

VITAL SIGNS INC
Form DEFM14A
September 26, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant R

Filed by a Party other than the Registrant £

Check the appropriate box:

£ Preliminary Proxy Statement

£ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

R Definitive Proxy Statement

£ Definitive Additional Materials

£ Soliciting Material Pursuant to §240.14a-12

VITAL SIGNS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

£ No fee required.

R Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of
each class
of
securities
to which
transaction
applies:

Common

stock, no
par value,
of Vital
Signs, Inc.
(Vital
Signs
common
stock)

- (2) Aggregate
number of
securities
to which
transaction
applies:

13,298,615
shares of
Vital Signs
common
stock and

566,712
shares of
Vital Signs
common
stock,
representing
shares of
Vital Signs
common
stock
issuable
upon
exercise of
options
outstanding
as of
September
15, 2008
having a per
share
exercise
price less
than \$74.50

- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

The filing fee was determined by multiplying 0.00003930 by the sum of:

the product of (i) 13,298,615 outstanding shares of Vital Signs common stock and (ii) the merger consideration of \$74.50 per share in cash; and

the product of (i) 566,712 shares of Vital Signs common stock, representing shares of Vital Signs common stock issuable upon exercise of options outstanding as of

September 15,
2008 having a per
share exercise
price less than
\$74.50 and (ii)
\$29.68,
representing the
excess of \$74.50
over the
weighted-average
exercise price per
share of such
options.

- (4) Proposed maximum aggregate value of transaction:

\$1,007,566,829.66

- (5) Total fee paid:

\$39,597.38

R Fee paid previously with preliminary materials:

\$39,597.38

£ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:

- (2) Form, Schedule or Registration Statement No.:

- (3) Filing Party:

(4) Date Filed:

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 control number.

**VITAL SIGNS, INC.
20 Campus Road
Totowa, New Jersey 07512**

September 26, 2008

Dear Shareholder:

You are cordially invited to attend a special meeting of shareholders of Vital Signs, Inc. (the Company or Vital Signs), which will be held at the offices of our counsel, Lowenstein Sandler PC, 65 Livingston Avenue, Roseland, New Jersey on Wednesday, October 29, 2008, beginning at 10:00 A.M., local time.

On July 23, 2008, the board of directors of Vital Signs adopted, and Vital Signs entered into, a merger agreement with General Electric Company, a New York corporation (GE), and its wholly owned subsidiary, Tonic Acquisition Corp. If the merger is completed, Vital Signs will become a wholly owned subsidiary of GE, and you will be entitled to receive \$74.50 in cash, without interest, for each share of Vital Signs common stock that you own on the effective date of the merger. A copy of the merger agreement is attached as Annex A to the accompanying proxy statement, and you are encouraged to read it in its entirety.

At the special meeting, you will be asked to approve the merger agreement. After careful consideration, our board unanimously adopted the merger agreement and determined that the merger and the merger agreement are fair to the Company and its shareholders, advisable and in the best interests of the Company and its shareholders. **Our board unanimously recommends that you vote FOR the approval of the merger agreement.**

The proxy statement attached to this letter provides you with information about the proposed merger and the special meeting. I encourage you to read the entire proxy statement carefully. You may also obtain additional information about Vital Signs from documents filed with the U.S. Securities and Exchange Commission.

Your vote is very important. The merger cannot be completed unless the merger agreement is approved by the affirmative vote of a majority of the votes cast by the holders of shares entitled to vote thereon at the special meeting. Failing to vote on the merger agreement will have no effect on the approval of the merger agreement, assuming that a quorum is present.

On July 23, 2008, holders of 4,972,070 shares of our common stock, representing approximately 37% of our outstanding shares as of that date, excluding currently exercisable options held by such shareholders as well as shares held in the Company's 401(k) plan on behalf of such shareholders, agreed with GE, pursuant to a shareholder agreement, to approve the merger agreement. On August 21, 2008, I transferred 400,000 of those shares to the Vance Wall Foundation, a private charitable foundation, in accordance with the provisions of the shareholder agreement. Carol Vance Wall, in her capacity as the president of the Vance Wall Foundation, intends to vote such shares in favor of the merger agreement.

Whether or not you are able to attend the special meeting in person, please complete, sign and date the enclosed proxy card and return it in the envelope provided as soon as possible, or follow the instructions provided for submitting a proxy by telephone or the Internet. If you hold shares through a broker or other nominee, you should follow the procedures provided by your broker or nominee. These actions will not limit your right to vote in person if you wish to attend the special meeting and vote in person.

