

TAYLOR DEVICES INC  
Form S-4/A  
January 15, 2008

As filed with the Securities and Exchange Commission on <R> January 15, 2008</R>

Registration No. <R>333-147878</R>

**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

<R>Amendment No. 1 to</R>

**FORM S-4**  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

**TAYLOR DEVICES, INC.**

(Exact name of Registrant as specified in its charter)

<b>NEW YORK</b>	<b>3569</b>	<b>16-0797789</b>
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)
	90 Taylor Dr. P.O. Box 746 North Tonawanda, NY 14126 (716) 694-0800	
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)		

**Sandra S. O'Loughlin, Esq.**  
**Hiscock & Barclay, LLP**  
**1100 M&T Center**  
**3 Fountain Plaza**  
**Buffalo, NY 14203-1414**  
**Telephone (716) 566-1563**  
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Approximate date of commencement of proposed sale to the public: Upon consummation of the merger described herein.

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If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. \_\_\_\_\_

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement number for the same offering. \_\_\_\_\_

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. \_\_\_\_\_

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**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered (1)</b>	<b>Proposed Maximum Offering Price Per Share</b>	<b>Proposed Maximum Aggregate Offering Price (2)</b>	<b>Amount of Registration Fee (3)</b>
Common Stock, par value \$0.025 per share	759,611	\$6.515	\$4,948,866	\$151.94

- (1) This registration statement relates to common stock, \$0.025 par value of Taylor Devices, Inc. ("Taylor") issuable to holders of common stock, \$0.05 par value of Tayco Developments, Inc., a New York corporation ("Tayco"), in the proposed merger of Tayco with and into Taylor. The amount of Taylor common stock to be registered has been determined by multiplying (A) the exchange ratio of one share of Taylor common stock for each share of Tayco common stock) issued and outstanding, minus 228,317, the number of Tayco shares owned by Taylor prior to the merger.
- (2) Estimated solely for purposes of calculation of the registration fee in accordance with Rules 457(c) and (f) of the Securities Act of 1933, based upon the product of: (A) 759,611, the number of shares of Tayco common stock outstanding but not owned by Taylor prior to the merger, multiplied by (B) \$6.515, the average of the high and low sale prices for shares of Taylor common stock as reported on the Nasdaq Small Cap Market on November 30, 2007.
- (3) Reflects the product of (a) 759,611 multiplied by (b) the proposed maximum aggregate offering price for shares of Taylor common stock.

**THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.**

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[Taylor Logo]

[Tayco Logo]

**Joint Proxy Statement/Prospectus**  
<R>759,611 shares offered in the merger</R>

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To the shareholders of Taylor Devices, Inc. and the shareholders of Tayco Developments, Inc.:

After careful consideration, the boards of directors of Taylor and Tayco have each approved and adopted the terms of an agreement and plan of merger, and have determined that the proposals to be voted on, as described in the attached joint proxy statement / prospectus, are advisable and in your best interests. The merger agreement provides for the merger of Tayco into Taylor, with Taylor as the surviving corporation. The merger will allow the complementary operations of both companies - Tayco's patents and other intellectual property and the development and manufacture of Taylor's products - to be fully integrated. We expect the merger to result in significant synergies and reduced administrative expenses, especially expenses associated with maintaining each as a separate company which should benefit the shareholders of both companies. We ask for your support in voting for the merger agreement at the respective meetings of our shareholders.

In the merger, each outstanding share of Tayco common stock (other than shares as to which dissenters' rights have been asserted and duly perfected in accordance with New York law) will be converted into the right to receive one share of Taylor common stock. Taylor common stock is traded on the Nasdaq Small Cap Market under the trading symbol "TAYD," and on <R>January 8, 2008,</R> the last trading day before the date of this joint proxy statement/prospectus, the closing price of Taylor common stock was <R>\$6.29</R> per share. Tayco common stock is traded over the counter on Pink Sheets under the trading symbol "TYCO.PK," and on <R>January 8, 2008, </R> the last trading day before the date of this joint proxy statement/prospectus, the closing price of Tayco common stock was <R> \$5.11</R> per share.

The boards of directors of Taylor and Tayco have approved and adopted the merger agreement and they each recommend that their shareholders vote FOR the merger agreement, as described in the attached materials. The attached joint proxy statement/prospectus provides detailed information concerning Taylor, Tayco and the merger. Please give your careful attention to all of the information contained in the attached joint proxy statement/prospectus, including the merger agreement, which is included as APPENDIX A. **In particular, you should carefully consider the discussion in the section entitled "RISK FACTORS" on page 15.**

The boards of directors of Taylor and Tayco are convening special meetings of their shareholders in order to vote on the merger agreement and the merger. As shareholders of Taylor and Tayco, you are cordially invited to attend your respective meetings to vote on the merger:

For Taylor shareholders:  
<R>February 22, 2008</R>  
10:00 A.M.

For Tayco shareholders:  
<R>February 22, 2008</R>  
11:00 A.M.

Only shareholders who hold shares of Taylor and Tayco at the close of business on <R>January 11, 2008 </R> will be entitled to vote at their respective shareholder meeting.

**Your vote is very important, regardless of the number of shares you own.** Please vote as soon as possible to make sure that your shares are represented at the meeting. To vote your shares, please complete and return the enclosed proxy card or follow the enclosed voting instructions. If you are a holder of record, you may also cast your vote in person at the meeting. If your shares are held in an account at a brokerage firm or bank, you must instruct the brokerage firm or bank how to vote your shares.

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We strongly support this merger of our companies and join our boards of directors in enthusiastically recommending that you vote FOR the merger agreement.

Douglas P. Taylor  
*Chairman of the Board, President and  
Chief Executive Officer*  
Taylor Devices, Inc.

Douglas P. Taylor  
*Chairman of the Board, President and  
Chief Executive Officer*  
Tayco Developments, Inc.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the issuance of shares of Taylor common stock in the merger or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

This joint proxy statement/prospectus is dated <R>January 9, 2008</R> and is expected to be first mailed to holders of Taylor common stock and Tayco common stock on or about<R> January 17, 2008.</R>

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**TAYLOR DEVICES, INC.**  
**90 Taylor Drive**  
**P.O. Box 748**  
**North Tonawanda, New York 14120-0748**  
**(716) 694 0800**

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**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

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TO THE SHAREHOLDERS OF TAYLOR DEVICES, INC.

