 in order to receive them before A. O. Smith's special meeting and SICO's special meeting.**

Information contained in or otherwise accessible through the A. O. Smith website listed above is not a part of this joint proxy statement/prospectus. All references in this joint proxy statement/prospectus to this website are inactive textual references and are for your information only.

No person is authorized to give any information or to make any representation with respect to the matters this joint proxy statement/prospectus describes other than those contained in this joint proxy statement/prospectus, and, if given or made, the information or representation must not be relied upon as having been authorized by A. O. Smith or SICO. This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities or a solicitation of a proxy in any jurisdiction where, or to any person to whom, it is unlawful to make such an offer or a solicitation. Neither the delivery of this joint proxy statement/prospectus nor any distribution of securities made under this joint proxy statement/prospectus shall, under any circumstances, create an implication that there has been no change in the affairs of A. O. Smith or SICO since the date of this joint proxy statement/prospectus or that the information contained herein is correct as of any time subsequent to the date of this joint proxy statement/prospectus.

See "Where You Can Find More Information" beginning on page 138.

**Table of Contents**

**VOTING BY INTERNET, TELEPHONE OR MAIL**

**Voting by A. O. Smith Stockholders**

**In addition to voting in person at the A. O. Smith special meeting, there are three ways for A. O. Smith stockholders of record as of the record date for the A. O. Smith special meeting to vote:**

**Your telephone or Internet vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.**

**VOTE BY TELEPHONE TOLL FREE 1-800-560-1965 QUICK \*\*\* EASY \*\*\* IMMEDIATE**

Use any touch-tone telephone to vote your proxy 24 hours a day, 7 days a week, until 11:59 p.m. Eastern Daylight Saving Time on , 2009.

Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available. Follow the simple instructions the voice provides you.

**VOTE BY INTERNET <http://www.eproxy.com/aos/> QUICK \*\*\* EASY \*\*\* IMMEDIATE**

Use the Internet to vote your proxy 24 hours a day, 7 days a week, until 11:59 p.m. Eastern Daylight Saving Time on , 2009.

Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available. Follow the simple instructions to obtain your records and create an electronic ballot.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to A. O. Smith Corporation, c/o Shareowner Services<sup>SM</sup>, P.O. Box 64873, St. Paul, Minnesota 55164-0873.

**If you vote by Telephone or Internet, please do not mail your Proxy Card.**

**Voting by SICO Stockholders**

**In addition to voting in person at the SICO special meeting, SICO stockholders of record as of the record date for the SICO special meeting may also vote by mail. SICO stockholders of record cannot vote by telephone or Internet.**

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Smith Investment Company, c/o Shareowner Services<sup>SM</sup>, P.O. Box 64873, St. Paul, Minnesota 55164-0873.

**Voting Shares of A. O. Smith or SICO Held in Street Name**

If you hold your shares through a bank, broker, custodian or other record holder (that is, in street name), please refer to your proxy card or the information forwarded by your bank, broker, custodian or other record holder to see what options are available to you.

**Table of Contents**

**11270 West Park Place**

**Milwaukee, WI 53224**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON \_\_\_\_\_, \_\_\_\_\_, 2009**

To the Stockholders of A. O. Smith Corporation:

The board of directors of A. O. Smith has called for a special meeting of A. O. Smith stockholders to be held on \_\_\_\_\_, \_\_\_\_\_, 2009, at \_\_\_\_\_, Eastern Daylight Saving Time, at \_\_\_\_\_, for the following purposes:

1. To consider and vote upon a proposal to adopt the Merger Agreement, pursuant to which SICO will merge with and into MergerCo;
2. To consider and vote on a proposal to adopt the A. O. Smith Amended Charter which provides for:

an increase, solely for purposes of completing the merger, in the total number of authorized shares of A. O. Smith Class A common stock that A. O. Smith can issue;

an increase in the percentage of members of the A. O. Smith board of directors that holders of A. O. Smith common stock elect;

shares of A. O. Smith Class A common stock to convert automatically into A. O. Smith common stock, subject to certain exceptions, upon transfer to unaffiliated third parties; and

all shares of A. O. Smith Class A common stock to convert automatically into A. O. Smith common stock once the number of outstanding shares of A. O. Smith Class A common stock fall below 2,397,976 shares, which is approximately 8% of the total number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock as of the date of the Merger Agreement.

