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MICROLOG CORP
Form SC 13D
October 19, 2001

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

SCHEDULE 13D
UNDER THE SECURITIES EXCHANGE ACT OF 1934

Microlog Corporation

(Name of Issuer)

Common Stock, par value \$0.01 per share

(Title of Class of Securities)

595079 10 4

(CUSIP Number)

Steven K. Chance, Esquire
Vice President, General Counsel and Secretary
Teleflex Incorporated
630 West Germantown Pike
Suite 450
Plymouth Meeting, Pennsylvania 19462
(610) 834-6301

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

With Copy To:
Donald Beckman, Esquire
Saul Ewing LLP
Centre Square West
1500 Market Street, 38th Floor
Philadelphia, PA 19102-2186
(215) 972-7777

July 1, 1999

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box [] .

Check the following box if a fee is being paid with the statement [] .

NOTE: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1. Names of Reporting Persons

I.R.S. Identification Nos. of above persons (entities only).

Teleflex Incorporated
23-1147939

2. Check the appropriate box if a member of a group (See Instructions)

(a) / /

(b) / /

3. SEC Use Only

4. Source of Funds (See Instructions)

OO

5. Check Box if Disclosure of Legal Proceedings is
Required Pursuant to Items 2(d) or 2(e)

/ /

6. Citizenship or Place of Organization

The Reporting Person is organized under the laws
of the State of Delaware

Number of Shares
Beneficially Owned
By Each Reporting
Person With

7. Sole Voting Power
0

8. Shared Voting Power
4,916,667

9. Sole Dispositive Power
0

10. Shared Dispositive Power
4,916,667

11. Aggregate Amount Beneficially Owned by Each Reporting Person
4,916,667

12. Check Box if the Aggregate Amount in Row (11) Excludes
Certain Shares (See Instructions)

/ /

13. Percent of Class Represented by Amount in Row (11)
52.55%

14. Type of Reporting Person (See Instructions)
CO

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1. Names of Reporting Persons

I.R.S. Identification Nos. of above persons (entities only).

TFX Equities Incorporated
23-2494396

2. Check the appropriate box if a member of a group (See Instructions)

(a) / /
(b) / /

3. SEC Use Only

4. Source of Funds (See Instructions)

00

5. Check Box if Disclosure of Legal Proceedings is
Required Pursuant to Items 2(d) or 2(e)

/ /

6. Citizenship or Place of Organization

The Reporting Person is organized under the laws
of the State of Delaware

Number of Shares
Beneficially Owned
By Each Reporting
Person With

7. Sole Voting Power
0

8. Shared Voting Power
4,916,667

9. Sole Dispositive Power
0

10. Shared Dispositive Power
4,916,667

11. Aggregate Amount Beneficially Owned by Each Reporting Person
4,916,667

12. Check Box if the Aggregate Amount in Row (11) Excludes
Certain Shares (See Instructions)

/ /

13. Percent of Class Represented by Amount in Row (11)
52.55%

14. Type of Reporting Person (See Instructions)
CO

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ITEM 1. SECURITY AND ISSUER

(a) TITLE OF CLASS OF SECURITIES

Common stock, \$0.01 par value per share.

(b) NAME AND ADDRESS OF PRINCIPAL EXECUTIVE OFFICES OF ISSUER

Microlog Corporation
20270 Goldenrod Lane
Germantown, Maryland 20876

ITEM 2. IDENTITY AND BACKGROUND

(a) NAME OF REPORTING PERSONS

The names of the reporting persons are Teleflex Incorporated, a Delaware corporation ("Teleflex"), and TFX Equities Incorporated, a Delaware corporation ("TFX", and with Teleflex, the "Reporting Persons"). TFX is a wholly-owned subsidiary of Teleflex.

The name, address, present principal occupation or employment and, if applicable, the name, principal business and address of any corporation or other organization in which such employment is conducted, of the directors and executive officers of the Reporting Persons (collectively, the "Directors and Executive Officers") are set forth in Appendix I hereto, which is incorporated herein by reference.