NOTICE IS HEREBY GIVEN that the Special Meeting of Shareholders of TAYLOR DEVICES, INC. ("Taylor") will be held at <R>the Holiday Inn, 1881 Niagara Falls Boulevard, Amherst, New York on February 22, 2008</R> at 10:00 A.M. for the following purposes:

1. To consider and vote to approve the Agreement and Plan of Merger dated as of November 30, 2007 between Taylor and Tayco Developments, Inc. ("Tayco") (the "merger agreement"), pursuant to which each outstanding share of common stock, par value \$0.05, of Tayco (other than shares as to which dissenters' rights have been asserted and duly perfected in accordance with New York law) shall be converted into the right to receive one share of common stock, par value \$0.025, of Taylor; and
2. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

All shareholders are invited to attend the Special Meeting. Shareholders of record at the close of business on<R> January 11, 2008, </R> the record date fixed by the board of directors, are entitled to notice of and to vote at the Special Meeting or any adjournments or postponements thereof.

Approval of the merger agreement requires the affirmative vote of the holders of two-thirds (66 2/3%) of the outstanding shares of common stock of both Taylor and Tayco. A failure to vote or a vote to abstain will have the same effect as a vote against the merger agreement. In the event there are not sufficient votes to approve the proposal for the adoption of the merger agreement at the time of the meeting, the meeting may be adjourned in order to permit further solicitation.

Taylor's board of directors has approved and adopted the merger agreement and recommends that Taylor shareholders vote FOR approval of the merger agreement.

**Your vote is important. Whether or not you plan to attend the Special Meeting, you are urged to complete, date, sign and return the enclosed proxy in the accompanying envelope. A prompt response will greatly facilitate arrangements for the Special Meeting and your cooperation will be appreciated. You may revoke your proxy in the manner described in this document before it has been voted at the Special Meeting. Shareholders of record who attend the Special Meeting may vote their shares personally even if they have previously sent their proxies.**

BY ORDER OF THE BOARD OF DIRECTORS

<R>/s/Reginald B. Newman II</R>

Reginald B. Newman II  
Secretary

DATED: <R>January 9, 2008</R>  
North Tonawanda, New York

**TAYCO DEVELOPMENTS, INC.**  
**100 Taylor Drive**  
**P.O. Box 748**  
**North Tonawanda, New York 14120-0748**  
**(716) 694 0877**

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**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

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TO THE SHAREHOLDERS OF TAYCO DEVELOPMENTS, INC.

NOTICE IS HEREBY GIVEN that the Special Meeting of Shareholders of TAYCO DEVELOPMENTS, INC. ("Tayco") will be held at <R>the Holiday Inn, 1881 Niagara Falls Boulevard, Amherst, New York on February 22, 2008</R> at 11:00 A.M. for the following purposes:

1. To consider and vote to approve the Agreement and Plan of Merger dated as of November 30, 2007 between Tayco and Taylor Devices, Inc. ("Taylor") (the "merger agreement") pursuant to which each outstanding share of common stock, par value \$0.05, of Tayco (other than shares as to which dissenters' rights have been asserted and duly perfected in accordance with New York law) shall be converted into the right to receive one share of common stock, par value \$0.025, of Taylor; and
2. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

All shareholders are invited to attend the Special Meeting. Shareholders of record at the close of business on <R>January 11, 2008,</R> the record date fixed by the board of directors, are entitled to notice of and to vote at the Special Meeting or any adjournments or postponements thereof.

Shareholders of Tayco who comply with the requirements of Section 623 of the New York Business Corporation Law will be entitled, if the merger is consummated, to seek an appraisal of their shares of common stock. Approval of the merger agreement requires the affirmative vote of the holders of two-thirds (66 %) of the outstanding shares of common stock of both Taylor and Tayco. A failure to vote or a vote to abstain will have the same effect as a vote against the merger agreement. In the event there are not sufficient votes to approve the proposal for the adoption of the merger agreement at the time of the meeting, the meeting may be adjourned in order to permit further solicitation.

Tayco's board of directors has approved and adopted the merger agreement and recommends that Tayco shareholders vote FOR approval of the merger agreement.

**Your vote is important. Whether or not you plan to attend the Special Meeting, you are urged to complete, date, sign and return the enclosed proxy in the accompanying envelope. A prompt response will greatly facilitate arrangements for the Special Meeting and your cooperation will be appreciated. You may revoke your proxy in the manner described in this document before it has been voted at the Special Meeting. Shareholders of record who attend the Special Meeting may vote their shares personally even if they have previously sent their proxies.**

BY ORDER OF THE BOARD OF DIRECTORS

<R>/s/ Janice M. Nicely</R>

Janice M. Nicely  
Secretary

DATED: <R>January 9, 2008</R>  
North Tonawanda, New York

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### QUESTIONS AND ANSWERS ABOUT THE MERGER

**Q: Why are Taylor and Tayco proposing the merger?**

**A:** Taylor and Tayco are affiliated companies with complementary operations. With the merger, Tayco's patents and other intellectual property will be fully integrated into the development and manufacture of Taylor's products. The merger should result in significant synergies and reduced administrative expenses, especially expenses associated with maintaining each as a separate company which should benefit the shareholders of both companies. To review the reasons for the merger in greater detail, see "THE MERGER-Reasons for the Merger."

**Q: What is the proposed merger?**

**A:** In the proposed merger, Tayco will merge with and into Taylor. Taylor will survive the merger, and Tayco will cease to exist as a separate company. The merger agreement is attached to this joint proxy statement/prospectus as Appendix A. You are encouraged to read it carefully. See "THE MERGER-Structure of the Merger."

