

LAMSON & SESSIONS CO
Form 11-K
June 15, 2005

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

FORM 11-K

ANNUAL REPORT
PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2004

OR

TRANSITIONAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number 1-313

THE LAMSON & SESSIONS CO. DEFERRED SAVINGS PLAN

(Full title of the plan)

THE LAMSON & SESSIONS CO., 25701 Science Park Drive, Cleveland, Ohio 44122

(Name of issuer of the securities held pursuant to the plan
and the address of its principal executive office)

THE LAMSON & SESSIONS CO.
DEFERRED SAVINGS PLAN

FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003

CIUNI & PANICHI, INC.

CERTIFIED PUBLIC ACCOUNTANTS

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THE LAMSON & SESSIONS CO. DEFERRED SAVINGS PLAN

FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
The Lamson & Sessions Co.

We have audited the accompanying statements of net assets available for benefits - modified cash basis of The Lamson & Sessions Co. (the "Company") Deferred Savings Plan (the "Plan") as of December 31, 2004 and 2003 and the related statements of changes in net assets available for benefits - modified cash basis for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note B, these financial statements and supplemental schedule were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of The Lamson & Sessions Co. Deferred Savings Plan as of December 31, 2004 and 2003 and changes in its net assets available for benefits for the years then ended in conformity

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with the modified cash basis of accounting.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule (modified cash basis) of assets held at end of year as of December 31, 2004 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2004 and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Ciuni & Panichi, Inc.
Cleveland, Ohio
May 13, 2005

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THE LAMSON & SESSIONS CO. DEFERRED SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS - MODIFIED CASH BASIS

	DECEMBER 31, 2004	2003
	-----	-----
ASSETS		
CASH	\$ 218,849	\$ 121,934
INVESTMENTS, AT FAIR VALUE:		
Common/collective trust fund	7,031,505	6,578,183
Registered investment companies	29,507,199	25,210,619
Lamson & Sessions Company stock	3,793,426	2,679,263
INVESTMENTS, AT ESTIMATED FAIR VALUE:		
Participant loans	804,919	736,838
Cash surrender value of life insurance	-	121,400
Total investments	41,137,049	35,326,303
RECEIVABLES:		
Employer's contribution	426,243	-
Other	3,206	-
Total Receivables	429,449	-
Total Assets	41,785,347	35,448,237
LIABILITIES		
Accounts payable	198,666	110,952

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NET ASSETS AVAILABLE FOR BENEFITS	\$41,586,681	\$35,337,285
	=====	=====

The accompanying notes are an integral part of these financial statements.

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THE LAMSON & SESSIONS CO. DEFERRED SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR
BENEFITS - MODIFIED CASH BASIS

	YEARS ENDED DECEMBER 31,	
	2004	2003
	-----	-----
ADDITIONS TO NET ASSETS ATTRIBUTABLE TO:		
Investment income		
Interest and dividends	\$ 1,022,026	\$ 701,200
Net appreciation in fair value of investments	4,322,364	6,453,667
	-----	-----
	5,344,390	7,154,867
Contributions		
Employee salary deferrals	2,302,601	2,204,379
Employer matching and profit sharing	1,504,665	995,171
Rollover contributions	41,512	58,241
	-----	-----
	3,848,778	3,257,791
	-----	-----
TOTAL ADDITIONS	9,193,168	10,412,658
DEDUCTIONS FROM NET ASSETS ATTRIBUTABLE TO:		
Benefits paid to participants	2,935,030	2,120,389
Other	8,742	2,753
	-----	-----
TOTAL DEDUCTIONS	2,943,772	2,123,142
	-----	-----
NET INCREASE IN NET ASSETS	6,249,396	8,289,516
NET ASSETS AVAILABLE FOR BENEFITS:		
BEGINNING OF YEAR	35,337,285	27,047,769
	-----	-----
END OF YEAR	\$41,586,681	\$35,337,285
	=====	=====

The accompanying notes are an integral part of these financial statements.

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THE LAMSON & SESSIONS CO. DEFERRED SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2004 AND 2003

NOTE A - DESCRIPTION OF PLAN

The following description of The Lamson & Sessions Co. (the "Company") Deferred Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

1. GENERAL

The Plan is a defined contribution plan covering substantially all employees of the Company. Employees are eligible to participate in the Plan on the first day of the calendar quarter after which they have attained the age of 21 (age 18 for Pyramid Industries II, Inc. salaried and non-union hourly employees) and completed one-half (1/2) year of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) as amended. The Company is the Plan's administrator. The 401(k) Company is the Plan's record keeper. The Plan's custodian is the Pershing Division of Donaldson, Lufkin & Jenrette Securities Corporation ("Pershing").

