

KREISLER MANUFACTURING CORPORATION

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on December 21, 2009

TO OUR STOCKHOLDERS:

WHAT: Our 2009 Annual Meeting of Stockholders

WHEN: December 21, 2009

WHERE: Kreisher Manufacturing Corporation
180 Van Riper Avenue
Elmwood Park, New Jersey 07407

WHY: **At this meeting, you will be asked to:**

1. Elect four directors for a one-year term and until their respective successors have been duly elected and qualified;
2. Ratify the selection of Rothstein, Kass & Company, P.C. as our accounting firm for the fiscal year ending June 30, 2010; and
3. Transact such other business as may properly come before the annual meeting or any postponement, adjournment or rescheduling thereof.

The proxy statement fully describes these items. We have not received notice of other matters that may properly be presented at the annual meeting or any postponement, adjournment or rescheduling thereof.

In May 2009, we voluntarily withdrew our common stock from listing on The Nasdaq Stock Market, where it traded under the symbol "KRSL." Following delisting from Nasdaq, our common stock has been quoted on the "Pink Sheets" under the symbol "KRSL.PK." Pink Sheets is a centralized quotation service that collects and publishes market maker quotes for over-the-counter securities. In addition, we voluntarily deregistered our common stock from the reporting and other requirements of the Securities Exchange Act of 1934, as amended, or the "Exchange Act," and rules and regulations promulgated by the Securities and Exchange Commission, referred to as the "SEC," under the Exchange Act. Therefore, proxy statements, other proxy materials, as well as periodic, current and other reports are no longer filed with the SEC. Our quarterly financial reports, annual reports or statements are being posted on our website, www.kreislermfg.com. This website is intended to provide inactive, textual references only. The information on this website is not part of this proxy statement.

A complete list of stockholders entitled to vote at the annual meeting will be open for examination by our stockholders, during regular business hours, for a period of ten days prior to the annual meeting, at 180 Van Riper Avenue, Elmwood Park, New Jersey 07407. Only stockholders of record at the close of business on December 2, 2009 will receive notice of, and be eligible to vote at, the annual meeting or any adjournment, postponement or rescheduling thereof.

Your vote is important. Please read the proxy statement and the voting instructions on the enclosed proxy card. Whether or not you plan to attend the annual meeting in person, and no matter how many shares you own, you are urged to sign, date and promptly return the enclosed proxy card. A self-addressed envelope is enclosed for your convenience and no postage is required if mailed in the United States. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the annual meeting, you must obtain a proxy issued in your name from that record holder.

By order of the Board of Directors,

A handwritten signature in black ink, appearing to read "Edward A. Stern", written in a cursive style.

Edward A. Stern
Co-President, Chief Financial Officer,
Secretary and Treasurer

Elmwood Park, New Jersey
December 7, 2009

**KREISLER MANUFACTURING CORPORATION
180 VAN RIPER AVENUE
ELMWOOD PARK, NEW JERSEY 07407**

PROXY STATEMENT

**FOR THE ANNUAL MEETING OF STOCKHOLDERS
To Be Held on December 21, 2009**

INFORMATION CONCERNING SOLICITATION AND VOTING

WHY DID YOU SEND ME THIS PROXY STATEMENT?

The Board of Directors of Kreisler Manufacturing Corporation, a Delaware corporation, seeks your proxy for use at our 2009 Annual Meeting of Stockholders (or any adjournment, postponement or rescheduling thereof, referred to as the “annual meeting”) be held on December 21, 2009, at 9:00 a.m. (Eastern Standard Time). Our annual meeting will be held at our offices, located at 180 Van Riper Avenue, Elmwood Park, New Jersey 07407. Unless otherwise indicated, or the context requires otherwise, references in this proxy statement to “Kreisler,” “we,” “us,” and “our” or similar terms are to Kreisler Manufacturing Corporation and its subsidiaries. The approximate date on which the proxy materials, including this proxy statement and the accompanying form of proxy, are first being sent or given to stockholders is December 7, 2009.

WHAT AM I VOTING UPON?

At the annual meeting, stockholders will be asked to take action:

- (i) to elect four directors, as described in this proxy statement;
- (ii) to ratify the selection of Rothstein, Kass & Company, P.C., referred to as “Rothstein Kass,” as our accounting firm for the fiscal year ending June 30, 2010; and
- (iii) to transact such other business as may properly come before the annual meeting or any postponement, adjournment or rescheduling thereof.