**Q: What will Tayco shareholders receive in the merger?**

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**A:** Tayco shareholders will receive one share of Taylor common stock, referred to in this joint proxy statement/prospectus as the exchange ratio, in exchange for each Tayco share that they own. For example, if a shareholder owns 100 shares of Tayco common stock at the time of the merger, he or she will receive 100 shares of Taylor common stock after the merger. See "THE MERGER-What You Will Receive in the Merger."

**Q: When do you expect to complete the merger?**

**A:** If approved, Taylor and Tayco will work to complete the merger as quickly as practicable. Taylor and Tayco expect to complete the merger in the first calendar quarter of 2008. Because the merger is subject to various conditions, however, Taylor and Tayco cannot predict its exact date of completion.

**Q: Are there any risks involved in undertaking the merger?**

**A:** Yes. In evaluating the merger, you should carefully consider the factors discussed in the section of this joint proxy statement/ prospectus entitled "RISK FACTORS" beginning on page 15.

**Q: Are there conditions to completion of the merger?**

**A:** Yes. Taylor's and Tayco's respective obligations to complete the merger are subject to the satisfaction or waiver of certain specified closing conditions. If either Taylor or Tayco waives any condition, each company will consider the facts and circumstances at that time and make a determination regarding whether a resolicitation of proxies from its respective shareholders is appropriate. See "TERMS OF THE MERGER AGREEMENT-Conditions to the Merger."

**Q: Will Taylor shareholders receive any shares as a result of the merger?**

**A:** No. Taylor shareholders will continue to hold the Taylor shares they currently own. However, the issuance of Taylor common stock to Tayco shareholders will have a dilutive effect on the percentage ownership of each Taylor shareholder in the combined company.

**Q: Are Taylor or Tayco shareholders entitled to appraisal rights?**

**A:** Only Tayco shareholders are entitled to appraisal rights. Shareholders of Tayco who comply with the requirements of Section 623 of the New York Business Corporation Law will be entitled, if the merger is completed, to seek an appraisal of their shares of common stock. See "THE MERGER-Appraisal Rights," "RIGHTS OF DISSENTING SHAREHOLDERS" and APPENDIX D-Dissenters Rights Statute."

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**Q: What are the tax consequences to me of the merger?**

**A:** The merger has been structured to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, referred to in this joint proxy statement/prospectus as the "Internal Revenue Code." Assuming the merger qualifies as a reorganization for U.S. federal income tax purposes, Tayco shareholders generally will not recognize any gain or loss in the merger, except to the extent of any cash received instead of fractional shares of Taylor common stock. The tax consequences of the merger to you will depend on your own situation. You should consult your tax advisor for a full understanding of the U.S. federal and any state, local and foreign tax consequences of the merger to you. See "CERTAIN FEDERAL INCOME TAX CONSEQUENCES."

**Q: Should Taylor shareholders send in their stock certificates?**

**A:** No. Taylor shareholders will continue to own their shares of Taylor common stock after the merger and should not send in their stock certificates.

**Q: Should Tayco shareholders send in their stock certificates?**

**A:** No. Once the merger is consummated, instructions will be sent to you regarding the exchange of your Tayco stock certificates for the consideration payable to you in the merger.

**Q: What am I being asked to vote on?**

**A:** Both Taylor and Tayco shareholders are being asked to vote FOR the merger agreement.



**Q: What vote of Taylor and Tayco shareholders is required to approve the merger agreement?**

**A:** Approval of the merger agreement requires the affirmative vote of the holders of two-thirds (66 %) of the outstanding shares of common stock entitled to vote of both Taylor and Tayco. A failure to vote or a vote to abstain will have the same effect as a vote against the merger agreement. See "THE SPECIAL MEETING OF TAYLOR SHAREHOLDERS-Vote and Quorum Required" and "THE SPECIAL MEETING OF TAYCO SHAREHOLDERS-Vote and Quorum Required."

**Q: Do the boards of directors of Taylor and Tayco recommend the adoption of the merger agreement and approval of the merger?**

**A:** Yes. Taylor's board of directors recommends that Taylor shareholders vote FOR the merger agreement; and Tayco's board of directors recommends that Tayco shareholders vote FOR the merger agreement. See "THE SPECIAL MEETING OF TAYLOR SHAREHOLDERS-Recommendation of Taylor's Board of Directors" and "THE SPECIAL MEETING OF TAYCO SHAREHOLDERS-Recommendation of Tayco's Board of Directors."

**Q: How do I vote?**

**A:** If you hold Taylor common stock or Tayco common stock directly in your own name, you may vote by mailing a proxy card. The proxy cards contain instructions concerning voting options. Vote or mail your signed proxy card in the enclosed return envelope as soon as possible after carefully reading this joint proxy statement / prospectus, so that your shares may be represented at the Special Meeting of Shareholders. You also may attend the Special Meeting in person instead of submitting a proxy. If your shares are held in "street name" by your broker, see the next question below. Your vote is important regardless of the number of shares that you own. See "THE SPECIAL MEETING OF TAYLOR SHAREHOLDERS-Voting of Proxies at the Special Meeting and Revocation of Proxies" and "THE SPECIAL MEETING OF TAYCO SHAREHOLDERS-Voting of Proxies at the Special Meeting and Revocation of Proxies."

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**Q: My broker holds my shares in "street name"-will my broker vote my shares?**

**A:** No, not unless you follow the voting directions that your broker provides to you. If you fail to provide your broker with instructions, it will have the same effect as a vote against approval of the merger agreement and against the merger. See "THE SPECIAL MEETING OF TAYLOR SHAREHOLDERS-Abstentions and Broker Non-Votes" and "THE SPECIAL MEETING OF TAYCO SHAREHOLDERS-Abstentions and Broker Non-Votes."

**Q: Can I change my vote after mailing my proxy?**

**A:** Yes. You can change your vote by delivering a signed notice of revocation, or a later-dated, signed proxy card to the Shareholder Relations Manager of Taylor, or to the corporate Secretary of Tayco, as the case may be, before the shareholder meeting, or by attending the Special Meeting and voting in person if you hold your shares in your own name. See "THE SPECIAL MEETING OF TAYLOR SHAREHOLDERS-Voting of Proxies at the Special Meeting and Revocation of Proxies" and "THE SPECIAL MEETING OF TAYCO SHAREHOLDERS-Voting of Proxies at the Special Meeting and Revocation of Proxies."

