

REGAL BELOIT CORP
Form 8-K
July 31, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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):

July 30, 2007

Regal-Beloit Corporation
(Exact name of registrant as specified in its charter)

Wisconsin
(State or other
jurisdiction of
incorporation)

1-7283
(Commission File
Number)

39-0875718
(IRS Employer
Identification No.)

200 State Street, Beloit, Wisconsin 53511-6254
(Address of principal executive offices, including Zip code)

(608) 364-8800
(Registrant's telephone number)

Not Applicable
(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)

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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))

Item 8.01. Other Events.

On July 30, 2007, Marathon Electric Manufacturing Corporation (“Marathon”), a subsidiary of Regal Beloit Corporation (the “Company”), entered into a settlement agreement with Enron Wind Energy Systems, LLC, Enron Wind Contractors, LLC and Zond Minnesota Construction Company, LLC (collectively, “Enron Wind”) to resolve all matters alleged by Enron Wind in the litigation it filed in 2004 against Marathon involving certain generators sold by Marathon to Enron Wind from 1997 to 1999 (the “Action”). The settlement agreement is subject to approval by the United States Bankruptcy Court for the Southern District of New York (the “Court”) where each of the Enron Wind entities has consolidated its Chapter 11 bankruptcy petition as part of the Enron Corporation bankruptcy proceedings. Marathon expects that a motion to approve the settlement agreement will be filed by Enron Wind with the Court in the near future and that, subject to scheduling, the Court will take action on the motion during the third quarter of 2007.

Under the terms of the settlement agreement, Enron Wind will fully release and discharge Marathon from all claims relating to the Action and, in exchange, Enron Wind will receive a monetary payment. After contributions from other involved parties, the after-tax impact of Marathon’s portion of the payment under the settlement agreement would be approximately \$1.15 million.

Marathon has denied and continues to deny all the allegations asserted in the Action. If the settlement agreement is not approved by the Court, then Marathon will continue to defend vigorously all of the claims asserted in the Action.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

REGAL BELOIT CORPORATION

Date: July 31, 2007

By: /s/ Paul J. Jones
Paul J. Jones
Vice President, General Counsel and
Secretary