WHO CAN VOTE?

Only holders of record of our common stock at the close of business on December 2, 2009, the record date, will receive notice of, and be entitled to vote at, our annual meeting. At the close of business on the record date, 1,867,948 shares of common stock, par value \$.125 per share, were outstanding and entitled to vote. Our common stock is our only class of voting securities.

Stockholder of Record: Shares Registered in Your Name

If, on December 2, 2009, your shares were registered directly in your name with our transfer agent, American Stock Transfer & Trust Company LLC, then you are a stockholder of record. As a stockholder of record, you may vote in person at the annual meeting or vote by proxy. Whether or not you plan to attend the annual meeting, we urge you to sign, date and return the enclosed proxy card to ensure your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker, Bank or Agent

If, on December 2, 2009, your shares were held, not in your name, but rather in an account at a bank, brokerage firm, or other agent or nominee, then you are the beneficial owner of shares held in “street name” and

proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the annual meeting. As a beneficial owner, you have the right to direct your bank, broker or other agent or nominee on how to vote the shares in your account. You are also invited to attend the annual meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the annual meeting unless you request and obtain a power of attorney or other proxy authority from your bank, broker or other agent or nominee, and bring it to our annual meeting.

WHAT CONSTITUTES A QUORUM?

A quorum of stockholders is necessary to hold a valid meeting. The presence, in person or by proxy, of the holders of a majority of the issued and outstanding shares of common stock entitled to vote at the annual meeting will constitute a quorum for the transaction of business at the annual meeting. On the record date, there were 1,867,948 shares issued and outstanding and entitled to vote. Thus, at least 933,975 shares must be represented by stockholders present at the annual meeting or by proxy to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the annual meeting. Abstentions and broker non-votes will be counted towards the quorum requirement.

WHAT VOTE IS REQUIRED TO APPROVE EACH PROPOSAL?

Proposal 1, the election of four directors, requires a plurality of the votes cast to elect a director. The four nominees receiving the most "For" votes (among votes properly cast in person or by proxy) will be elected. Only votes "For" will affect the outcome. Withheld votes or broker non-votes, will not affect the outcome of the vote on Proposal 1.

Proposal 2, the ratification of our accounting firm, which will ratify Rothstein Kass as our accounting firm for the year ending June 30, 2010, must receive a "For" vote by the majority of shares present or represented by proxy and entitled to vote. Abstentions will have the same effect as votes against the proposal. Broker non-votes will have no effect on the outcome of the vote.

HOW DO I VOTE IF I ATTEND THE ANNUAL MEETING?

If you are a stockholder of record, you can attend the annual meeting and vote in person the shares you hold directly in your name on any matters properly brought before the annual meeting. If you choose to do that, please bring the enclosed proxy card or proof of identification. If you want to vote in person at our annual meeting and you hold our common stock through a bank, broker or other agent or nominee, you must obtain a power of attorney or other proxy authority from that organization and bring it to our annual meeting. Follow the instructions from your bank, broker or other agent or nominee included with these proxy materials, or contact your bank, broker or other agent or nominee to request a power of attorney or other proxy authority. Voting in person at the annual meeting will revoke any prior proxy you may have submitted.

HOW DO I VOTE IF I DO NOT ATTEND THE ANNUAL MEETING?

Stockholders of record who do not attend the annual meeting may vote by mail. Please sign, date and return the enclosed proxy card in the enclosed postage-paid return envelope.

By casting your vote in any of these ways, you are authorizing the individuals listed on the proxy card to vote your shares in accordance with your instructions. While we are not presently aware of any matters (other than procedural matters), which will be brought before the annual meeting and which are not reflected in the attached notice of the annual meeting, if any other matter is properly presented at the annual meeting, the individuals named on your proxy card will vote your shares using their best judgment.

If you are a beneficial owner of shares registered in the name of your bank, broker or other agent or nominee, you should have received a proxy card and voting instructions with these proxy materials from that

organization rather than from us. Simply complete and mail the proxy card to ensure that your vote is counted. If you did not receive a proxy card, please follow the instructions from your bank, broker or other agent or nominee included with these proxy materials, or contact your bank, broker or other agent or nominee to request a proxy card.

WHAT DOES IT MEAN IF I RECEIVE MORE THAN ONE PROXY CARD?