**Q: What if I don't vote?**

**A:** If you do not vote, or if you abstain from voting, it will have the same effect as a vote against the merger and merger agreement.

**Q: Whom can I call with questions?**

**A:** If you have any questions about the merger, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy, you should contact:

*Taylor shareholders:*

Taylor Devices, Inc.  
90 Taylor Drive, P.O. Box 748  
North Tonawanda, NY 14120-0748  
(716) 694-0800

Kathleen A. Nicosia,  
Shareholder Relations Manager

*Tayco shareholders:*

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Tayco Developments, Inc.  
100 Taylor Drive, P.O. Box 748  
North Tonawanda, NY 14120-0748  
(716) 694-0877

Janice M. Nicely,  
Secretary

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### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, as well as assumptions, that, if they never materialize or if they prove incorrect, could cause the results of Taylor and Tayco to differ materially from those expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including statements about future financial and operating results (including projections of earnings, revenues, synergies, accretion, margins or other financial items); products and operations; benefits of the transaction to customers, shareholders and employees; potential cost savings resulting from the transaction; the ability of the combined companies to drive growth and expand customer and partner relationships; any statements of the plans, strategies and objectives of management for future operations, including the execution of integration plans and the anticipated timing of filings, approvals and closings relating to the merger; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "will," "may," "should," "would," "projects," "predicts," "continues," and similar expressions or the negative of these terms help to identify these forward looking statements.

The risks, uncertainties and assumptions referred to above include the challenges of integration associated with the merger and the challenges of achieving anticipated synergies and cost savings; the possibility that the merger may not close; the challenges of maintaining and increasing revenues on a combined company basis following the close of the merger; and other risks more particularly described in "RISK FACTORS," and in the documents that are incorporated by reference into this joint proxy statement/prospectus.

If any of these risks or uncertainties materializes or any of these assumptions proves incorrect, results of the Taylor and Tayco merger could differ materially from the expectations in these statements. Taylor and Tayco are not under any obligation, and do not intend, to update their respective forward-looking statements.

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### SUMMARY

*This joint proxy statement/prospectus pertains to the merger of Taylor and Tayco, and it is being sent to the holders of common stock of Taylor and to the holders of common stock of Tayco. This summary highlights selected information from this document. It does not contain all of the information that is important to you. Taylor and Tayco urge you to carefully read this joint proxy statement/prospectus, as well as the attached and referenced documents, to fully understand the merger. In particular, you should read the merger agreement, which is attached as APPENDIX A and which, together with the other appendices, is incorporated by reference into this joint proxy statement/prospectus. To learn where you can obtain more information on Taylor and Tayco, see "WHERE YOU CAN FIND MORE INFORMATION." References to "Taylor" and "Tayco" mean Taylor Devices, Inc. and Tayco Developments, Inc., respectively, including in each instance their mutually owned subsidiary, Tayco Realty, Inc. ("Tayco Realty").*

#### **The Parties to the Merger**

*Taylor Devices, Inc*

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Taylor was incorporated in the State of New York on July 22, 1955 and is engaged in the design, development, manufacture and marketing of shock absorption, rate control, and energy storage devices for use in various types of machinery, equipment and structures. Taylor and Tayco are affiliates which share related management and operations. Most of Taylor's products are manufactured utilizing patents developed by Tayco pursuant a License Agreement between Taylor and Tayco dated December 16, 1955 and revised November 1, 1959 (the "License Agreement"). In addition to manufacturing and selling existing product lines, Taylor continues to develop new and advanced products, often using Tayco intellectual property.

At <R>November 30, 2007, Taylor had consolidated assets of \$16 million, liabilities of \$5 million and shareholders' equity of \$11 million.</R> Taylor's audited consolidated financial statements for the year ended May 31, 2007 are attached to this proxy statement as APPENDIX E.

The executive office of Taylor is located at 90 Taylor Drive, P.O. Box 748, North Tonawanda, New York 14120-0748. Its telephone number at that address is (716) 694 0800.

### *Tayco Developments, Inc*

Tayco was incorporated in the State of New York on July 22, 1955 and is a patent holding company affiliated with Taylor. Tayco engages in research, development and licensing to manufacture shock and vibration isolators, energy storage and shock absorption components for use on various types of vehicles, machinery and equipment. Tayco sells Taylor certain research and development services and, pursuant to the License Agreement, licenses Taylor the rights to manufacture and sell products using Tayco's intellectual property.

<R>At November 30, 2007,</R> Tayco had consolidated assets of \$3 million, zero liabilities and shareholders' equity of \$3 million. Tayco's audited consolidated financial statements for the year ended May 31, 2007 are attached to this proxy statement as APPENDIX F.

The executive office of Tayco is located at 100 Taylor Drive, P.O. Box 748, North Tonawanda, New York 14120-0748. Its telephone number at that address is (716) 694 0877.

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## **The Special Meeting of Taylor Shareholders**

### *Place, Time and Date*

The Special Meeting of Taylor shareholders is scheduled to be held at <R>10:00 A.M., local time, on February 22, 2008, at the Holiday Inn, 1881 Niagara Falls Boulevard, Amherst, New York.</R>

### *Matters to Be Considered*

At the Special Meeting, or any adjournment or postponement thereof, the shareholders of Taylor will be asked to vote to approve the merger agreement. Shareholders of Taylor also may consider and vote upon such other matters as are properly brought before the Special Meeting. As of the date hereof, we know of no other business that will be presented at the Special Meeting.

### *Record Date; Vote Required*

Only the shareholders of record of Taylor at the close of business on <R>January 11, 2008</R> (the "Record Date") are entitled to notice of and to vote at the Special Meeting. As of the Record Date, there were <R>3,156,061</R> shares of Taylor common stock outstanding and entitled to vote at the Special Meeting.

Each shareholder of Taylor will be entitled to cast one vote per share held at the Special Meeting. Such vote may be exercised in person or by properly executed proxy. The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of common stock entitled to vote at the Special Meeting is necessary to constitute a quorum. Abstentions and broker non-votes will be treated as shares present at the Special Meeting for purposes of determining the presence of a quorum.