(b) STATE OF ORGANIZATION

The Reporting Persons are each organized under the laws of the State of Delaware.

(c) PRINCIPAL BUSINESS OF REPORTING PERSONS; ADDRESS OF PRINCIPAL OFFICE OF REPORTING PERSONS

Principal Business of Reporting Persons

The principal business of Teleflex is designing, manufacturing and selling engineered products and services for the automotive, marine, industrial, medical and aerospace markets.

The principal business of TFX is conducting investment activities on behalf of Teleflex.

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Address of Principal Office of Reporting Persons

Teleflex Incorporated
630 West Germantown Pike
Suite 450
Plymouth Meeting, Pennsylvania 19462

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TFX Equities Incorporated
Little Falls Center II, Suite 310
2751 Centreville Road
Wilmington, DE 19808

(d) CRIMINAL CONVICTIONS IN THE PREVIOUS FIVE YEARS

None.

(e) VIOLATION OF FEDERAL OR STATE SECURITIES LAWS

None.

(f) CITIZENSHIP OF DIRECTORS AND EXECUTIVE OFFICERS OF THE REPORTING PERSONS

Each of the Directors and Executive Officers is a United States citizen, except for Mr. Lubsen, who is a Dutch national.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

On July 1, 1999, the Issuer and TFX Equities Incorporated ("TFX") entered into an Investment Agreement (the "Investment Agreement") pursuant to which TFX purchased 854,563 shares of common stock of the Issuer, par value \$0.01 per share (the "Common Stock") at a purchase price of \$1.50 per share for an aggregate price of approximately \$1.3 million dollars. The 854,563 shares represented approximately 19.9% of the total shares of the Common Stock issued and outstanding immediately prior to such investment. On September 9, 1999, pursuant to the Investment Agreement, and following the approval of the shareholders of the Issuer, TFX purchased an additional 1,812,104 shares of the Common Stock at a purchase price of \$1.50 per share for an aggregate price of approximately \$2.7 million dollars.

The Issuer, Microlog Corporation of Maryland, a wholly-owned subsidiary of the Issuer, and TFX entered into a Credit facility Agreement dated as of September 11, 2001 (the "Credit Agreement") pursuant to which TFX agreed to purchase up to \$750,000 of 12% Subordinated Convertible Notes (the "Notes") and warrants to purchase up to 100 shares of Series A Convertible Preferred Stock, par value \$0.01 per share ("Series A Stock"). Each share of Series A Stock is convertible into 7,500 shares of Common Stock, subject to adjustment. The principal amount due under the Notes and the accrued interest thereon is convertible into shares of Common Stock at a conversion price of \$0.25 per share, subject to adjustment.

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On September 25, 2001, pursuant to the Credit Agreement, TFX purchased Notes in the principal amount of \$450,000 (the "Purchased Notes") and warrants to purchase 60 shares of Series A Stock (the "Purchased Warrants"). The Purchased Notes are presently convertible into 1,800,000 shares of Common Stock. The Purchased Warrants may be exercised to purchase 60 shares of Series A Stock which are immediately convertible into 450,000 shares of Common Stock. Accordingly, pursuant to the beneficial ownership rules of Section 13, TFX is presently deemed to own 2,250,000 shares of Common Stock by virtue of its acquisition of the Purchased Notes and the Purchased Warrants.

Teleflex Incorporated ("Teleflex") owns all the outstanding capital stock

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of TFX. Pursuant to Section 13 beneficial ownership rules, by virtue of this relationship, Teleflex may be deemed to be the beneficial owner of the securities of the Issuer beneficially owned by TFX, with Teleflex and TFX sharing the power to vote and dispose of such securities.

The securities of the Issuer purchased by TFX were purchased using funds provided by Teleflex to TFX from Teleflex's working capital. The total cost of the purchases pursuant to the Credit Agreement was approximately \$450,000, while the total cost of the purchases pursuant to the Investment Agreement was approximately \$4,000,000.

