

June 15, 2010

To: Employees and Representatives of Jay R. Smith Mfg. a division of Smith Industries, Inc.

From: Jay L. Smith, President of Jay R. Smith Mfg. Co. and
Donald E. Morris, Chief Executive Officer of Jay R. Smith Mfg. Co.

RE: **Announcing The Affiliation and Unification of Acorn Engineering Company
and Jay R. Smith Mfg. Co. division of Smith Industries, Inc.**

Acorn Engineering Company, City of Industry, California and **Smith Industries Inc.**, Montgomery, Alabama, proudly announce a new business alliance and a jointly owned company. Effective June 15, 2010, Jay R. Smith Mfg. Co., a division of Smith Industries will join the Acorn family of companies, and Acorn Engineering will be a fifty percent owner of Smith Industries. **The name of the company will remain Jay R. Smith Mfg. Co. a Division of Smith Industries, Inc.**

This new business venture follows a similar alliance when Acorn Engineering purchased a portion of Potter Roemer in 2002. Smith and Acorn have successfully owned and operated Potter Roemer since that time. Don Morris is President of Potter Roemer and Jay Smith is Chairman of the Board of Directors.

Jay R. Smith (Smith Industries) and Earl L. Morris (Elmco Sales Inc. and Acorn Engineering) were both modern-day pioneers in the industry and founders of their individual companies. They each developed strong companies and have been partners and friends since 1954 when Elmco became a Jay R. Smith representative. The instant relationship and personal bond transcends three generations and continues with the Smith and Morris families.

Jay L. Smith, Don Morris, and Don's brother Dennis Morris, second generation sons of Jay R. and Earl, have continued their business and personal relationships for over 50 years. The third generation (Jay L.'s daughters Dr. Holly L. Roth and Debbie Smith and Don's children Kristin Kahle, Randall Morris and Barrett Morris) pledge to continue what their grandfathers started. The Smith and Morris families will be represented on the new Board of Directors.

The new alliance of Acorn Engineering and Smith Industries will be the foundation for an exceptionally strong company and will be competitively anchored in our industry. For the realigned Smith Industries, Don Morris will assume the role of Chief Executive Officer (CEO) of Smith Industries, Jay R. Smith Mfg. Co. division and the Canadian subsidiary. Jay L. will continue as President and Chairman of the Board of Directors. The management teams of both Acorn Engineering and Jay R. Smith will remain the same.

“Good Relationships are Timeless”