Thank you for your cooperation and your continued support of Vital Signs.

Sincerely,

TERRY D. WALL

President and Chief Executive Officer

Neither the U.S. Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the merger, passed upon the merits or fairness of the merger or passed upon the adequacy or accuracy of the disclosures in this document. Any representation to the contrary is a criminal offense.

This proxy statement is dated September 26, 2008 and is first being mailed to shareholders on or about September 29, 2008.

**VITAL SIGNS, INC.
20 Campus Road
Totowa, New Jersey 07512**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON OCTOBER 29, 2008**

To the Shareholders of Vital Signs, Inc.:

A special meeting of shareholders of Vital Signs, Inc., a New Jersey corporation, will be held at the offices of our counsel, Lowenstein Sandler PC, 65 Livingston Avenue, Roseland, New Jersey, on Wednesday, October 29, 2008, beginning at 10:00 A.M., local time, for the following purposes:

- (1) To consider and vote on a proposal to approve the Agreement and Plan of Merger, dated as of July 23, 2008, by and among General Electric Company, Tonic Acquisition Corp and Vital Signs, Inc.
- (2) To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

Only shareholders of record of our common stock as of the close of business on September 15, 2008 are entitled to notice of, and to vote at, the special meeting and any adjournment or postponement of the special meeting.

You are cordially invited to attend the meeting in person.

Your vote is important, regardless of the number of shares of our common stock you own. The merger cannot be completed unless the merger agreement is approved by the affirmative vote of a majority of the votes cast by the holders of shares entitled to vote thereon, assuming a quorum is present. Even if you plan to attend the meeting in person, we request that you complete, sign, date and return the enclosed proxy, or follow the instructions provided for submitting a proxy by telephone or the Internet, and thus ensure that your shares will be represented at the meeting if you are unable to attend. If you are a shareholder of record and attend the meeting and wish to vote in person, you may withdraw your proxy and vote in person.

If you sign, date and mail your proxy card without indicating how you wish to vote, your vote will be counted as a vote in favor of the approval of the merger agreement and in accordance with the recommendation of the board on any other matters properly brought before the meeting for a vote.

YOU MAY SUBMIT A PROXY FOR YOUR SHARES ELECTRONICALLY ON THE INTERNET, BY TELEPHONE OR BY SIGNING, DATING AND RETURNING THE ENCLOSED PROXY CARD.

By Order of the Board of Directors,

Jay Sturm,
Secretary

Totowa, New Jersey
September 26, 2008

YOUR VOTE IS IMPORTANT.

WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, PLEASE SIGN AND DATE THE ENCLOSED PROXY CARD AND RETURN IT PROMPTLY IN THE ENVELOPE PROVIDED. GIVING YOUR PROXY NOW WILL NOT AFFECT YOUR RIGHT TO VOTE IN PERSON IF YOU ATTEND THE MEETING.

SUMMARY OF PRINCIPAL TERMS

The following summary briefly describes the principal terms of the acquisition of Vital Signs, Inc. (Vital Signs) by General Electric Company (GE) through the merger of Tonic Acquisition Corp (Merger Sub), a wholly owned subsidiary of GE, with and into Vital Signs. While this summary describes the principal terms of the merger, the proxy statement contains a more detailed description of these terms. We encourage you to read this summary together with the enclosed proxy statement before voting. We have included in this summary section references to the proxy statement to direct you to a more complete description of the topics described in this summary.

GE is a diversified technology, media and financial services company whose products and services include aircraft engines, power generation, financial services, medical imaging, television programming and plastics. GE Healthcare, a division of GE, offers a broad range of products and services designed to improve productivity in healthcare and enhance patient care by enabling healthcare providers to better diagnose and treat cancer, heart disease, neurological diseases and other conditions. Headquartered in the United Kingdom, GE Healthcare is a \$15 billion unit

of GE. Merger
Sub is a wholly
owned subsidiary
of GE formed for
the purpose of
participating in
the merger.

Please read

SUMMARY The
Companies
beginning on
page 1.

If the merger is
completed:

we will be
wholly-owned
by GE;

you will be
entitled to
receive a cash
payment of
\$74.50,
without
interest and
less applicable
taxes, for each
share of our
common stock
that you hold;

you will no
longer
participate in
our growth or
in any
synergies
resulting from
the merger;
and

we will no
longer be a
public
company, and
our common
stock will no
longer be
quoted on The

NASDAQ
Global Select
Market.