The affirmative vote of the holders of at least two-thirds (66 %) of the outstanding shares of common stock entitled to vote at the Special Meeting, or <R>2,104,041</R> shares of Taylor, is required for approval of the merger agreement. As a result, abstentions and broker

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non-votes will have the same effect as votes against the approval of the merger agreement.

### *Beneficial Ownership of Common Stock*

As of the Record Date, the directors and executive officers and other affiliates of Taylor, including Tayco, beneficially owned in the aggregate 810,883 shares of the common stock, or 25.8% of the outstanding shares of common stock entitled to vote at the Special Meeting. The directors and executive officers have each agreed to vote their shares in favor of the merger agreement.

Taylor owns 228,317 shares of Tayco stock, or approximately 23.1% of the Tayco shares issued and outstanding; and Tayco owns 697,567 shares of Taylor stock, or approximately 22.2% of the Taylor shares issued and outstanding. These shares will be voted to approve the merger agreement, and upon completion of the merger will be converted into Taylor shares and held in Taylor's treasury. See "THE MERGER-Structure of the Merger-Table of Cross Ownership and Shares Outstanding."

### *Proxies*

Shares of common stock represented by properly executed proxies received prior to or at the Special Meeting will, unless such proxies have been revoked, be voted at the Special Meeting and any adjournments or postponements thereof in accordance with the instructions indicated in the proxies. If no instructions are indicated on a properly executed proxy, the shares will be voted FOR the merger agreement.

Any proxy given pursuant to this solicitation or otherwise may be revoked by the person giving it at any time before it is voted by delivering to Kathleen A. Nicosia, the Shareholder Relations Manager of Taylor, at 90 Taylor Drive, P.O. Box 748, North Tonawanda, New York 14120-0748, or at the Special Meeting on or before the taking of the vote at the Special Meeting, a written notice of revocation bearing a later date than the proxy, or a later-dated proxy relating to the same shares of common stock, or by attending the Special Meeting and voting in person. Attendance at the Special Meeting will not by itself constitute the revocation of a proxy.

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If any other matters are properly presented at the Special Meeting for consideration, the persons named in the proxy or acting thereunder will have discretion to vote on such matters in accordance with their best judgment. As of the date of this proxy statement, we know of no such other matters.

Taylor will bear the cost of solicitation of proxies from its shareholders. Taylor and Tayco have each retained the services of Regan & Associates, Inc. to assist in the solicitation of proxies under a contract providing for payment of <R> \$7,000</R> (total from Taylor and Tayco), plus reimbursement of reasonable out of pocket expenses. In addition to solicitations by mail, Regan & Associates, Inc. and regular employees of Taylor may solicit proxies in person, by mail or by telephone, but no employee of Taylor will receive any compensation for solicitation activities in addition to his or her regular compensation. Taylor will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of Taylor's common stock.

You are requested to complete, date and sign the accompanying form of proxy and to return it promptly in the enclosed postage-paid envelope.

### *The Independent Auditors Will Be Available at the Meeting*

The independent auditors of Taylor, Lumsden & McCormick, LLP, will have one or more representatives at the Special Meeting who will have an opportunity to make a statement, if they so desire, and who will be available to respond to appropriate questions.

### **The Special Meeting of Tayco Shareholders**

#### *Place, Time and Date*

The Special Meeting of Tayco shareholders is scheduled to be held at <R>11:00 A.M., local time, on February 22, 2008, at the Holiday Inn, 1881 Niagara Falls Boulevard, Amherst, New York.</R>

#### *Matters to Be Considered*

At the Special Meeting, or any adjournment or postponement thereof, the shareholders of Tayco will be asked to vote to approve the merger agreement. Shareholders of Tayco also may consider and vote upon such other matters as are properly brought before such Special Meeting. As of the date hereof, we know of no other business that will be presented at the Special Meeting.

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### *Record Date; Vote Required*

Only the shareholders of record of Tayco at the close of business on <R>January 11, 2008</R> (the "Record Date") are entitled to notice of and to vote at the Special Meeting. As of the Record Date, there were 987,928 shares of Tayco common stock outstanding and entitled to vote at the Special Meeting.

Each shareholder of Tayco will be entitled to cast one vote per share held at the Special Meeting. Such vote may be exercised in person or by properly executed proxy. The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of common stock entitled to vote at the Special Meeting is necessary to constitute a quorum. Abstentions and broker non-votes will be treated as shares present at the Special Meeting for purposes of determining the presence of a quorum.

The affirmative vote of the holders of at least two-thirds (66 %) of the outstanding shares of common stock entitled to vote at the Special Meeting, or <R>658,619 </R> shares of Tayco, is required for approval of the merger agreement. As a result, abstentions and broker non-votes will have the same effect as votes against the approval of the merger agreement.

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### *Beneficial Ownership of Common Stock*

As of the Record Date, the directors and executive officers and other affiliates of Tayco, including Taylor, beneficially owned in the aggregate 374,898 shares of the common stock, or 38% of the outstanding shares of common stock entitled to vote at the Special Meeting. The directors and executive officers have each agreed to vote their shares in favor of the merger agreement.

Taylor owns 228,317 shares of Tayco stock, or approximately 23.1% of the Tayco shares issued and outstanding. Tayco owns 697,567 shares of Taylor stock, or approximately 22.2% of the Taylor shares issued and outstanding. Tayco's Taylor shares will be voted to approve the merger agreement, and upon completion of the merger will be cancelled without conversion or payment of the merger consideration. See "THE MERGER-Structure of the Merger-Table of Cross Ownership and Shares Outstanding."

### *Proxies*

Shares of common stock represented by properly executed proxies received prior to or at the Special Meeting will, unless such proxies have been revoked, be voted at the Special Meeting and any adjournments or postponements thereof in accordance with the instructions indicated in the proxies. If no instructions are indicated on a properly executed proxy, the shares will be voted FOR the merger agreement.

