VAN KAMPEN MUNICIPAL OPPORTUNITY TRUST
Form 4
January 27, 2009

# FORM 4

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

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
OMB Number: 3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
DAMMEYER RODNEY F

(Last) (First) (Middle)

4370 LAJOLLA VILLAGE DRIVE, SUITE 685

(Street)

SAN DIEGO, CA 92122

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
VAN KAMPEN MUNICIPAL OPPORTUNITY TRUST [VMO]

3. Date of Earliest Transaction (Month/Day/Year)
01/26/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| common shares | 01/26/2009 | | S | | 30,000 | D | $ 10.1365 (1) | 136,402.979 | D | |
| common shares | 01/27/2009 | | S | | 32,000 | D | $ 10.0949 (2) | 104,402.979 | D | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**number.**

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**
**(*e.g.*, puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | |
| | | | | Code | V | (A) | (D) | | | | | | |

# Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---|---|---|---|
| | Director | 10% Owner | Officer | Other |
| DAMMEYER RODNEY F<br>4370 LAJOLLA VILLAGE DRIVE<br>SUITE 685<br>SAN DIEGO, CA 92122 | X | | | |

# Signatures

| | |
|---|---|
| /s/ Rod Dammeyer | 01/27/2009 |
| **Signature of Reporting Person | Date |

# Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

**(1)** The price indicated is a weighted average price of all the shares purchased on January 26, 2009. The price of the shares purchased ranged between $10.00 and $10.25. A lot by lot breakdown of the share prices is available upon request.

**(2)** The price indicated is a weighted average price of all the shares purchased on January 27, 2009. The price of the shares purchased ranged between $10.01 and $10.20. A lot by lot breakdown of the share prices is available upon request.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. 96 $ 4,698 ======= ======= Basic Shares Outstanding 13,716 13,459 Stock Options Calculated Under the Treasury Stock Method 372 138 ------- ------- Total Shares 14,088 13,597 ======= ======= Diluted Earnings Per Share $ 0.05 $ 0.35 ======= ======= 8 9 THE LAMSON & SESSIONS CO. AND SUBSIDIARIES NOTE F - DERIVATIVES AND HEDGING Effective as of December 31, 2000, the Company adopted Statement of Financial Accounting Standards No. (SFAS) 133, "Accounting for Derivative Instruments and

Hedging Activities" which was issued in June, 1998 by the Financial Accounting Standards Board (FASB), as amended by SFAS 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of Effective Date of SFAS 133" and SFAS 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities". As a result of the adoption of SFAS 133, the Company is required to recognize all derivative financial instruments as either assets or liabilities at fair value. Derivative instruments that are not hedges must be adjusted to fair value through net income. Under the provisions of SFAS 133, changes in the fair value of derivative instruments that are classified as fair value hedges are offset against changes in the fair value of the hedged assets, liabilities, or firm commitments, through net income. Changes in the fair value of derivative instruments that are classified as cash flow hedges are recognized in other comprehensive income until such time as the hedged items are recognized in net income. The ineffective portions of a derivative instrument's change in fair value are immediately recognized in net income. The adoption of SFAS 133 did not result in any transition adjustment as the Company had no derivative instruments outstanding at December 31, 2000. During the first quarter of 2001, the Company entered into two interest rate swap agreements for a total notional amount of $58.5 million which effectively fixes interest rates on its variable rate debt at 5.41% and 5.48% plus the Company's risk premium of 1.125% to 1.875%, respectively. These transactions are considered cash flow hedges and thus the fair market value at the end of the first quarter of $410,000 (net of tax) loss, has been recognized in other comprehensive income. The Company has no derivative instruments that are classified as fair value hedges. 9 10 ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS RESULTS OF OPERATIONS Net sales increased by 10.3% or $8.3 million during the first quarter of 2001 compared with the first quarter of 2000. The Carlon business segment grew by $17 million (56%) in net sales this quarter compared with the prior year period offsetting declines of $2 million (13.4%) in Lamson Home Products and $6.7 million (19.2%) in the PVC Pipe business segments. The Carlon sales increase this quarter was due to the acquisition of the Pyramid and Ameriduct businesses in the later part of 2000. Excluding these incremental sales, the remainder of the Carlon segment actually experienced a net sales decline of 10.9%. This decrease was caused by a general slowdown in the economy, poor weather and the pull back of some telecom infrastructure project activity. Lamson Home Products also was impacted by the economic slowdown as the retailers in the home improvement market have focused on inventory reductions as they have seen their growth rates moderate substantially during the first quarter of 2001. The PVC Pipe segment has concentrated on growing market share and keeping the extrusion plants running at an acceptable level during the first quarter of 2001. This resulted in an increase in pipe pounds sold of 24% and a decline in price per pound of around 30% compared with the prior year first quarter. Gross margin percentage in the first quarter of 2001 declined to 18.4% from the 26.5% gross margin achieved in the same quarter in 2000. The Carlon business maintained consistent margins compared with the first quarter 2000 negatively impacted only slightly by the additive Pyramid and Ameriduct conduit sales. Lamson Home Products was actually able to expand its gross margins by about a half a point despite the lower sales levels. Almost the entire decrement in gross margin in the first quarter of 2001 compared with 2000 occurred in the PVC Pipe business as the pricing of conduit dropped around 30% while the average cost of PVC resin was only lower by approximately 9% during the first quarter of 2001 versus the same period in 2000. The business segment was also negatively impacted by a shift in product mix from telecommunications duct to lower margin electrical conduit. The Company as a whole continued to benefit from its streamlined distributions' network and freight management, but was negatively impacted by lower manufacturing capacity utilization than in the prior year first quarter. Operating income for the first quarter of 2001 totaled $3.9 million, 4.3% of net sales, which was approximately half of the prior year's first quarter operating income of $8.1 million or 10.1% of net sales. The reduced operating income is a direct result of the lower gross profit in the current quarter as operating expenses during the first quarter of 2001 actually were $800 thousand lower than the first quarter of 2000. Operating expenses this quarter include the effect of the settlement of litigation with PW Eagle arising out of the failed sale of the PVC Pipe segment in 1999. This settlement represents a partial recovery of costs incurred in current and previous quarters. The Company's operating expenses would have increased by approximately 3.5% excluding this settlement, and the Company's overall results would have been at essentially a breakeven level. Net interest expense increased significantly compared with the prior year due to approximately $100 million in debt from acquisitions which offset lower average borrowing rates of 7.2% in the first quarter 2001 and 7.5% in the first quarter of 2000. The income tax provision was recorded using an annualized estimated rate of 42.0% for 2001 compared with a 37.0% estimated rate in the first quarter of 2000. The increased rate is caused by the effect of additional permanent tax differences related to goodwill from the Pyramid acquisition. The

