

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 26, 2006

MESTEK, INC.

(Exact name of registrant as specified in charter)

<u>Pennsylvania</u>	<u>1-448</u>	<u>25-0661650</u>
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

260 North Elm Street
Westfield, Massachusetts 01085
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: 413-568-9571

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

This report contains forward-looking statements which are subject to inherent uncertainties which are difficult to predict and may be beyond the ability of the Company to control.

Certain statements in this Report on Form 8-K constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are not historical facts but rather reflect the Company's current expectations concerning future results and events. The words "believes," "expects," "intends," "plans," "anticipates," "hopes," "likely," "will," and similar expressions identify such forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company (or entities in which the Company has interests), or industry results, to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements which reflect management's view only as of the date of this Form 8-K. The Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements which may be made to reflect events or circumstance after the date hereof or to reflect the occurrence of unanticipated events, conditions or circumstances. For additional information about risks and uncertainties that could adversely affect the Company's forward-looking statements, please refer to the Company's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended December 31, 2005, and its Quarterly Report for the quarter ended March 31, 2006.

ITEM 8.01 OTHER EVENTS

On May 26, 2006 Mestek, Inc. (the "Company") issued a press release relating to the entering into of a Memorandum of Understanding executed by legal representatives of the Company, its eight individual directors and the plaintiff, setting forth the framework for the settlement of a lawsuit brought against each of the eight members of the Company's Board of Directors entitled *Alan Kahn v. John E. Reed, et al*, filed on April 10, 2006 in the Commonwealth of Massachusetts Superior Court in Hampden County, Civil Action No. 06-350. The lawsuit is related to the Company's previously announced intention to enter into a "going private" transaction.

A copy of a press release issued by the Company with respect to these matters is attached hereto as Exhibit 99.1.

A copy of the Memorandum of Understanding dated May 25, 2006 is attached hereto as Exhibit 99.2.

ITEM 7.01. REGULATION FD DISCLOSURE

The information included in Item 8.01 of this Form 8-K, including the press release attached as Exhibit 99.1, is incorporated by reference into this Item 7.01 in satisfaction of the public disclosure requirements of Regulation FD. This information is "furnished" and not "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934, or otherwise subject to the liabilities of that section. It may be incorporated by reference in another filing under the Securities and Exchange Act of 1934 or the Securities Act of 1933 only if, and to the extent that, such subsequent filing specifically references the information incorporated by reference herein.

ITEM 9.01. FINANCIAL STATEMENT AND EXHIBITS

- (a) none
- (b) none
- (c) The following document is filed herewith as an exhibit to this Form 8-K:

Exhibit 99.1 - Press Release
Exhibit 99.2 - Memorandum of Understanding

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MESTEK, INC.
(Registrant)

Date: May 26, 2006

By: /s/ Stephen M. Shea
Stephen M. Shea
Senior Vice President – Finance
(Principal Financial and Accounting Officer)



260 North Elm Street, Westfield, MA 01085 (413) 568-9571 www.mestek.com

Contact: John E. Reed
(413) 568-9571

Westfield Massachusetts
May 26, 2006

Mestek, Inc. (the “Company”) today announced that, on May 25, 2006 legal representatives of the Company and each of the eight members of the Company’s Board of Directors entered into a Memorandum of Understanding with plaintiff’s counsel which provides the framework of a settlement of a lawsuit brought against the Directors individually entitled *Alan Kahn v. John E. reed, et al*, in the Commonwealth of Massachusetts Superior Court in Hampden County, Civil Action No. 06-350. The lawsuit is related to the Company’s previously announced intention to enter into a “going private” transaction.

The lawsuit seeks certification by the Court as a class action on behalf of all of the Company’s shareholders other than the Directors and their affiliates (the “Class”) and alleges that the Directors of the Company breached their fiduciary duties of loyalty, independence or due care as well as other alleged duties to the Class with respect to the process, structure and stock repurchase valuation associated with the proposal to take the Company private and de-list trading of the Company’s common stock on the New York Stock Exchange.

The Memorandum of Understanding provides for the following:

- The “going private” transaction will be subject to the approval of a “majority of the minority” or unaffiliated shareholders voting at the Annual Meeting, (currently scheduled for July 25, 2006) or by proxy;
- The terms of the five annual “Dutch Auctions” following the “going private” transaction and described in prior press releases and public filings will require the approval of both a majority vote of the full board of directors and a majority vote of the independent directors;
- Additional financial information will be provided to the shareholders in advance of each of the five annual “Dutch Auctions” including the then current year budget and management prepared projections for the following fiscal year;
- The alteration, change or modification of the “shareholder protections” relating to the “going private” transaction and described in prior press releases and public filings will require both a majority vote of the full board of directors and a majority vote of the independent directors;
- The entering into of any “liquidity event” during the year immediately following the “going private” transaction and described in prior press releases and public filings and meaning a sale of all or a substantial portion of the Company’s shares or assets, will require both a majority vote of the full board of directors and a majority vote of the independent directors; and

- Plaintiff's counsel intends to apply to the court for award of fees and costs, and such application may be opposed by the defendants.