Any proxy given pursuant to this solicitation or otherwise may be revoked by the person giving it at any time before it is voted by delivering to Janice M. Nicely, the Secretary of Tayco, at 100 Taylor Drive, P.O. Box 748, North Tonawanda, New York 14120-0748, or at the Special Meeting on or before the taking of the vote at the Special Meeting, a written notice of revocation bearing a later date than the proxy, or a later-dated proxy relating to the same shares of common stock, or by attending the Special Meeting and voting in person. Attendance at the Special Meeting will not by itself constitute the revocation of a proxy.

If any other matters are properly presented at the Special Meeting for consideration, the persons named in the proxy or acting thereunder will have discretion to vote on such matters in accordance with their best judgment. As of the date of this proxy statement, we know of no such other matters.

Tayco will bear the cost of solicitation of proxies from its shareholders. Taylor and Tayco have each retained the services of Regan & Associates, Inc. to assist in the solicitation of proxies under a contract providing for payment of <R>\$7,000 </R> (total from Taylor and Tayco), plus reimbursement of reasonable out of pocket expenses. In addition to solicitations by mail, Regan & Associates, Inc. and regular employees of the Taylor may solicit proxies in person, by mail or by telephone, but no employee of Taylor will receive any compensation for solicitation activities in addition to his or her regular compensation. Tayco will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of Tayco's common stock.

You are requested to complete, date and sign the accompanying form of proxy and to return it promptly in the enclosed postage-paid envelope.

**Do not forward Tayco stock certificates with your proxy cards.**

*The Independent Auditors Will Be Available at the Meeting*

The independent auditors of Tayco, Lumsden & McCormick, LLP, will have one or more representatives at the Special Meeting who will have an opportunity to make a statement, if they so desire, and who will be available to respond to appropriate questions.

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## Opinions of Financial Advisors

### *Financial Advisor of Taylor*

In connection with the merger, Taylor's board of directors considered the opinion dated September 26, 2007 from its financial advisor, Empire Valuation Consultants, LLC ("Empire"), as to the fairness of the exchange ratio, from a financial point of view, to holders of Taylor common stock (other than affiliates). The opinion is based upon and subject to certain qualifications, limitations and other matters described in the opinion. A copy of Empire's opinion is attached and incorporated by reference to this joint proxy statement/prospectus as APPENDIX B. You are encouraged to read the opinion in its entirety and carefully consider the assumptions made, the procedures followed, the matters considered and the limitations on the review undertaken. **Empire's opinion is addressed to Taylor's board of directors and does not constitute a recommendation as to how any shareholder should vote with respect to the merger agreement.** See "THE MERGER-Opinion of Taylor's Financial Advisor."

### *Financial Advisor of Tayco*

In connection with the merger, Tayco's board of directors considered the opinion dated as of May 23, 2007 from its financial advisor, ValuQuest Business Appraisals ("ValuQuest"), as to the fairness of the exchange ratio, from a financial point of view, to holders of Tayco common stock (other than affiliates). The opinion is based upon and subject to certain qualifications, limitations and other matters described in the opinion. A copy of ValuQuest's opinion is attached and incorporated by reference to this joint proxy statement/prospectus as APPENDIX C. You are encouraged to read the opinion in its entirety and carefully consider the assumptions made, the procedures followed, the matters considered and the limitations on the review undertaken. **ValuQuest's opinion is addressed to Tayco's board of directors and does not constitute a recommendation as to how any shareholder should vote with respect to the merger agreement.** See "THE MERGER-Opinion of Tayco's Financial Advisor."

## Directors and Executive Officers following the Merger

Following the merger, Tayco will be merged into Taylor, and Tayco will cease to exist as an independent company. Taylor will become the surviving corporation and its directors and executive officers will remain unchanged. Douglas P. Taylor, the president and chief executive officer of both Taylor and Tayco, has served as chairman of both boards of directors since 1991. Following completion of the merger, Douglas P. Taylor will continue to serve as chairman of Taylor's board of directors.

## The Merger Agreement

This joint proxy statement/prospectus relates to the proposed acquisition of Tayco by Taylor pursuant to an Agreement and Plan of Merger, dated as of November 30, 2007, by and between Taylor and Tayco. Pursuant to the merger agreement, Tayco will be merged with and into Taylor. See "THE MERGER-Structure of the Merger."

Upon completion of the merger, Tayco shareholders will receive one share of Taylor common stock for each share of Tayco common stock they hold. Only whole shares of Taylor common stock will be issued in the merger. See "THE MERGER-What You Will Receive in the Merger."

The merger will become effective upon the filing of a certificate of merger with the Secretary of State of the State of New York, or at such other date and time as may be specified in the certificate. Taylor and Tayco intend to file the certificate of merger as soon as practicable after the requisite approvals of Taylor's and Tayco's shareholders have been obtained and the other conditions set forth in the merger agreement have been satisfied or, where permissible, waived. See "TERMS OF THE MERGER AGREEMENT-Effective Time; Closing."

**A copy of the merger agreement is attached as Appendix A to this joint proxy statement/prospectus. You are strongly encouraged to read it in its entirety.**

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## Interests of Certain Persons in the Merger

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Some of the directors and executive officers of Taylor and Tayco have interests in the merger that are different from, or are in addition to, the interests of their respective company's shareholders. See "THE MERGER-Interests of Certain Persons in the Merger."

### Accounting Treatment of the Merger

In accordance with U.S. generally accepted accounting principles, Taylor will account for the merger using the purchase method of accounting. Under this method of accounting, Taylor will record the market value of its common stock issued in connection with the merger and the amount of direct transaction costs associated with the merger as the estimated purchase price of acquiring Tayco. Taylor will allocate the estimated purchase price to the net tangible and amortizable intangible assets acquired (including developed and core technology and patents, customer contracts and lists, and distribution agreements), intangible assets with indefinite lives and in-process research and development, based on their respective fair values at the date of the completion of the merger. Any excess of the estimated purchase price over those fair values will be accounted for as goodwill. See "THE MERGER-Accounting Treatment."

### The Exchange Agent

Registrar and Transfer Company will act as the exchange agent in connection with the merger and is hereafter referred as the "Exchange Agent."