Company's earnings before interest, taxes, depreciation and amortization (EBITDA) was $8.3 million for the first quarter of 2001 compared with $10.5 million for the respective period in 2000. 10 11 FINANCIAL CONDITION Working capital reached $61.5 million at the end of the current quarter exceeding last year's first quarter by $14.3 million, but remaining at approximately the same level as year-end 2000. This quarter's cash flow remained fairly strong with the Company generating $3.5 million from operating activities ($3.4 million for the first quarter of 2000). Despite the decline in net income and EBITDA, the Company was able to manage working capital, producing these positive cash flows. Accounts receivable were $55.4 million at the end of the first quarter of 2001. Excluding receivables associated with the 2000 acquisitions this represents a decline of $3.6 million from the prior year first quarter. Days sales outstanding were about 57 days this quarter compared with 48 days in the first quarter 2000. This is primarily a result of the higher weighting of sales in March in the first quarter of 2001 compared with the prior year. At the end of the first quarter the Company had almost $63.5 million in inventory. The inventory level is up $3.9 million (6.5%) from year-end 2000 and $14 million from the first quarter of 2000. Almost all of this increase over the prior year first quarter has been from the acquired businesses. The increase from year-end inventory reflects the seasonal build that generally occurs heading into the construction season. Currently the Company has more than two months of conduit inventory on hand. The cost per pound of the primary raw material, polyvinyl chloride (PVC) resin in inventory is approximately 9% lower at the end of the first quarter 2001 as compared with the same quarter of 2000 and 3.3% lower than the year-end 2000. On an overall basis, inventory turns were 4.0 times at March 31, 2001 versus 4.4 times at April 1, 2000. Accounts payable have increased from year-end to a level comparable with the prior year first quarter due to seasonable builds in inventory and higher operating activity in March. The reduction in accruals during the first quarter of 2001 includes the routine payment of bonuses and annual customer sales and marketing programs. In addition, the Company paid the remaining purchase price on the Ameriduct acquisition of approximately $2.6 million and non-compete payments of $1.75 million to certain of the former shareholders of Pyramid. Capital expenditures totaled $2.3 million for the first quarter of 2001 primarily for PVC, polyethylene and flexible conduit extrusion line capacity and productivity improvements, the installation of radio-frequency (RF) technology at the distribution centers and tooling for new product line development. The Company anticipates spending $10-12 million on these projects, enhanced e-commerce capabilities and additional new product rollouts during 2001. Based on current projected operating results for the year, the Company believes cash flow from operations and its $194 million credit facility provides adequate financing for general corporate purposes and the planned capital expenditures. OUTLOOK The following paragraphs contain forward-looking comments. The comments are subject to, and the actual future results may be impacted by, the cautionary limitations and factors outlined in the following narrative comments. On January 30, 2001, in our fourth quarter 2000 earnings release and web cast conference call, we outlined our expectations for both the first quarter and full year 2001, which reflected the best information available to us at that time from economic data as well as input from customers and our sales force. Recent announcements by 11 12 major telecommunications companies lowering their growth forecasts and the severity of the economic slowdown are having an effect on our performance. The sales order activity from the telecommunications infrastructure market has fallen precipitously in light of the slowing or deferral of outside plant construction projects (including the installation of fiber optic backbone networks) over the past several months. On February 27, 2001, the Company issued an earnings warning for the first quarter and lowered its guidance on sales and diluted earnings per share. This action was necessitated by further slowing in general economic activity and worsening conditions in the telecommunications market, which has become increasingly important to the Company over the last year. The Company met the revised guidance estimate for the first quarter and is maintaining its estimates for the full year 2001. Sales are anticipated to range from $430 million to $440 million which should result in diluted earnings per share of $1.00 to $1.10. While it is very difficult to ascertain consistent information related to the condition of the Company's key markets, we are encouraged by the stability of housing starts and housing permits which tend to be lead indicators for many of the Company's electrical products. The telecommunications infrastructure market remains