The transaction price of \$15.24 per share remains unchanged.

The actual settlement of the litigation is subject to the preparation and execution of definitive documentation and the Court's approval, after notice to the Class, of the action as a class action for settlement purposes and of the settlement following completion of reasonable discovery by the Plaintiff to confirm the fairness and reasonableness of the proposed settlement to the Class, all of which the parties intend to conclude within 90 days. The settlement is contingent upon consummation of the transaction.

The Company cannot provide any assurance that the actual outcome of this matter will not result in liability or otherwise affect the "going private" transaction. The Company is providing indemnification to its directors pursuant to its By-laws and various individual indemnification agreements with respect to any costs or liability claims related to this litigation.

IMPORTANT ADDITIONAL INFORMATION WILL BE FILED WITH THE SEC

Mestek has filed a preliminary proxy statement and Schedule 13E-3 transaction statement in connection with the proposed reverse stock split. Once completed, the definitive proxy statement and Schedule 13E-3 transaction statement will be mailed to the shareholders of Mestek. Mestek's shareholders are urged to read the proxy statement, Schedule 13E-3 transaction statement and other relevant materials when they become available because they will contain important information about the proposed reverse stock split. Investors and security holders may obtain free copies of these documents (when they are available) and other documents filed with the Securities and Exchange Commission (the "SEC") at the SEC's web site at www.sec.gov. In addition, investors and security holders may obtain free copies of the documents filed with the SEC by calling us collect at (413) 568-9571.

Mestek and its officers and directors may be deemed to be participants in the solicitation of proxies from Mestek's shareholders with respect to the proposed reverse stock split. A description of any interests that Mestek's officers and directors have in the proposed reverse stock split will be available in the proxy statement.

This news release contains forward-looking statements, which are subject to inherent uncertainties which are difficult to predict, and may be beyond the ability of Mestek to control.

Certain statements in this news release constitute forward-looking statements with the meaning of the Private Securities Litigation Reform act of 1995, that are not historical facts but rather reflect Mestek's current expectations concerning future results and events. The words "believes," "expects," "intends," "plans," "anticipates," "hopes," "likely," "will," and similar expressions identify such forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Mestek (or entities in which Mestek has interests) or industry results, to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements which reflect management's view only as of the date of this news release. Mestek undertakes no obligation to publicly release the result of any revisions to these forward-looking statements which may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, conditions or circumstances.

MEMORANDUM OF UNDERSTANDING

WHEREAS, there is now pending in the Superior Court for the Commonwealth of Massachusetts, Hampden County (the “Court”) a lawsuit by plaintiff Alan Kahn (“Plaintiff”) against defendants John E. Reed, Stewart B. Reed, William J. Coad, Winston R. Hindle, Jr., David W. Hunter, David M. Kelly, George F. King and Edward J. Trainor (collectively, “Defendants”), styled as *Alan Kahn v. John E. Reed, et al.*, No. 06-350 (the “Action”); and

WHEREAS, the Action was filed by Plaintiff on behalf of a putative class (the “Class”) of all persons, other than Defendants and those in privity with them, who own the common stock of Mestek, Inc. (“Mestek” or the “Company”); and

WHEREAS John E. Reed and Stewart B. Reed and certain trusts controlled by them collectively control approximately 62.9 percent of the total outstanding shares of Mestek common stock and approximately 62.9 percent voting control of Mestek; and

WHEREAS, on March 31, 2006, Mestek issued a press release to publicly disclose that Defendants had agreed in principle to go forward with a going-private transaction (the “Transaction”), which provided, among other things, for: (1) a 1-for-2000 reverse split of the Company’s issued and outstanding shares of common stock, whereby shareholders holding fewer than 2000 shares would receive \$15.24 cash per share and a contingent payment right for payment of a liquidity excess following a liquidity event occurring or agreed to during the 12-month period following the Transaction; (2) the Company to undertake to hold one Dutch Auction in each of the five calendar years immediately following the Transaction, to purchase up to \$2,500,000 of its common stock in each auction; (3) the Company to adopt certain shareholder protection measures regarding director independence and disclosure to shareholders; and

WHEREAS, the Action seeks injunctive relief, monetary damages and/or rescission on the grounds that, among other things, the conduct of the Defendants in connection with the Transaction constitutes a breach of fiduciary duties by the Defendants;

WHEREAS, the Defendants deny all allegations of wrongful conduct; and

WHEREAS, following negotiations between the parties, counsel for the parties have reached an agreement in principle providing for the settlement of the Action on the terms and conditions set forth below

(the "Settlement") and the parties believe that the Settlement is in the best interests of the parties and of Mestek and its shareholders;

IT IS HEREBY AGREED IN PRINCIPLE AS FOLLOWS:

1. The Transaction shall be subject to the following conditions:
 - a. Majority of the Minority Vote Condition. The shareholder vote to approve the Transaction shall be subject to an unwaivable majority of the minority vote condition whereby a majority of the unaffiliated votes (those shares not owned by directors and executive officers of Mestek or members of their immediate families, and certain trusts for the benefit of such directors, executive officers or members of their immediate families) cast must be in favor of the Transaction;
 - b. The Dutch Auctions. The terms of the Dutch Auctions that may be held in each of the five calendar years immediately following the Transaction shall be approved by a majority of the directors of Mestek, including a majority of the independent directors, and Mestek shall, reasonably in advance of each auction, make available to its shareholders (i) the financial projections set forth in the Company's current annual budget and (ii) projections for the following year of the Company's sales, gross profits and operating profits;
 - c. Shareholder Protections. The shareholder and corporate governance protection measures adopted as part of the Transaction (as summarized at pages 18 and 19 of Mestek's 10-Q for the quarter ended March 31, 2006, filed with the SEC on May 15, 2006) shall be altered, changed or modified only as approved by a majority of the directors of Mestek, including a majority of the independent directors;
 - d. Contingent Payment Right. Any liquidity event proposed during the 12-months following consummation of the Transaction shall be approved by a majority of the directors of Mestek, including a majority of the independent directors; and
 - e. Proxy Materials. Plaintiff shall have the reasonable opportunity to review and comment on any preliminary proxy statement and Schedule 13E-3 filed with the Securities and Exchange Commission in connection with the Transaction and Mestek shall in good faith consider Plaintiff's comments and any suggested changes or revisions.

2. Defendants acknowledge that the prosecution of the Action and the efforts of Plaintiff's counsel were causal factors that contributed to conditions for the Transaction set forth in paragraph 1, above.

3. Defendants will provide (and seek the cooperation of their financial advisor(s) to provide) to Plaintiff's counsel such reasonable discovery, including depositions, as is necessary for Plaintiff to confirm the reasonableness of the Settlement, and the parties will attempt in good faith and use their best efforts to complete such discovery no later than 60 days from the date hereof, and in any event, reasonably prior to consummation of the Transaction.

4. The parties to the Action will attempt in good faith to use their best efforts to agree upon and execute within 90 days of the date hereof an appropriate Stipulation of Settlement (the "Stipulation") and such other documentation as may be required in order to obtain final court approval of the Settlement and the dismissal of the Action upon the terms set forth in this Memorandum of Understanding (collectively, the "Settlement Documents"). The Stipulation will expressly provide, among other things, for certification for settlement purposes of the Class (consisting of all holders of Mestek common stock other than Defendants and those in privity with them), entry of a judgment of dismissal and for a complete release and settlement by the Class of all claims against Defendants and their affiliates and agents (including without limitation, Mestek and any investment bankers or attorneys and any past, present or future officers, directors and employees of Mestek and their predecessors, successors, parents, subsidiaries, affiliates and agents) which have been or could have been asserted relating to the Transaction (the "Released Claims"). The Released Claims will include all claims based in any way upon the Transaction, including any claims based upon or arising out of the actions of Mestek's directors, and any claims relating to any of the transactions, disclosures, omissions, facts and allegations that are or could be the subject of the Action. The Stipulation will further provide that Defendants have denied and continue to deny that they have committed or attempted to commit any violations of law or breaches of duty to Mestek or its shareholders or otherwise, and that Defendants are entering into the Stipulation solely because the proposed Settlement as described above would eliminate the burden, risk, and expense of further litigation.

5. The parties to the Action will present the Settlement Documents to the Court for approval as soon as practicable and will use their best efforts to obtain, following appropriate notice of the proposed Settlement to the proposed class of Mestek shareholders, Final Court Approval of the Settlement and the

dismissal of the Action with prejudice to all Release Claims and without costs to any party (other than counsel fees and expenses as provided in paragraphs 7 and 8, below). As used herein "Final Court Approval" of the Settlement means that the Court has entered an order approving the Settlement and that such order is finally affirmed on appeal or by lapse of time or otherwise is no longer subject to appeal.

6. The consummation of the Settlement is subject to: (a) Plaintiff's determination, following completion of reasonable confirmatory discovery as set forth herein, that the proposed Settlement is fair and reasonable; (b) the drafting and execution of the Settlement Documents; (c) certification of the Class for settlement purposes; (d) Final Court Approval of the Settlement and dismissal of the action with prejudice and without awarding costs to any party (except as provided in paragraphs 7 and 8, below); and (e) consummation of the Transaction (on the terms described in paragraph 1, above). This Memorandum of Understanding shall be voidable should any of these conditions not be met, in which event this Memorandum of Understanding shall neither be deemed to prejudice in any way the positions of the parties with respect to the Action nor entitle any party to recover any costs or expense incurred in connection with the implementation of this Memorandum of Understanding.

7. Plaintiff's counsel intend to apply to the Court for an aggregate award of attorneys' fees and expenses. Defendants and Mestek reserve all rights to oppose any such application in whole or in part.

8. Mestek shall pay the costs and expenses related to providing notice of the Settlement to the Class.

9. This Memorandum of Understanding may be executed in counterparts, and each signed counterpart shall be deemed an original hereof.

Dated: May ____, 2006

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By: _____
J. Nicholas Filler
Senior Vice President,
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