ITEM 4. PURPOSE OF TRANSACTION

Teleflex has caused TFX to purchase securities of the Issuer based upon Teleflex's view that the current price of the Common Stock of the Issuer in the market represents a good investment. Except as disclosed below, TFX does not contemplate seeking to effect any other action that would be required to be disclosed pursuant to this Item 4.

Pursuant to the Credit Agreement (as defined in Section 3), TFX may purchase and the Issuer may sell additional Notes (as defined in Section 3) in the aggregate principal of up to \$300,000 (the "Additional Notes") with warrants (the "Additional Warrants") to purchase up to 40 additional shares of Series A Stock (as defined in Section 3). Upon conversion of the Additional Notes, TFX would receive an additional 1,200,000 shares of Common Stock. Upon exercise of the Additional Warrants and conversion of the Series A Stock received therefrom, TFX would receive an additional 300,000 shares of Common Stock.

Pursuant to the terms of the warrants issued in accordance with the Credit Agreement, the Issuer must convene a meeting of the shareholders of the Issuer for the purpose of considering an amendment to the Issuer's Articles of Incorporation to increase the number of authorized shares of Common Stock to such number as will permit the Issuer to reserve and keep available out of its authorized, unissued and unreserved Common Stock such number of shares as may be issuable by the Issuer upon the conversion in full of all shares of Series A Stock purchasable upon the exercise in full of all of the warrants issuable pursuant to the Credit Agreement. The Issuer is required to convene such meeting on or prior to September 25, 2002. Pursuant to the terms of Notes, it is an event of default if the Articles of Incorporation of the Issuer are not so amended.

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Pursuant to the Investment Agreement, so long as TFX owns at least 15% of the issued and outstanding Common Stock of the Issuer, TFX has certain rights regarding the corporate governance of the Issuer. In particular, during such time, TFX has the right to appoint two of the seven members of the board of directors of the Issuer. In addition, during such time, certain corporate matters must be approved by a super-majority of the members of the board of directors. Specifically, the consent of six of the seven members of the board of directors is required for any proposal regarding: (i) merger or reorganization; (ii) issuance of shares, rights or options; (iii) guarantees; (iv) dividends; (v) redemption or other acquisition of shares of capital stock; (vi) amendment of articles of incorporation or bylaws; and (vii) change in size of board.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

(a) AMOUNT AND PERCENT BENEFICIALLY OWNED; POWER TO VOTE AND DISPOSE OF

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SHARES

TFX beneficially owns, 4,916,667 shares of common stock of the Issuer, which represents approximately 52.55% of all the outstanding Common Stock. Because Teleflex owns all the outstanding capital stock of TFX, Teleflex may be deemed to be the beneficial owner of such securities, with Teleflex and TFX sharing the power to vote and dispose of such securities.

(b) TRANSACTIONS IN THE CLASS OF SECURITIES

Except as described in Item 3 above, the reporting person did not engage in any transactions in the common stock of the Issuer during the past 60 days.

(c) RIGHT OF ANY OTHER PERSON(S) TO RECEIVE OR POWER TO DIRECT THE RECEIPT OF DIVIDENDS FROM, OR PROCEEDS FROM THE SALE OF, THE SECURITIES

Not applicable.

(d) DATE ON WHICH THE REPORTING PERSON CEASED TO BE BENEFICIAL OWNER OF MORE THAN 5% OF SECURITIES

Not applicable.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Except as described herein, the Reporting Persons are not parties to any contracts, arrangements, understandings or relationships with respect to securities of the Issuer. Teleflex and TFX are parties to a Joint Filing Agreement regarding the reporting of beneficial ownership of the Issuer's securities pursuant to Section 13 of the Securities Exchange Act of 1934 and the rules promulgated thereunder.