2. CONTRIBUTIONS

Each year, participants contribute 1% to 15% of their eligible compensation (pre-tax contributions), as defined in the Plan. The Company contributes a matching contribution equal to 50% of the participant's contribution, not to exceed 6% of the participant's compensation for any plan year. Effective January 1, 2005, participants can contribute 1% to 100% of their eligible compensation.

For each salaried participant for whom a salary reduction contribution has been made, the employer shall also contribute an additional matching contribution equal to 25% of such salary reduction contribution, up to the first 6% of the participant's contribution. This additional contribution is required to be contributed or initially invested in the Lamson & Sessions Stock Fund. Immediately following such contribution or initial investment in stock, the participant shall have the ongoing option to redirect the investment of such matching contributions among the investment options available under the Plan.

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THE LAMSON & SESSIONS CO. DEFERRED SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2004 AND 2003

NOTE A - DESCRIPTION OF PLAN - CONTINUED

2. CONTRIBUTIONS - CONTINUED

In addition, the Company can make discretionary matching contributions.

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Based on the Company's annual financial performance, the Company may make an additional matching contribution. This additional matching contribution, if any, will be a percentage as determined by the Board of Directors or its delegate and is initially invested in Lamson & Sessions stock. Participants are also eligible to receive an additional discretionary matching contribution if they were employed with the Company on the last day of the Plan year for which the contribution is made and they have completed one year of service during the Plan year.

3. PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's elective contributions, allocations of the Company's contributions and earnings on those contributions. Forfeitures due to the distribution of a participant's account before the participant has become fully vested reduce subsequent Company contributions. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

4. VESTING

Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the Company's matching and discretionary contribution portions of their accounts plus actual earnings thereon is based on Years of Service as defined by Plan provisions. A participant is fully vested after five years.

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THE LAMSON & SESSIONS CO. DEFERRED SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2004 AND 2003

NOTE A - DESCRIPTION OF PLAN - CONTINUED

5. PARTICIPANT LOANS

Participants may borrow from their fund accounts a minimum of \$1,000 and a maximum equal to the lesser of \$50,000 or 50 percent of their vested balance in all their accounts reduced by their highest outstanding loan balance within the twelve (12) preceding months. Loan transactions are treated as transfers to (from) the investment fund from (to) the Participant Notes fund. A loan must be repaid through payroll withholding, the repayments must be periodic, and the term must not exceed five (5) years unless the proceeds are used to acquire a home. Such loans can be repaid over a maximum of fifteen (15) years. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the trustees on the date the loan is made. Interest rates currently charged on outstanding balances range from 5.27 percent to 10.74 percent.

6. PAYMENT OF BENEFITS

On termination of service due to death, disability or retirement, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in either a lump-sum amount, or in annual installments. Withdrawals from a participant's

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account may be made prior to termination, subject to certain restrictions as defined by the Plan.

7. PLAN EXPENSES

The Lamson & Sessions Co. absorbs substantially all costs to administer the Plan.

8. FORFEITURES

Forfeited non-vested accounts are used to reduce employer contributions. In 2004 and 2003, the amount of forfeited non-vested accounts which were applied to reduce such contributions were \$36,931 and \$62,179, respectively.

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THE LAMSON & SESSIONS CO. DEFERRED SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2004 AND 2003

NOTE A - DESCRIPTION OF PLAN - CONTINUED

9. OTHER

Prior to January 1, 1998, the Plan also offered participants the option to invest in life insurance. Participants with portions of their accounts invested in life insurance at January 1, 1998 have the option of keeping the insurance in place. Additional investments in insurance are no longer permitted.

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THE LAMSON & SESSIONS CO. DEFERRED SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2004 AND 2003

NOTE B - SUMMARY OF ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The financial statements of the Plan are prepared under the modified cash basis of accounting. Under this basis, contributions which are withheld by the Plan sponsor but not allocated to participant accounts at year-end are recorded as a receivable. In addition pending trades and certain withholdings are included in accrued expenses.

2. INVESTMENT VALUATION AND INCOME RECOGNITION

The Plan's investments are stated at fair value except for participant loans and life insurance contracts. Shares of registered investment companies are valued at quoted market prices which represent the net asset value of shares held by the Plan at year-end. The Company stock is valued at its quoted market price. Participant loans are valued at their

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outstanding principal balance, which approximates fair value. Life insurance contracts are valued at cash surrender value.

Purchases and sales of securities are recorded on a trade-date basis. Interest and dividend income is recorded when received.

3. PAYMENT OF BENEFITS

Benefits are recorded when paid.

4. USE OF ESTIMATES

The preparation of financial statements, in conformity with the modified cash basis of accounting, requires the Plan administrator to make estimates and assumptions that affect certain reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

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THE LAMSON & SESSIONS CO. DEFERRED SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2004 AND 2003

NOTE C - INVESTMENTS

The following presents investments at December 31, 2004 and 2003 that represent 5% or more of the Plan's net assets.