Please read QUESTIONS
AND ANSWERS ABOUT
THE SPECIAL MEETING
AND THE MERGER
beginning on page i, THE
MERGER Reasons for the
Merger and
Recommendation of Our
Board of Directors
beginning on page 17 and
THE MERGER Delisting
and Deregistration of Vital
Signs Common Stock
beginning on page 24.

For the merger to occur, the
merger agreement must be
approved by the affirmative
vote of a majority of the
votes cast at the special
meeting by the holders of
shares entitled to vote
thereon, assuming a quorum
is present. As a result of an
agreement among GE and
our chief executive officer,
Terry D. Wall, his wife, his
adult children, his brother,
his sister and the trustees of
certain family trusts (each a
Wall Family Shareholder
and collectively, the Wall
Family Shareholders),
holders of approximately
37% of Vital Signs
outstanding common stock
have agreed to vote in favor
of the merger agreement.
Please read THE SPECIAL
MEETING Vote Required
beginning on page 11 and
THE SHAREHOLDER
AGREEMENT beginning
on page 47.

If the merger agreement is
terminated, under certain

circumstances, we will be required to pay a termination fee to GE in the amount of \$30 million.

Please read PROPOSAL 1 THE MERGER AGREEMENT Termination Fee beginning on page 44.

For U.S. federal income tax purposes, you will generally be treated as if you sold your common stock for the cash received in the merger. You will recognize taxable gain or loss equal to the difference between the amount of cash received and your adjusted tax basis in the shares of our common stock exchanged. Please read MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES beginning on page 29.

S-1

A NOTE REGARDING VOTING

You may ensure that your shares are voted by completing and returning the enclosed proxy card, by submitting a proxy by telephone or the Internet, or by voting in person at the special meeting. Whether or not you plan to attend the meeting, please take the time to submit a proxy.

Your shares may be voted by one of the following methods:

by
traditional
paper
proxy card;

by
submitting
a proxy on
the
telephone;

by
submitting
a proxy via
the
Internet; or

in person
at the
special
meeting.

Please take a moment to read the instructions, choose the way to submit a proxy that you find most convenient and submit your proxy as soon as possible.

Submitting a Proxy Card. If the enclosed proxy card is properly executed and returned, the shares of common stock represented thereby will be voted in the manner specified therein. If not otherwise specified, the shares of common stock represented by executed proxy cards will be voted **FOR** approval of the merger agreement.

Any shareholder who has submitted a proxy may revoke it by written notice addressed to and received by the General Counsel of Vital Signs or by submitting a later dated proxy card with respect to the same shares at any time before the proxy is voted (or by submitting a later dated proxy by telephone or the Internet at any time prior to the deadline for submitting a proxy by telephone or via the Internet) or by attending the special meeting and voting in person. Merely attending the special meeting, without voting, will not revoke a previously submitted proxy.

Submitting a Proxy by Telephone or via the Internet. If you are a shareholder of record (that is, if your stock is registered with Vital Signs in your own name), you may submit a proxy by telephone, or through the Internet, by following the instructions included with your proxy card. If your shares are registered in the name of a broker or other nominee, your nominee may be participating in a program that allows you to submit a proxy by telephone or the Internet. If so, the voting form your nominee sent you will provide instructions for submitting your proxy by telephone or via the Internet. The last dated proxy you submit (by any means) will supersede any previously submitted proxy. Also, if you submit a proxy by telephone or the Internet, and later decide to attend the special meeting, you may revoke your previously submitted proxy and vote in person at the meeting.

The deadline for submitting a proxy by telephone or through the Internet as a shareholder of record is 11:59 P.M., EST, on October 28, 2008. For shareholders whose shares are registered in the name of a broker or other nominee, please consult the instructions provided by your broker for information about the deadline for submitting a proxy by telephone or through the Internet.

Voting in Person. If you attend the special meeting, you may deliver your completed proxy card in person or you may vote by completing a ballot, which will be available at the meeting.

Attendance at the special meeting will not, by itself, result in the revocation of a previously submitted proxy. Even if you are planning to attend the special meeting, we encourage you to submit your proxy in advance to ensure the representation of your shares at the special meeting.