3. To consider and vote on a proposal to approve the Stock Issuance to SICO stockholders pursuant to the merger contemplated by the Merger Agreement; and
4. To transact such other business as may properly be brought before the special meeting of A. O. Smith stockholders.

The foregoing proposals are conditioned on each other and approval of each is required for completion of the merger. The obligations of A. O. Smith and SICO to complete the merger also are subject to the satisfaction or waiver of several other conditions to the merger.

Holders of record of A. O. Smith Class A common stock and A. O. Smith common stock as of \_\_\_\_\_, 2009, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting of A. O. Smith stockholders or any adjournments or postponements of the special meeting. No business other than the proposals described in this notice will be considered at the special meeting or any adjournment or postponement thereof. A complete list of A. O. Smith stockholders of record entitled to vote at the special meeting will be available at A. O. Smith's offices at 11270 West Park Place, Milwaukee, Wisconsin 53224-9508, as of \_\_\_\_\_, 2009, for examination by stockholders during

ordinary business hours for purposes related to the special meeting.

A. O. Smith cannot complete the merger without the affirmative vote of:

the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing at least  $66\frac{2}{3}\%$  of the votes represented by the total number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, in favor of the proposal to adopt the Merger Agreement;



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**Table of Contents**

the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing a majority of the votes represented by the total number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, in favor of the proposal to adopt the A. O. Smith Amended Charter;

the holders of A. O. Smith Class A common stock, voting as a separate class, representing a majority of the outstanding shares of A. O. Smith Class A common stock, in favor of the proposal to adopt the A. O. Smith Amended Charter; and

the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing a majority of the votes cast by such holders at the A. O. Smith special meeting, in favor of the proposal to approve the Stock Issuance. SICO, which holds shares representing 78.9% of the voting power of the total outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, and 97.1% of the voting power of the total outstanding shares of A. O. Smith Class A common stock, voting as a separate class, has agreed to vote in favor of the proposal to adopt the Merger Agreement and the other proposals to be considered at the special meeting of A. O. Smith stockholders. Therefore, stockholders of A. O. Smith holding voting power sufficient to approve the foregoing proposals have agreed to vote in favor of such proposals.

For more information about the proposals described above and the other transactions contemplated by the Merger Agreement, please review the accompanying joint proxy statement/prospectus, the Merger Agreement attached to it as Annex A, the A. O. Smith Amended Charter attached to it as Annex B and the other annexes to the joint proxy statement/prospectus.

**The A. O. Smith board of directors recommends that A. O. Smith stockholders vote FOR the proposal to adopt the Merger Agreement, FOR the proposal to adopt the A. O. Smith Amended Charter and FOR the proposal to approve the Stock Issuance.**

Whether or not you plan to attend the special meeting, we urge you to vote your shares over the Internet or via the toll-free telephone number, as we describe in the instructions included with your proxy card. As an alternative, you may sign, date and mail the proxy card in the envelope provided. No postage is necessary if mailed in the United States. Voting over the Internet, via the toll-free number or mailing a proxy card will not limit your right to vote in person or to attend the special meeting. If your shares are held in an account at a brokerage firm or bank, you must instruct them on how to vote your shares. **Your failure to vote on the proposals to adopt the Merger Agreement or to adopt the A. O. Smith Amended Charter will have the same effect as voting AGAINST the proposals. Your failure to vote on the proposal to approve the Stock Issuance will have no effect on the result of the votes.**

By Order of the Board of Directors,

James F. Stern

Executive Vice President, General Counsel

and Secretary

A. O. Smith Corporation

11270 West Park Place

Milwaukee, Wisconsin 53224

**PLEASE VOTE YOUR SHARES PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARDS. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT VOTING YOUR SHARES, PLEASE CALL A. O. SMITH S CORPORATE SECRETARY**

**AT (414) 359-4000.**

Table of Contents

SMITH INVESTMENT COMPANY

11270 West Park Place

Milwaukee, Wisconsin 53224-9508

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON \_\_\_\_\_, \_\_\_\_\_, 2009