### Stock Price and Dividend Information

Taylor is traded on the Nasdaq Small Cap Market under trading symbol TAYD. As of <R>January 8, 2008, the stock price is \$6.29 per share, the average volume traded is approximately 10,500 shares per day, and the market capitalization is \$19.85 million.</R> Taylor has not declared stock or cash dividends since 1988.

Tayco is traded over the counter on the Pink Sheets under the trading symbol TYCO.PK. As of <R>January 8, 2008, the stock price is \$5.11 per share, the average volume traded is approximately 1,400 shares per day, and the market capitalization is \$5.05 million.</R> Tayco has not declared stock or cash dividends since 1988.

### Appraisal Rights

Tayco shareholders who comply with the requirements of Section 623 of the New York Business Corporation Law will be entitled, if the merger is consummated, to seek an appraisal of their shares of common stock. See "RIGHTS OF DISSENTING SHAREHOLDERS" and APPENDIX D.

Taylor shareholders do not have rights of appraisal, otherwise known as "dissenters' rights."

### Risk Factors

In evaluating the merger and transactions contemplated in connection with the merger, you should consider certain risks associated with the merger and with Taylor as the surviving corporation, as discussed in the section of this joint proxy statement/prospectus entitled "RISK FACTORS" which begins on page 15.

### <R>Summary Selected Financial Data

Nov-07	May-07	May-06	May-05	May-04	May-03
Q1					

Taylor Devices, Inc. Consolidated

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Net Sales	\$ 8,685	\$ 16,501	\$ 14,751	\$ 11,216	\$ 13,021	\$ 13,872
Net Income (Loss)	\$ 462	\$ 619	\$ 486	\$ 202	\$ (59)	\$ 351
Earnings per share	\$ 0.15	\$ 0.20	\$ 0.16	\$ 0.07	\$ (0.02)	\$ 0.12

Total Assets	\$ 16,359	\$ 16,652	\$ 17,385	\$ 14,891	\$ 13,224	\$ 19,447
Long-term debt, (including current portion)	\$ 383	\$ 521	\$ 763	\$ 987	\$ 1,207	\$ 1,415

Book value per share	\$ 3.53	\$ 3.37	\$ 3.13	\$ 2.97	\$ 2.87	\$ 2.90
Cash dividends per share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Tayco Developments, Inc.**

Net Sales	\$ 144	\$ 253	\$ 226	\$ 422	\$ 624	\$ 526
Net Income	\$ 118	\$ 183	\$ 62	\$ 114	\$ 94	\$ 187
Earnings per share	\$ 0.12	\$ 0.19	\$ 0.06	\$ 0.12	\$ 0.10	\$ 0.19

Total Assets	\$ 3,933	\$ 3,814	\$ 3,634	\$ 3,564	\$ 3,418	\$ 3,330
Long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Book value per share	\$ 3.97	\$ 3.85	\$ 3.67	\$ 3.59	\$ 3.45	\$ 3.36
Cash dividends per share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Summary Selected Pro Forma Financial Data**

**Pro Forma Taylor Devices, Inc. Consolidated**

Net Sales	\$ 8,685	\$ 16,501	\$ 14,751	\$ 11,216	\$ 13,021	\$ 13,872
Extraordinary gain	\$ -	\$ 410	\$ -	\$ -	\$ -	\$ -
Net Income	\$ 474	\$ 1,066	\$ 448	\$ 257	\$ 30	\$ 433
Earnings per share	\$ 0.15	\$ 0.34	\$ 0.14	\$ 0.08	\$ 0.01	\$ 0.15

Total Assets	\$ 16,568	\$ 16,859	\$ 17,515	\$ 14,765	\$ 12,884	\$ 19,260
Long-term debt, (including current portion)	\$ 383	\$ 521	\$ 763	\$ 987	\$ 1,207	\$ 1,415

Book value per share	\$ 3.72	\$ 3.58	\$ 3.34	\$ 3.19	\$ 3.08	\$ 3.12
Cash dividends per share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

</R> Note: All amounts are in thousands except per share amounts.

The Pro Forma Taylor Devices, Inc. Consolidated Statement of Income amounts above are presented as if the merger had been consummated on June 1, 2007.

The Pro Forma Taylor Devices, Inc. Consolidated Balance Sheet amounts and Book value per share are presented as if the merger had been consummated on the last day of the fiscal period shown.

**Unaudited Pro Forma Condensed Combined Consolidated Financial Information**

Unaudited Pro Forma Condensed Combined Consolidated Balance Sheet as of <R>November 30, 2007</R>

The following unaudited Pro Forma Condensed Combined Consolidated Balance Sheet is presented as if the merger had been consummated on <R>November 30, 2007.</R> This Pro Forma Condensed Combined Consolidated Balance Sheet should be read in conjunction with the unaudited Pro Forma Condensed Combined Consolidated Statement of Income and the historical financial statements and notes thereto included in this filing. The Pro Forma Condensed Combined Consolidated Balance Sheet is unaudited and is not necessarily indicative of what the actual financial results would have been had the merger been consummated nor does it purport to represent the future financial position of Devices and Developments on a combined basis.



**<R>TAYLOR DEVICES, INC. AND SUBSIDIARY**  
**Unaudited Pro Forma Condensed Combined Consolidated Balance Sheet**  
**November 30, 2007**