The presence, in person or by proxy, of the holders of record of a majority of the issued and outstanding shares of our common stock is necessary to constitute a quorum at the meeting. Votes of shareholders of record who are present at the meeting in person or by proxy, as well as abstentions, are counted as present or represented at the meeting for purposes of determining whether a quorum exists.

If you hold your shares of Vital Signs common stock through a broker, bank or other representative, generally the broker or your representative may only vote the Vital Signs stock that it holds for you in accordance with your instructions. Your broker or representative will not have discretionary authority with respect to your vote on the merger agreement. **If you have instructed a broker, banker or other representative to vote your shares, the above-described options for revoking your proxy do not apply and instead you must follow the directions provided by your broker to change your vote.**

TABLE OF CONTENTS

<u>SUMMARY OF PRINCIPAL TERMS</u>	S-1
<u>A NOTE REGARDING VOTING</u>	S-2
<u>QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER</u>	i
<u>The Special Meeting</u>	i
<u>The Merger</u>	ii
<u>SUMMARY</u>	1
<u>The Companies</u>	1
<u>The Merger (page 13)</u>	1
<u>The Special Meeting (page 11)</u>	1
<u>Record Date (page 11)</u>	1
<u>Vote Required (page 11)</u>	2
<u>Voting (page 12)</u>	2
<u>Submitting Proxies Via the Internet or by Telephone (page 12)</u>	2
<u>Revocability of Proxies (page 13)</u>	2
<u>Shareholder Agreement (pages 11 and 47)</u>	2
<u>Recommendation of Our Board of Directors (page 17)</u>	3
<u>Opinion of JPMorgan Securities Inc. (page 19)</u>	3
<u>Conditions to the Merger (page 41)</u>	3
<u>Termination (page 42)</u>	4
<u>Termination Fee (page 44)</u>	6
<u>Regulatory Matters (page 28)</u>	7
<u>Material U.S. Federal Income Tax Consequences (page 29)</u>	8
<u>Stock Options (page 32)</u>	8
<u>Interests of Certain Persons in the Merger (page 24)</u>	8
<u>No Solicitation (page 38)</u>	8
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	10
<u>THE SPECIAL MEETING</u>	11
<u>Date, Time, Place and Purpose of the Special Meeting</u>	11
<u>Recommendation of Our Board of Directors</u>	11
<u>Record Date; Stock Entitled to Vote; Quorum</u>	11
<u>Vote Required</u>	11
<u>Shareholder Agreement</u>	11
<u>Voting</u>	12
<u>Submitting Proxies Via the Internet or by Telephone</u>	12
<u>Revocability of Proxies</u>	13
<u>Solicitation of Proxies</u>	13
<u>Other Business</u>	13
<u>THE MERGER</u>	13

<u>Background of the Merger</u>	13
<u>Reasons for the Merger and Recommendation of Our Board of Directors</u>	17
<u>Opinion of JPMorgan Securities Inc.</u>	19
<u>Certain Effects of the Merger</u>	23
<u>Effects on Vital Signs if the Merger is Not Completed</u>	24
<u>Delisting and Deregistration of Vital Signs Common Stock</u>	24
<u>Interests of Certain Persons in the Merger</u>	24
<u>REGULATORY MATTERS</u>	28

<u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES</u>	29
<u>U.S. Holders</u>	30
<u>Non-U.S. Holders</u>	30
<u>PROPOSAL 1 THE MERGER AGREEMENT</u>	31
<u>Structure of the Merger</u>	31
<u>Effective Time of the Merger</u>	31
<u>Certificate of Incorporation and Bylaws</u>	31
<u>Board of Directors and Officers of the Surviving Corporation</u>	32
<u>Consideration to Be Received in the Merger</u>	32
<u>Payment Procedures</u>	32
<u>Stock Options</u>	32
<u>Representations and Warranties</u>	33
<u>Covenants Relating to the Conduct of Our Business</u>	35
<u>No Solicitation</u>	38
<u>Shareholders Meeting</u>	40
<u>Indemnification and Insurance</u>	40
<u>Benefit Arrangements</u>	41
<u>Agreement to Take Further Action and to Use Commercially Reasonable Efforts</u>	41
<u>Conditions to the Merger</u>	41
<u>Termination</u>	42
<u>Termination Fee</u>	44
<u>Amendment and Waiver</u>	45
<u>Other Significant Provisions</u>	46
<u>THE SHAREHOLDER AGREEMENT</u>	47
<u>Voting</u>	47
<u>Termination</u>	48
<u>DISSENTERS RIGHTS</u>	48
<u>MARKET PRICE AND DIVIDEND DATA</u>	48
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	48
<u>FUTURE SHAREHOLDER PROPOSALS</u>	50
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	51
<u>ANNEX A Agreement and Plan of Merger</u>	A-1
<u>ANNEX B Shareholder Agreement</u>	B-1
<u>ANNEX C Opinion of JPMorgan Securities Inc.</u>	C-1

QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

The following questions and answers are provided for your convenience, and briefly address some commonly asked questions about the proposed merger and the special meeting. You should still carefully read this entire proxy statement, including each of the annexes. In this proxy statement, the terms Vital Signs, Company, we, our, ours, and us refer to Vital Signs, Inc. and its subsidiaries, the term GE refers to General Electric Company, and the term Merger Sub refers to Tonic Acquisition Corp.

The Special Meeting

Q. Who is soliciting my proxy?

A. This proxy is being solicited by our board.

Q. What matters will be voted on at the special meeting?

A. You will be asked to vote on the following proposals:
to approve the merger agreement; and
to act on other matters and transact such other business as may properly come before the meeting.

Q. How does Vital Signs board of directors recommend that I vote on the proposals?

A. Our board recommends that you vote in favor of the proposal to approve the merger agreement.

Q. What vote is required for Vital Signs shareholders to approve the merger agreement?

A. In order to approve the merger agreement, the agreement must be approved by the affirmative vote of a majority of the votes cast at the special meeting by the holders of shares entitled to vote thereon, assuming that a quorum is present. On July 23, 2008, holders of 4,972,070 shares of our common stock, representing approximately 37% of our outstanding

shares as of that date, excluding currently exercisable options held by such shareholders as well as shares held in the Company's 401(k) plan on behalf of such shareholders, agreed with GE, pursuant to a shareholder agreement, to approve the merger agreement. On August 21, 2008, Terry Wall transferred 400,000 of those shares to the Vance Wall Foundation, a private charitable foundation, in accordance with the provisions of the shareholder agreement. Carol Vance Wall, in her capacity as the president of the Vance Wall Foundation, intends to vote such shares in favor of the merger agreement. Our current directors and executive officers, including Terry

Wall, own
approximately
19.5% of Vital
Signs
outstanding
common stock.

Q. Who is entitled to vote at the special meeting?

A. Holders of record of our common stock as of the close of business on September 15, 2008, the record date for the special meeting, are entitled to receive notice of and to vote at the special meeting. On the record date, 13,298,615 shares of our common stock, held by approximately 225 holders of record, were outstanding and entitled to vote. You may vote all shares you owned as of the record date. You are entitled to one vote per share.

Q. What should I do now?

A. After carefully reading and considering the information contained in this proxy

statement,
including the
annexes hereto,
please vote
your shares by
returning the
enclosed proxy
card.

Alternatively,
you may follow
the instructions
on the proxy
card to submit
your proxy by
telephone or
via the Internet.
You may also
attend the
special meeting
and vote in
person. Please
do NOT
enclose or
return your
stock
certificate(s)
with your
proxy.

**Q. If my shares are
held in street name
by my broker, will
my broker vote my
shares for me?**

A. Your broker
will only be
permitted to
vote your
shares on the
approval of the
merger
agreement if
you instruct
your broker
how to vote.
You should
follow the
procedures
provided

by your
broker
regarding the
voting of
your shares.
If you do not
instruct your
broker to
vote your
shares on the
approval of
the merger
agreement,
your shares
will not be
voted.

**Q. How are votes
counted?**

- A. For the proposal to approve the merger agreement, you may vote FOR, AGAINST or ABSTAIN. Abstentions and broker non-votes will not count as votes cast on the proposal to approve the merger agreement, but abstentions will count for the purpose of determining whether a quorum is present. Thus, assuming a quorum is present, abstentions and broker non-votes will have no effect on the outcome of the voting with respect to the merger agreement.

If you sign your proxy card without indicating your vote, your shares will be voted FOR the approval of the merger agreement and in accordance with the recommendations of our board on any other matters properly brought before the meeting for a vote.