To the Stockholders of Smith Investment Company:

The board of directors of SICO has called for a special meeting of SICO stockholders to be held on \_\_\_\_\_, \_\_\_\_\_, 2009 at \_\_\_\_\_:00 a.m., Central Daylight Saving Time, at \_\_\_\_\_ for the following purposes:

1. To consider and vote on a proposal to approve the Merger Agreement pursuant to which SICO will merge with and into MergerCo; and

2. To transact such other business as may properly be brought before the special meeting of SICO stockholders.

Holders of record of SICO common stock as of \_\_\_\_\_, 2009, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting of SICO stockholders or any adjournments or postponements of the special meeting. No business other than the proposal described in this notice will be considered at the special meeting or any adjournment or postponement thereof. A complete list of SICO's stockholders of record entitled to vote at the special meeting will be available for inspection at the special meeting.

SICO cannot complete the merger without the affirmative vote of a majority of the voting power of the total outstanding shares of SICO common stock in favor of the proposal to approve the Merger Agreement. Holders of shares representing 52.7% of the voting power of the total outstanding shares of SICO common stock have agreed to vote in favor of the proposal to approve the Merger Agreement. Therefore, stockholders of SICO holding voting power sufficient to approve the Merger Agreement have agreed to vote in favor of the proposal to approve the Merger Agreement.

The obligations of A. O. Smith and SICO to complete the merger also are subject to the satisfaction or waiver of several other conditions to the merger.

For more information about the proposal described above and the other transactions contemplated by the Merger Agreement, please review the accompanying joint proxy statement/prospectus, the Merger Agreement attached to it as Annex A, and the other annexes to the joint proxy statement/prospectus.

**The SICO board of directors unanimously recommends that SICO stockholders vote FOR the proposal to approve the Merger Agreement.**

Whether or not you plan to attend the special meeting, we urge you to sign, date and mail the proxy card in the envelope provided. No postage is necessary if mailed in the United States. Mailing the proxy card will not limit your right to vote in person or attend the special meeting. If your shares are held in an account at a brokerage firm or bank, you must instruct them on how to vote your shares. **Your failure to vote on the proposal to approve the Merger Agreement will have the same effect as voting AGAINST the proposal.**

You are or may be entitled to assert dissenter's rights under Nevada Revised Statutes 92A.300 to 92A.500, inclusive, as described under Appraisal Rights; Dissenter's Rights. A copy of Nevada Revised Statutes 92A.300 to 92A.500 is included as Annex J to this joint proxy statement/prospectus and a summary of these sections can be found under Appraisal Rights; Dissenter's Rights.

**Table of Contents**

Please do not send your stock certificates at this time. If the merger is completed, you will be sent instructions regarding the surrender of your stock certificates.

By Order of the Board of Directors,

Wesley A. Ulrich

Vice President, Chief Financial Officer,

Secretary and Treasurer

Smith Investment Company

11270 West Park Place

Milwaukee, Wisconsin 53224

**PLEASE VOTE YOUR SHARES PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE PROPOSAL OR ABOUT VOTING YOUR SHARES, PLEASE CALL SICO S CORPORATE SECRETARY AT (414) 359-4030.**