	<b>Taylor Devices, Inc. Developments</b>		<b>Tayco Pro Forma</b>	<b>Pro Forma Combined</b>
<b>Assets</b>	<b>Consolidated</b>	<b>Inc.</b>	<b>Adjustments</b>	<b>Combined</b>
<b>Current assets:</b>				
Cash	\$	1,338,184	\$ -	\$ 923,312
Accounts receivable, net		2,308,317	-	2,308,317
Receivables - affiliates		102,764	(102,764)(a)	-
Inventory		6,214,115	-	6,214,115
Costs and estimated earnings in excess of billings		1,442,417	-	1,442,417
Other current assets		504,648	-	520,483
Deferred tax assets		669,400	-	669,400
<b>Total current assets</b>		<b>11,270,226</b>	<b>(102,764)</b>	<b>12,078,044</b>
<b>Property and equipment, net</b>		<b>3,544,953</b>	<b>(139,274)(b)</b>	<b>3,405,679</b>
<b>Investment in affiliate, at equity</b>		<b>2,562,274</b>	<b>(3,418,074)(c)</b>	<b>-</b>
<b>Maintenance and other inventory, net</b>		<b>943,996</b>	<b>-</b>	<b>943,996</b>
<b>Intangible and other assets, net</b>		<b>146,729</b>	<b>(63,405)(b)</b>	<b>140,729</b>
	<b>\$</b>	<b>16,358,548</b>	<b>\$ (3,723,517)</b>	<b>\$ 16,568,448</b>
 <b>Liabilities And Stockholders' Equity</b>				
<b>Current liabilities:</b>				
Short-term borrowings and current portion of long-term debt	\$	1,115,296	\$ -	\$ 1,115,296
Payables - trade		1,405,387	-	1,405,387
Accrued commissions		573,953	-	573,953
Billings in excess of costs and estimated earnings		130,600	-	130,600
Other current liabilities		952,050	-	961,024

	<b>Total current liabilities</b>	4,177,815	-	4,186,260
<b>Long-term debt</b>		158,334	-	158,334
<b>Payables - affiliates</b>		102,764	(102,764) (a)	-
<b>Deferred tax liabilities</b>		281,585	-	281,585
<b>Minority stockholder's interest</b>		540,465	(540,465) (c)	-
<b>Stockholders' equity</b>				
Common stock		85,269	(42,437) (d)	92,546
Additional paid-in-capital		4,791,037	1,310,593 (e)	6,817,205
Retained earnings		7,276,949	(2,761,647) (f)	7,686,819
		12,353,420	(1,493,491)	14,596,570
Less: Treasury stock, at cost		1,056,022	1,586,797 (g)	2,654,301
		11,092,598	(3,080,288)	11,942,269
		\$ 16,353,148	\$ (3,723,517)	\$ 16,568,448

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Unaudited Pro Forma Condensed Combined Consolidated Statement of Income for the <R>six months ended November 30, 2007</R>

The following unaudited Pro Forma Condensed Combined Consolidated Statement of Income is presented as if the merger had been consummated on June 1, 2006. This Pro Forma Condensed Combined Consolidated Statement of Income should be read in conjunction with the unaudited Pro Forma Condensed Combined Consolidated Balance Sheet and the historical financial statements and notes thereto included in this filing. The Pro Forma Condensed Combined Consolidated Statement of Income is unaudited and is not necessarily indicative of what the actual financial results would have been had the merger been consummated nor does it purport to represent the future financial position of Devices and Developments on a combined basis.

**</R>TAYLOR DEVICES, INC. AND SUBSIDIARY**  
**Unaudited Pro Forma Condensed Combined Consolidated Income Statement**  
**For the six months ended**  
**November 30, 2007**

		Taylor Devices, Inc.	Tayco Developments, Inc.	Pro Forma Adjustments	Pro Forma Combined
Sales, net	\$	8,684,591	\$ 143,895	\$ (143,895) (h)	\$ 8,684,591
Cost of sales		5,730,645	42,207	(143,895) (h)	5,628,957

Maintenance and other inventory, net

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<b>Gross profit</b>	2,953,946	101,688	-	3,055,634
Selling, general & administrative expenses	2,124,596	122,660	-	2,247,256
<b>Operating income</b>	829,350	(20,972)	-	808,378
Other income / (expense)	(55,957)	20,685	-	(35,272)
<b>Income before provision for income taxes, equity in net income of affiliate and minority stockholder's interest</b>	773,393	(287)	-	773,106
Provision for income taxes	295,700	3,200	-	298,900
<b>Income before equity in net income of affiliate and minority stockholder's interest</b>	477,693	(3,487)	-	474,206
Equity in net income of affiliate	3,807	121,440	(125,247) (c)	-
<b>Income before minority stockholder's interest</b>	481,500	117,953	(125,247)	474,206
Minority stockholder's interest	(19,961)	-	19,961 (c)	-
<b>Net income</b>	\$ 461,539	\$ 117,953	\$ (105,286)	\$ 474,206
<b>Basic and diluted earnings per common share</b>	\$ 0.15			\$ 0.15</R>

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Unaudited Pro Forma Condensed Combined Consolidated Statement of Income for the year ended May 31, 2007

The following unaudited Pro Forma Condensed Combined Consolidated Statement of Income is presented as if the merger had been consummated on June 1, 2006. This Pro Forma Condensed Combined Consolidated Statement of Income should be read in conjunction with the unaudited Pro Forma Condensed Combined Consolidated Balance Sheet and the historical financial statements and notes thereto included in this filing. The Pro Forma Condensed Combined Consolidated Statement of Income is unaudited and is not necessarily indicative of what the actual financial results would have been had the merger been consummated nor does it purport to represent the future financial position of Devices and Developments on a combined basis.

**</R>TAYLOR DEVICES, INC. AND SUBSIDIARY**  
**Unaudited Pro Forma Condensed Combined Consolidated Income Statement**  
**For the year ended**  
**May 31, 2007**

	Taylor Devices, Inc.	Tayco Developments, Inc.	Pro Forma Adjustments	Pro Forma Combined
			\$	
Sales, net	\$ 16,501,400	\$ 253,350	(253,350) (h)	\$ 16,501,400
Cost of goods sold	10,746,281	81,545	(253,350) (h)	10,574,476
<b>Gross profit</b>	5,755,119	171,805	-	5,926,924

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Selling, general & administrative expenses	4,411,678	173,189		4,584,867
<b>Operating income</b>	1,343,441	(1,384)	-	1,342,057
Other income / (expense)	(288,701)	21,386		(267,315)
<b>Income before provision for income taxes, equity in net income of affiliate, minority stockholder's interest and extraordinary gain</b>	1,054,740	20,002	-	1,074,742
Provision for income taxes	410,000	8,400		418,400
<b>Income before equity in net income of affiliate, minority stockholder's interest and extraordinary gain</b>	644,740	11,602	-	656,342
Equity in net income of affiliate	11,142			