Q. When should I send in my proxy card?

A. You should send in your proxy card as soon as possible so that your shares will be voted at the special meeting.

Q. What does it mean if I get more than one proxy or vote instruction card?

A. If your shares are registered differently and are in more than one account, you will receive more than one proxy card. Please complete and return all of the proxy and vote instruction cards you receive (or submit your proxy by telephone or the Internet, if available to you) to ensure that all of your shares are voted.

Q. May I change my vote after I have mailed my signed proxy card?

A. Yes. You may revoke your proxy and change your vote at any time before your proxy card is voted at the special meeting. You may do this in one of three ways. First, you may send a written, dated notice to Jay Sturm, the Company's General Counsel, stating that you would like to revoke your proxy. Second, you may complete, date and submit a new proxy card (or you may submit a later dated proxy by telephone or via the Internet). Third, you may attend the meeting and vote in person. Your attendance alone will not revoke your proxy. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change those instructions.

Q. May I vote in person?

A. Yes. You may attend the special meeting and vote your shares of common stock in person. If you hold shares in street name, you must provide a legal proxy executed by your bank or broker

in order to vote
your shares at the
special meeting.

The Merger

Q. What is the proposed transaction?

A. The proposed transaction is the acquisition of Vital Signs by GE, pursuant to an agreement and plan of merger, dated as of July 23, 2008, by and among us, GE and its wholly owned subsidiary, Merger Sub. In the merger, Merger Sub will merge with and into us, and we will be the surviving corporation. When the merger is completed, we will cease to be a publicly traded company and will instead become a wholly owned subsidiary of GE.

Q. If the merger is completed, what will I be entitled to receive for my shares of Vital Signs common stock and when will I receive it?

A. Upon completion of the merger, you will be entitled to receive \$74.50 in cash, without interest, for each share of our common stock that you own. For example, if you own 100 shares of our common stock, you will be entitled to receive \$7,450 in cash, without interest, in exchange for your Vital Signs shares.

After the merger closes, GE will arrange for a letter of transmittal to be sent to each of our shareholders. The merger consideration will be paid to each shareholder once that shareholder submits the letter of transmittal, properly endorsed stock certificates and any other required documentation to the paying agent identified in the letter of transmittal.

Q. If the merger is completed, what will happen to options to purchase Vital Signs common stock?

A. Upon consummation of the merger, all options to acquire shares of our common stock not exercised prior to the merger will be cancelled and, to the extent you hold options, you will be entitled to receive a cash payment equal to the amount by which \$74.50 exceeds the exercise price for each share of our common stock underlying your options.

Q. Am I entitled to dissenters' rights?

A. No. Under New Jersey law, the Company's shareholders do not have dissenters' (or appraisal) rights.

Q. Why is the Vital Signs board recommending the merger?

A. Our board believes that the merger and the merger agreement are fair to Vital Signs and its shareholders, advisable and in the best interests of Vital Signs and its shareholders. Our board unanimously recommends that you vote FOR the approval of the merger agreement. To review our board's reasons for recommending the merger, see the section entitled THE MERGER Reasons for the Merger and Recommendation of Our Board of Directors on pages 17 through 19 of this proxy statement.

Q. Will the merger be a taxable transaction to me?

A. If you are a U.S. holder of Vital Signs common stock, the merger will be a taxable transaction to you. For U.S. federal income tax purposes, your receipt of cash in exchange for your shares of Vital Signs common stock generally will cause you to recognize a gain or loss measured by the difference, if any, between the cash you receive in the merger and your adjusted tax basis in your shares. If you are a non-U.S. holder of our common stock, the merger will generally not be a taxable transaction to you under U.S. federal income tax laws unless you have certain connections to the United States. See the section entitled MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES on pages 29 through 31 of this proxy statement for a more detailed explanation of the tax consequences of the merger. **You should consult your tax advisor on how specific tax consequences of the merger, including the federal, state, local and/or non-U.S. tax consequences, apply to you.**

Q. When is the merger expected to be completed?

A. We are working towards completing the merger as soon as possible. We currently expect to complete the merger as soon as all of the conditions to the merger are satisfied or waived, including shareholder approval of the merger agreement at the special meeting, expiration or termination of the waiting period under U.S. antitrust law and receipt of all applicable foreign antitrust approvals. We and GE filed pre-merger notifications with the U.S. antitrust authorities pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which we refer to as the HSR Act, on August 11, 2008 and August 12, 2008, respectively. The waiting period under the HSR Act expired on September 11, 2008. We and GE have also made antitrust filings in Austria, Brazil, Germany, Bulgaria and Italy. We expect to receive all necessary foreign regulatory approvals during the fourth calendar quarter of this year.