If you receive more than one proxy card from us or your bank, your shares are registered in more than one name or are registered in different accounts. Please complete, sign and return each proxy card to ensure that all of your shares are voted.

HAS THE BOARD OF DIRECTORS MADE A RECOMMENDATION REGARDING THE MATTERS TO BE ACTED UPON AT THE ANNUAL MEETING?

Our Board of Directors recommends that you cast your vote as follows:

- (1) **FOR** the election of the four nominees for election as directors proposed by the Board of Directors; and
- (2) **FOR** the ratification of the selection of Rothstein Kass as our accounting firm for the fiscal year ending June 30, 2010.

CAN I CHANGE MY VOTE?

Yes. You may revoke your proxy by doing any of the following:

- (1) You may send a written notice that you are revoking your proxy to our Corporate Secretary at the address indicated below prior to the annual meeting.
- (2) You may submit another properly completed proxy card with a later date, so long as it is received prior to the annual meeting.
- (3) You may attend the annual meeting and vote in person. Simply attending the annual meeting will not, by itself, revoke your proxy.

Any written notice of revocation, or later dated proxy, should be delivered to:

Kreiser Manufacturing Corporation
180 Van Riper Avenue
Elmwood Park, NJ 07407
Attention: Corporate Secretary

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

**PROPOSAL 1
ELECTION OF DIRECTORS**

General

Our Bylaws provide that the Board of Directors shall consist of not less than three and not more than five directors as determined by resolution adopted by a majority of our Board of Directors. The Board of Directors currently consists of five members. Directors Wallace N. Kelly and Ronald L. Nussle, Jr. will not stand for reelection at the annual meeting and resigned from the Board of Directors effective immediately prior to the annual meeting. In addition, effective immediately prior to the annual meeting, Mr. Edward A. Stern was elected as our director, Mr. Michael D. Stern was appointed Chairman of the Board of Directors, and the size of the Board of Directors was reduced to four members. Therefore, there are four nominees for election as directors at the annual meeting.

Each nominee will be elected for a term of one year and until his successor is elected and qualified or until the director's earlier resignation or removal. Our Board's nominees are John W. Poling, Edward A. Stern, Michael D. Stern, and Richard T. Swope, all of whom, except for Mr. Edward A. Stern, are currently serving as directors. Our Nominating and Corporate Governance Committee considered the qualifications of each of the nominees for election at the annual meeting and unanimously recommended that each nominee be submitted for election to the Board.

If any nominee becomes unavailable for election as a result of an unexpected occurrence, your shares will be voted for the election of a substitute nominee determined by our Board. Each of the nominees has consented to being named in this proxy statement and has agreed to serve if elected. We have no reason to believe that any of the nominees will be unable to serve.

The following table sets forth the name and age of each our nominees, his position with us and the year in which such nominee was first elected to the Board.

<u>Name</u>	<u>Position Held in Kreisler</u>	<u>Director of Kreisler Since</u>	<u>Age as of December 2, 2009</u>
John W. Poling ⁽¹⁾⁽²⁾	Director	2003	64
Edward A. Stern	Co-President, Chief Financial Officer, Secretary and Treasurer of Kreisler. Mr. Stern is also Co-President, Chief Financial Officer, Secretary, Treasurer and Director of Kreisler Industrial Corporation. Mr. Stern is also Vice President of the Management Board of Directors of Kreisler Polska Sp. z o.o., Kreisler's Polish subsidiary. Mr. Stern is the brother of Michael D. Stern.	—	48
Michael D. Stern	Co-President, Chief Executive Officer and Director of Kreisler and Kreisler Industrial Corporation. Mr. Stern is also President of the Management Board of Directors of Kreisler Polska Sp. z o.o., Kreisler's Polish subsidiary. Mr. Stern is the brother of Edward A. Stern.	2004	43
Richard T. Swope ⁽¹⁾	Director	2007	67

- (1) A member of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee
- (2) Chairman of the Audit Committee

Biographical Information for Nominees and Continuing Directors

The business experience of our nominees for director is set forth below.