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ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

- | | |
|-----------|--|
| Exhibit 1 | Joint Filing Agreement between Teleflex Incorporated and TFX Equities Incorporated. (*) |
| Exhibit 2 | Investment Agreement dated as of July 1, 1999, by and between the Issuer and TFX Equities Incorporated. (**) (Exhibit A) |
| Exhibit 3 | Credit Facility Agreement dated as of September 11, 2001, by and among the Issuer, Microlog Corporation of Maryland and TFX Equities Incorporated (the "Credit Agreement"). (***) (Exhibit 99.3) |
| Exhibit 4 | Form of Subordinated Convertible Note of the Issuer and Microlog Corporation of Maryland, issuable pursuant to the Credit Agreement. (***) (Exhibit 99.4) |
| Exhibit 5 | Form of Warrant to Purchase Series A Convertible Preferred Stock of the Issuer, issuable pursuant to the Credit Agreement. (***) (Exhibit 99.5) |

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- (*) Filed herewith.
- (**) Filed as an Exhibit to the Issuer's Definitive Proxy Statement on Schedule 14A relating to a special meeting of shareholders of the Issuer held on September 9, 1999, filed with the Securities and Exchange Commission on July 30, 1999.
- (***) Filed as an Exhibit to the Issuer's Current Report on Form 8-K, filed with the Securities and Exchange Commission on October 3, 2001.

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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.

Teleflex Incorporated

By: /s/ Steven K. Chance

Name: Steven K. Chance
Title: Vice President

TFX Equities Incorporated

By: /s/ Steven K. Chance

Name: Steven K. Chance
Title: Vice President

Dated: October 17, 2001

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APPENDIX I

The following are the names, addresses, present principal occupation or employment and, if applicable, the names, principal businesses and addresses of any corporation or other organization in which such employment is conducted, of the Directors and Executive Officers.

TELEFLEX DIRECTORS

| NAME | PRINCIPAL OCCUPATION | ADDRESS |
|------|----------------------|---------|
|------|----------------------|---------|

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| | | |
|--------------------------|---|---|
| Patricia C. Barron | Business Consultant (Self-Employed) | 159 East 78th Street New York, NY 10021 |
| Donald Beckman | Special Counsel Saul Ewing LLP, attorney | Saul Ewing LLP 1500 Market Street, 38th Centre Square West Philadelphia, PA 19102 |
| Lennox K. Black | Chairman of the Board and Director of Teleflex | Teleflex Incorporated 630 W. Germantown Pike Suite 450 Plymouth Meeting, PA 19 |
| William R. Cook | President, Chief Executive Officer, Severn Trent Services, Inc., a water and waste utility company | Severn Trent Services, 580 Virginia Drive, Sui Fort Washington, PA 190 |
| Joseph S. Gonnella, M.D. | Director, Center for Research in Medical Education in Healthcare, Jefferson Medical College | Jefferson Medical Colle 1025 Walnut Street Philadelphia, PA 19107- |
| Sigismundus W. W. Lubsen | Member of the Executive Board, Heineken N.V., a manufacturer of beer and ale products | Heineken N.V. Tweede Weteringplantsoe P.O. Box 28 1000 AA Amsterdam The Netherlands |
| Palmer E. Retzlaff | President and Director, Southwest Grain Inc., engaged primarily in cotton and grain export | 690 Harleysville Pike P.O. Box 173 Lederach, PA 19450 |

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| | | |
|-------------------|--|---|
| James W. Stratton | Chairman and Chief Executive Officer, Stratton Management Company, an investment advisory and management firm | Stratton Management Co. 610 W. Germantown Pike Suite 361 Plymouth Meeting, PA 19 |
|-------------------|--|---|

TELEFLEX EXECUTIVE OFFICERS

| NAME | PRINCIPAL OCCUPATION | ADDRESS |
|---------------------|--|---|
| Lennox K. Black | Chairman of the Board, Chief Executive Officer, Teleflex | 630 W. Germantown Pike Suite 450 Plymouth Meeting, PA 19 |
| John J. Sickler | Vice Chairman, Teleflex | 630 West Germantown Pik Suite 450 Plymouth Meeting, PA 19 |
| Dr. Roy C. Carriker | Vice Chairman, Teleflex | 630 West Germantown Pik |