Q. Should I send in my Vital Signs stock certificates now?

A. No. Shortly after the merger is completed, you will receive a letter of transmittal from the paying agent with written instructions for exchanging your Vital Signs stock certificates. You must return your Vital Signs stock certificates as described in the instructions. You will receive your cash payment as soon as practicable after the paying agent receives your Vital Signs stock

certificates and any completed documents required in the instructions. PLEASE DO NOT SEND YOUR VITAL SIGNS STOCK CERTIFICATES NOW.

Q. What will happen to our directors if the merger agreement is approved?

A. If the merger agreement is approved by our shareholders and the merger is completed, our directors will no longer be directors of the surviving corporation after the consummation of the merger. Our current directors will serve only until the merger is completed.

Q. What should I do if I have questions?

A. If you have more questions about the special meeting, the merger or this proxy statement, or would like additional copies of this proxy statement or the proxy card, you should contact The Altman Group, our proxy solicitor, toll-free at 866-530-8631.

-iv-

SUMMARY

This summary highlights selected information from this proxy statement. It does not contain all of the information that is important to you. Accordingly, we urge you to read carefully this entire proxy statement and the annexes to this proxy statement.

The Companies

VITAL SIGNS, INC.
20 Campus Road
Totowa, New Jersey 07512
(973) 790-1330

Vital Signs, Inc., a corporation organized under the laws of the State of New Jersey, designs, manufactures, and markets primarily single-patient-use medical products for the anesthesia and respiratory/critical care markets. Vital Signs also provides devices and services for the diagnosis and treatment of obstructive sleep apnea. Our common stock is quoted on The NASDAQ Global Select Market under the symbol VITL.

GENERAL ELECTRIC COMPANY
TONIC ACQUISITION CORP
3135 Easton Turnpike
Fairfield, Connecticut 06828
(203) 373-2211

General Electric Company, a corporation organized under the laws of the State of New York, is a diversified technology, media and financial services company whose products and services include aircraft engines, power generation, financial services, medical imaging, television programming and plastics.

GE Healthcare, a division of GE, offers a broad range of products and services designed to improve productivity in healthcare and enhance patient care by enabling healthcare providers to better diagnose and treat cancer, heart disease, neurological diseases and other conditions.

Tonic Acquisition Corp, a corporation organized under the laws of the State of New Jersey, is a wholly owned subsidiary of GE and was formed exclusively for the purpose of effecting the merger. This is the only business of Merger Sub.

The Merger (page 13)

Upon the terms and subject to the conditions of the merger agreement, Merger Sub will be merged with and into Vital Signs, and each holder of shares of our common stock will be entitled to receive, upon surrender of his or her stock certificate(s), \$74.50 in cash, without interest, for each share of our common stock held immediately prior to the merger. As a result of the merger, we will cease to be a publicly traded company and will become a wholly owned subsidiary of GE.

The merger agreement is attached as Annex A to this proxy statement. Please read it carefully.

The Special Meeting (page 11)

The special meeting will be held on Wednesday, October 29, 2008, starting at 10:00 A.M., local time at the offices of our counsel, Lowenstein Sandler PC, 65 Livingston Avenue, Roseland, New Jersey. At the special meeting, you will be asked to consider and vote upon a proposal to approve the merger agreement and transact such other business as

may properly come before the meeting.

Record Date (page 11)

If you owned shares of our common stock at the close of business on September 15, 2008, the record date for the special meeting, you are entitled to notice of and to vote at the special meeting. You have one vote for each share of our common stock that you own on the record date. As of the close of

business on September 15, 2008, there were 13,298,615 shares of our common stock outstanding and entitled to be voted at the special meeting.

Vote Required (page 11)

Approval of the merger agreement requires the affirmative vote of a majority of the votes cast at the special meeting by the holders of shares entitled to vote thereon.

Voting (page 12)

You may grant a proxy by completing and returning the enclosed proxy card. If you hold your shares through a broker or other nominee, you should follow the procedures provided by your broker or nominee.

Submitting Proxies Via the Internet or by Telephone (page 12)

Shareholders of record and many shareholders who hold their shares through a broker or bank will have the option to submit their proxies or voting instructions via the Internet or by telephone.

Revocability of Proxies (page 13)

You may revoke your proxy at any time before