John W. Poling joined Kreisler's Board of Directors in August 2003. Mr. Poling has been a senior financial executive in manufacturing, industrial and environmental services, consulting and engineering for over 30 years. He currently provides independent financial consulting and advisory services to both public and private companies. From November 2004 to July 2006, Mr. Poling was Executive Vice President and Chief Financial Officer and from July 2006 to March 2007, Mr. Poling was Executive Vice President for Corporate Development of The TUBE Media Corp., an entertainment company composed of a music television channel and a music recording business. Mr. Poling also served on its Board of Directors from April 2004 to December 2007. From December 2002 to November 2004, he was a partner with Tatum Partners, LLP, a provider of financial and information technology services to both public and private companies. Prior to joining Tatum Partners, LLP, Mr. Poling served as Chief Financial Officer of U.S. Plastic Lumber Corp., a manufacturer and distributor of recycled plastic lumber products, from March 1999 to November 2002. In July of 2004, U.S. Plastic Lumber Corp. filed for protection under the federal bankruptcy laws. Mr. Poling served as Vice President of Finance for Eastern Environmental Services, Inc., a collection and disposal company for municipal and industrial waste, from 1996 to 1999. Mr. Poling also serves on the Board of Directors of American Ecology Inc., a hazardous and nuclear waste treatment and disposal company. Mr. Poling received a Bachelor of Science degree in accounting from Rutgers University.

Edward A. Stern joined our production control department in 1991 and has served as Co-President, Chief Financial Officer, Secretary and Treasurer of Kreisler since June 2004 and of Kreisler Industrial Corporation since September 2004. Mr. Stern also serves as a Director of Kreisler Industrial Corporation and Vice President of the Management Board of Directors of Kreisler Polska Sp. z o.o. Mr. Stern was Vice President – Administration of Kreisler Industrial Corporation from 1993 to 2004. Prior to joining Kreisler, Mr. Stern's experience included five years with American Airlines in the Corporate Finance and Financial Analysis areas. Mr. Stern graduated with a Master of Business Administration in finance and accounting from the Kellogg School of Management of Northwestern University and a Bachelor of Arts in economics from Emory University. Mr. Stern is the brother of Michael D. Stern, Kreisler's Co-President and CEO.

Michael D. Stern joined the sales department of Kreisler Industrial Corporation in 1990 and has served as Co-President and Chief Executive Officer of Kreisler since June 2004 and of Kreisler Industrial Corporation since September 2004. Mr. Stern also serves as a Director of Kreisler Industrial Corporation and President of the Management Board of Directors of Kreisler Polska Sp. z o.o. Mr. Stern joined Kreisler's Board of Directors in October 2004. Mr. Stern was Vice President – Operations of Kreisler Industrial Corporation from 1993 to 2004. Mr. Stern graduated with a Bachelor of Arts in economics from Emory University. Mr. Stern is the brother of Edward A. Stern, Kreisler's Co-President, Chief Financial Officer, Secretary and Treasurer.

Richard T. Swope joined Kreisler's Board of Directors in February 2007. General Swope was a U.S. Air Force Officer for 34 years and retired as a Lieutenant General in 1998. General Swope's last active duty assignment was as Inspector General of the Air Force. General Swope is President of High-Q Services, LLC, a defense consulting firm. General Swope is Vice President, Air Force Programs at Cypress International Inc., a defense consulting firm, and also serves on the Board of Directors of Cypress International Inc. Prior to joining Cypress International, Inc. in June 2004, General Swope was Vice President, Air Force Programs, at Lockheed Martin Corporation, a lead systems integrator and information technology company, from January 1999 to May 2004. Through May 2008, General Swope was also a member of the Board of Directors of American Ecology Corporation, which provides radioactive, PCB, hazardous, and non-hazardous waste services to commercial and government customers throughout the United States.

**THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE
“FOR” THE ELECTION OF THE FOUR NOMINEES FOR DIRECTOR IDENTIFIED ABOVE
IN PROPOSAL 1.**

PROPOSAL 2
RATIFICATION OF THE SELECTION OF ROTHSTEIN KASS
AS OUR ACCOUNTING FIRM

The Audit Committee of our Board has selected Rothstein Kass, as our accounting firm to audit our consolidated financial statements for the fiscal year ending June 30, 2010, and has directed that management submit the selection of Rothstein Kass as our accounting firm for ratification by the stockholders at the annual meeting. Rothstein Kass has audited our consolidated financial statements starting from the fiscal year ended June 30, 2006.