very weak and we do not anticipate any notable recovery this year. The acquisitions, which we made in 2000 in this market, will be dilutive to earnings this year due to the dramatic decline in market activity for fiber optic cable installation projects. While we continue to believe that the telecommunications infrastructure market's prospects over the next two or three years are projected to be good, the near term decline reflects a combination of conservative capital spending and difficulty in gaining firm financing agreements as a result of general credit tightening measures. We have seen some strengthening in sales order patterns recently, however, our visibility is limited due to uncertainties in our markets which cause us to remain cautious with performance expectations. Our sales level for the second quarter should increase to a range of $105 million to $115 million representing a 15% to 25% growth rate which is primarily due to the acquisitions completed late last year. If we achieve this sales range and begin to experience more normalized margins in our PVC Pipe segment, we anticipate our diluted earnings per share to range from 20 cents to 25 cents. These performance expectations are premised on current market conditions and anticipation of further progress in the general economic recovery, seasonal demand patterns and further easing of interest rates and credit availability in the financial markets. Lamson & Sessions is a leading producer of thermoplastic enclosures, fittings, wiring outlet boxes and conduit for the electrical, telecommunications, consumer, power and wastewater markets. For additional information, please visit our Web site at: www.lamson-sessions.com. The above statements contain expectations that are forward-looking statements that involve risks and uncertainties within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those expected as a result of a variety of factors, such as: (i) the volatility of resin pricing, (ii) the ability of the Company to pass through raw material cost increases to its customers, (iii) maintaining a stable level of housing starts, telecom infrastructure spending, consumer confidence and general construction trends and (iv) further deterioration in the country's general economic condition affecting the markets for the Company's products. 12 13 PART II ITEM 1 - LEGAL PROCEEDINGS On September 23, 1999, the Company announced that a United States District Court jury in the Northern District of Illinois found that the Company willfully infringed on a patent held by Intermatic Incorporated of Spring Grove, Illinois, relating to the design of an in-use weatherproof electrical outlet cover, and awarded Intermatic $12.5 million in damages plus pre-judgment interest of approximately $1.5 million. The court declined to increase the damages with respect to the willfulness finding. The Company is pursuing a vigorous appeal and believes it has meritorious positions that will substantially reduce or eliminate the jury award. If, however, the appeal process is not successful, the final resolution of the matter could have a material adverse affect on the Company's financial position, cash flows and results of operations. It is the Company's understanding that the appeal process may require a one-to-two year period. During the first quarter of 2001, the Company settled its litigation against PW Eagle and received a payment of $2.05 million, representing a partial recovery of costs incurred in current and previous quarters, arising out of the failed sale of the PVC Pipe segment in 1999. The Company is also a party to various other claims and matters of litigation incidental to the normal course of its business. Management believes that the final resolution of these matters will not have a material adverse affect on the Company's financial position, cash flows or results of operations. ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K (a) Exhibits 3(a) Amended Code of Regulations of the Company 10(a) Amendment No. 7 to The Lamson & Sessions Co. Deferred Savings Plan, dated as of December 22, 1999. 10(b) Amendment No. 8 to The Lamson & Sessions Co. Deferred Savings Plan, dated as of December 28, 2000. 10(c) Amendment No. 9 to The Lamson & Sessions Co. Deferred Savings Plan, dated as of March 7, 2001. 10(d) Amendment No. 4 to The Lamson & Sessions Co. 1988 Incentive Equity Performance Plan, dated as of October 19, 2000. (b) The following reports on Form 8-K were filed during the quarter ended March 31, 2001: 1. The Company's Current Report on Form 8-K, dated January 2, 2001, relating to the Company's acquisition of the outstanding capital stock of Ameriduct Worldwide, Inc. 2. The Company's Current Report on Form 8-K/A, dated February 28, 2001, relating to the Company's acquisition of the outstanding capital stock of Ameriduct Worldwide, Inc. 13 14 SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. THE LAMSON & SESSIONS CO. ------------------------ (Registrant) DATE: May 4, 2001 By /s/ James J. Abel ---------------------------------------- Executive Vice President, Secretary, Treasurer and Chief Financial Officer 14