**Table of Contents****TABLE OF CONTENTS**

	<b>Page</b>
<b><u>QUESTIONS AND ANSWERS ABOUT THE MERGER</u></b>	1
<u>General Questions and Answers about the Merger and Related Transactions</u>	1
<u>Questions and Answers for A. O. Smith Stockholders</u>	6
<u>Questions and Answers for SICO Stockholders</u>	8
<b><u>SUMMARY</u></b>	12
<u>The Parties to the Merger Agreement</u>	12
<u>The Merger and the Merger Agreement</u>	13
<u>A. O. Smith Amended Charter</u>	14
<u>Agreements Relating to the Merger</u>	14
<u>Recommendations of the A. O. Smith Special Committee and A. O. Smith Board of Directors</u>	16
<u>Recommendations of the SICO Special Committee and SICO Board of Directors</u>	17
<u>Opinion of Morgan Stanley, Financial Advisor to the A. O. Smith Special Committee</u>	18
<u>Opinion of Duff &amp; Phelps, Financial Advisor to the SICO Special Committee</u>	18
<u>Interests of Executive Officers and Directors of A. O. Smith and SICO in the Merger</u>	19
<u>Regulatory Approvals Required for the Merger</u>	19
<u>Material United States Federal Income Tax Consequences of the Merger</u>	20
<u>Legal Proceedings Regarding the Merger</u>	20
<u>Appraisal Rights; Dissenters Rights</u>	20
<b><u>SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF A. O. SMITH</u></b>	22
<b><u>SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF SICO</u></b>	23
<b><u>SUMMARY UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR SICO</u></b>	24
<b><u>COMPARATIVE PER SHARE DATA</u></b>	26
<b><u>COMPARATIVE MARKET PRICE AND DIVIDEND DATA</u></b>	27
<u>Recent Share Prices and Dividends</u>	27
<u>Stockholder Information</u>	28
<b><u>RISK FACTORS</u></b>	29
<u>Risks Relating to the Merger</u>	29
<u>Risks Relating to the Merger for A. O. Smith Stockholders</u>	31
<u>Risks Relating to the Merger for SICO Stockholders</u>	34
<u>Risks Relating to A. O. Smith</u>	35
<b><u>FORWARD-LOOKING STATEMENTS</u></b>	36
<b><u>THE SPECIAL MEETING OF A. O. SMITH STOCKHOLDERS</u></b>	38
<u>General</u>	38
<u>Purpose of the Special Meeting of A. O. Smith Stockholders</u>	38
<u>Record Date and Voting</u>	38
<u>Vote Required</u>	39
<u>Recommendations of the A. O. Smith Special Committee and A. O. Smith Board of Directors</u>	40
<u>Attending the Special Meeting</u>	40
<u>Voting by Proxy</u>	41
<u>Revocation of Proxies</u>	41
<u>Solicitation of Proxies</u>	42
<u>Other Matters to Come Before the Special Meeting of A. O. Smith Stockholders</u>	42
<b><u>A. O. SMITH PROPOSAL 1 ADOPTION OF THE MERGER AGREEMENT</u></b>	43
<b><u>A. O. SMITH PROPOSAL 2 ADOPTION OF THE A. O. SMITH AMENDED CHARTER</u></b>	44

**Table of Contents**

	<b>Page</b>
<u>A. O. SMITH PROPOSAL 3 APPROVAL OF THE STOCK ISSUANCE</u>	45
<u>THE SPECIAL MEETING OF SICO STOCKHOLDERS</u>	46
<u>General</u>	46
<u>Purpose of the Special Meeting of SICO Stockholders</u>	46
<u>Record Date and Voting</u>	46
<u>Vote Required</u>	46
<u>Recommendations of the SICO Special Committee and SICO Board of Directors</u>	47
<u>Attending the Special Meeting</u>	47
<u>Voting by Proxy</u>	48
<u>Revocation of Proxies</u>	48
<u>Solicitation of Proxies</u>	48
<u>Other Matters to Come Before the Special Meeting of SICO Stockholders</u>	49
<u>SICO PROPOSAL 1 APPROVAL OF THE MERGER AGREEMENT</u>	50
<u>THE MERGER</u>	51
<u>Background of the Merger</u>	51
<u>A. O. Smith's Reasons for the Merger: Recommendations of the A. O. Smith Special Committee and A. O. Smith Board of Directors</u>	62
<u>SICO's Reasons for the Merger: Recommendations of the SICO Special Committee and SICO Board of Directors</u>	66
<u>Opinion of Morgan Stanley, Financial Advisor to the A. O. Smith Special Committee</u>	69
<u>Opinion of Duff &amp; Phelps, Financial Advisor to the SICO Special Committee</u>	73
<u>Interests of A. O. Smith Executive Officers and Directors in the Merger</u>	79
<u>Interests of SICO Executive Officers and Directors in the Merger</u>	80
<u>Material Agreements Between the Parties</u>	83
<u>A. O. Smith Board of Directors after Completion of the Merger</u>	83
<u>Management of MergerCo after Completion of the Merger</u>	83
<u>Legal Proceedings Regarding the Merger</u>	84
<u>Appraisal Rights; Dissenter's Rights</u>	