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| | | |
|----------------------|--|--|
| | | Suite 450 Plymouth Meeting, PA 19 |
| Jeffrey P. Black | President, Teleflex | 630 W. Germantown Pike Suite 450 Plymouth Meeting, PA 19 |
| Harold L. Zuber, Jr. | Executive Vice President and Chief Financial Officer, Teleflex | 630 West Germantown Pike Suite 450 Plymouth Meeting, PA 19 |
| Steven K. Chance | Vice President, General Counsel and Secretary, Teleflex | 630 West Germantown Pike Suite 450 Plymouth Meeting, PA 19 |
| Ronald D. Boldt | Vice President, Human Resources, Teleflex | 630 West Germantown Pike Suite 450 Plymouth Meeting, PA 19 |
| Kevin K. Gordon | Vice President, Corporate Development, Teleflex | 630 West Germantown Pike Suite 450 Plymouth Meeting, PA 19 |
| Janine Dusossoit | Vice President, Investor Relations, Teleflex | 630 West Germantown Pike Suite 450 Plymouth Meeting, PA 19 |

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| | | |
|-------------------|--|---|
| C. Jeffrey Jacobs | Treasurer, Teleflex | 155 South Limerick Road Limerick, PA 19468 |
| Thomas M. Byrne | Assistant Treasurer, Teleflex | 155 South Limerick Road Limerick, PA 19468 |
| Stephen Gambone | Chief Accounting Officer and Controller, Teleflex | 155 South Limerick Road Limerick, PA 19468 |
| Joan W. Schwartz | Assistant Secretary, Teleflex | 155 South Limerick Road Limerick, PA 19468 |

TFX DIRECTORS

| NAME | PRINCIPAL OCCUPATION | ADDRESS |
|-------------------|---|--|
| Thomas M. Byrne | Assistant Treasurer, Teleflex | 155 South Limerick Road Limerick, PA 19468 |
| Steven K. Chance | Vice President, General Counsel and Secretary, Teleflex | 630 West Germantown Pike Suite 450 Plymouth Meeting, PA 19 |
| C. Jeffrey Jacobs | Treasurer, Teleflex | 155 South Limerick Road Limerick, PA 19468 |

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John J. Sickler

President, TFX

630 West Germantown Pike
Suite 450
Plymouth Meeting, PA 19

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TFX EXECUTIVE OFFICERS

| NAME | PRINCIPAL OCCUPATION | ADDRESS |
|---------------------|---|--|
| Kevin K. Gordon | President, TFX Vice President, Corporate Development, Teleflex | 630 West Germantown Pike Suite 450 Plymouth Meeting, PA 19 |
| Dr. Roy C. Carriker | Vice President, TFX, Vice Chairman, Teleflex | 630 West Germantown Pike Suite 450 Plymouth Meeting, PA 19 |
| Steven K. Chance | Vice President and Secretary, TFX, Vice President, General Counsel And Secretary, Teleflex | 630 West Germantown Pike Suite 450 Plymouth Meeting, PA 19 |
| C. Jeffrey Jacobs | Vice President, TFX Treasurer, Teleflex | 155 South Limerick Road Limerick, PA 19468 |
| Thomas M. Byrne | Vice President and Treasurer, TFX, Assistant Treasurer, Teleflex | 155 South Limerick Road Limerick, PA 19468 |
| Joan W. Schwartz | Assistant Secretary, TFX Assistant General Counsel and Assistant Secretary, Teleflex | 155 South Limerick Road Limerick, PA 19468 |

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EXHIBIT INDEX

| | |
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(*) Filed herewith.

(**) Filed as an Exhibit to the Issuer's Definitive Proxy Statement on Schedule 14A relating to a special meeting of shareholders of the Issuer held on September 9, 1999, filed with the Securities and Exchange Commission on July 30, 1999.

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