	2004 -----	2003 -----
Bond Fund of America	\$4,127,680	\$3,635,956
EuroPacific Growth Fund	3,110,316	2,584,245
Stable Value Fund	7,031,505	6,578,183
Fundamental Investors	7,757,556	6,874,560
Fidelity Advisor Equity Growth Fund	4,832,624	4,631,629
Lamson & Sessions Company Stock Fund	3,793,426	2,679,263
American AAdvantage Fund - Small Cap	3,654,370	-
Phoenix-Duff & Phelps Real Estate Fund	2,303,459	-
Franklin Balance Sheet Investment Fund	-	2,919,135

During 2004 and 2003, the Plan's investments, including investments bought, sold and held during the year, appreciated in value by \$4,322,364 and \$6,453,667, respectively, as follows:

	2004 -----	2003 -----
Mutual funds at fair value as determined by quoted market prices	\$2,791,777	\$5,288,295

The Lamson & Sessions Co. stock at

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fair value as determined by quoted market prices	1,530,587	1,165,372
	-----	-----
	\$4,322,364	\$6,453,667
	=====	=====

THE LAMSON & SESSIONS CO. DEFERRED SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2004 AND 2003

NOTE D - TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated May 7, 2002, that the Plan was designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator and Plan's tax counsel believe the Plan is designed and is currently operated in compliance with applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

NOTE E - PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will immediately become 100% vested in their accounts.

NOTE F - RELATED PARTY TRANSACTIONS

The Lamson & Sessions Stock Fund invests in Lamson & Sessions Co. common stock, which is traded on the New York Stock Exchange under the symbol LMS. The fund maintains short-term cash sufficient to meet its estimated daily cash needs. The fund purchases shares of Lamson & Sessions Co. common stock on the open market at open market prices. Transactions in the fund qualify as permitted party-in-interest transactions.

NOTE G - RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

THE LAMSON & SESSIONS CO. DEFERRED SAVINGS PLAN

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NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2004 AND 2003

NOTE H - AMENDMENT

The Plan was amended on December 22, 2003 to allow, effective January 1, 2003, certain hourly associates to be included in discretionary matching contributions.

NOTE I - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2004 and 2003 to Form 5500:

	2004	2003
	-----	-----
Net assets available for benefits per the financial statements	\$ 41,586,681	\$ 35,337,285
Amounts allocated to withdrawing participants	(82,984)	(650,215)
	-----	-----
Net assets available for benefits per the Form 5500	\$ 41,503,697	\$ 34,687,070
	=====	=====

The following is a reconciliation of benefits paid to participants per the financial statements for the year ended December 31, 2004 and 2003 to Form 5500:

	2004	2003
	-----	-----
Benefits paid to participants per the financial statements	\$ 2,935,030	\$ 2,120,389
Add: Amounts allocated to withdrawing participants at end of year	82,984	650,215
Less: Amount allocated to withdrawing participants at beginning of year	(650,215)	-
	-----	-----
Benefits paid to participants per Form 5500	\$ 2,367,799	\$ 2,770,604
	=====	=====

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to year end, but not yet paid as of that date.

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SUPPLEMENTAL INFORMATION

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THE LAMSON & SESSIONS CO. DEFERRED SAVINGS PLAN

SCHEDULE H, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR) EIN: 34-0349210
 PLAN: 028

DECEMBER 31, 2004

COLUMN A	COLUMN B IDENTITY OF ISSUE, BORROWER, LESSOR OR SIMILAR PARTY	COLUMN C DESCRIPTION OF INVESTMENT (1)	COLUMN E CURRENT VALUE
	American Funds	Bond Fund of America	\$ 4,127,680
		EuroPacific Growth Fund	3,110,316
		Fundamental Investors	7,757,556
	Oppenheimer	Developing Markets Fund	917,706
	AAdvantage Funds	Small Cap Value Fund	3,654,370
	Phoenix-Duff & Phelps	Real Estate Securities	2,303,459
	Fidelity	Advisor Equity Growth Fund	4,832,624
	Lord Abbett	Developing Growth A	1,879,461
	Invesco	Stable Value Fund	7,031,505
	MFS	International New Discovery Fund	924,027
*	Lamson & Sessions	Stock Fund	3,793,426

			40,332,130
	Participant Loans	Participant loans with various rates of interest from 5.27% to 10.74% and various maturity dates through 2017	804,919
		Cash	218,849

			\$ 41,355,898
			=====

*Party-In-Interest

(1) Including maturity date, rate of interest, collateral, par or maturity value, where applicable.

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SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other person who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

THE LAMSON & SESSIONS CO.
DEFERRED SAVINGS PLAN

Date: June 15, 2005

By: /s/ James J. Abel

James J. Abel
Trustee

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EXHIBIT INDEX

EXHIBIT NUMBER -----	EXHIBIT DESCRIPTION -----
23	Consent of Ciuni & Panichi, Inc.

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