Stockholder ratification of the selection of Rothstein Kass as our accounting firm is not required by our Bylaws or otherwise. However, the Audit Committee is submitting the selection of Rothstein Kass to the stockholders for ratification as a matter of good corporate governance. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee may in its discretion direct the appointment of different accountants at any time during the year if they determine that such a change would be in the best interests of us and our stockholders.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE “FOR” RATIFICATION OF THE SELECTION OF ROTHSTEIN KASS AS OUR ACCOUNTING FIRM.

CORPORATE GOVERNANCE

Audit Committee

The Board of Directors has an Audit Committee, which operates under a written charter adopted by the Board. The Audit Committee reviews the results and scope of the annual audit of our financial statements and is directly responsible for the appointment, compensation and oversight of the work of our independent auditors. The Audit Committee reviews the independence of the independent auditors, and considers such other matters which may come before the Audit Committee or at the direction of the Board of Directors. The current members of the Audit Committee are Ronald L. Nussle, Jr., John W. Poling, and Richard T. Swope. Mr. Poling serves as the Chair of the Audit Committee. Our Board of Directors has determined that all members of our Audit Committee are independent under the Nasdaq listing standards related to the independence for Audit Committee members. Effective immediately prior to the annual meeting, Mr. Nussle resigned from the Board of Directors and the Audit Committee.

Stockholder Communications with Directors

The Board has established a process to receive communications from stockholders. Stockholders may communicate with the Board of Directors or individual members of the Board, including the Chairman of the Board's Audit Committee, by sending correspondence addressed to the Board or any such individual director or group or committee of directors by either name or title to the following address:

Corporate Secretary
Kreiser Manufacturing Corporation
180 Van Riper Avenue
Elmwood Park, NJ 07407

EXECUTIVE OFFICER COMPENSATION

Summary Compensation Table

The following table sets forth the compensation awarded to, earned by or paid to our Chief Executive Officer and our Chief Financial Officer, who we refer to as the “named executive officers,” for services rendered in all capacities to Chrysler and Chrysler’s subsidiaries during Chrysler’s fiscal years ended June 30, 2009 and 2008.

Name and Principal Position	Year	Salary (\$)	Bonus (\$) ⁽¹⁾	Option Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Edward A. Stern, Co-President, Chief Financial Officer, Secretary, and Treasurer ⁽³⁾	2009	140,596	15,000	31,160	--	9,719 ⁽⁵⁾	196,475
	2008	167,791 ⁽⁴⁾	--	33,746	67,500	8,815 ⁽⁵⁾	277,852
Michael D. Stern, Co-President, Chief Executive Officer, and Director ⁽³⁾	2009	140,596	15,000	31,160	--	8,323 ⁽⁶⁾	195,079
	2008	167,791 ⁽⁴⁾	--	33,746	67,500	8,690 ⁽⁶⁾	277,727

- (1) Performance-based bonuses paid under the fiscal 2008 Incentive Compensation Plan are reported under the column “Non-Equity Incentive Plan Compensation.”
- (2) The amounts shown do not reflect compensation actually received by the named executive officers. Instead, the amounts are valued based on the amount recognized in fiscal 2009 and 2008 for financial statement reporting purposes in connection with option awards. We recognize the compensation cost related to share-based payment transactions based on the estimated fair value of the equity or liability instruments issued utilizing an option pricing model. That cost is recognized over the period during which an employee is required to provide service in exchange for the award (usually the vesting period). No compensation costs are recognized for equity instruments for which employees do not render the requisite service. See “Note A. Operations and Summary of Significant Accounting Policies – Stock-Based Compensation” and “Note F. Stock Option Plan” in our Notes to Consolidated Financial Statements for the fiscal years ended June 30, 2009 and 2008 for a discussion of the relevant assumptions used in calculating fair value. This amount includes options granted in fiscal 2007 as no options were granted during fiscal 2008 and 2009.
- (3) Edward A. Stern is also Co-President, Chief Financial Officer, Secretary, Treasurer and Director of Chrysler Industrial Corporation, and Vice President of the Management Board of Directors of Chrysler Polska Sp. z o.o. Michael D. Stern is also Co-President, Chief Executive Officer and Director of Chrysler Industrial Corporation and President of the Management Board of Directors of Chrysler Polska Sp. z o.o.
- (4) Includes \$16,060 paid during fiscal 2008 which was issued pursuant to an award granted under the 1997 Stock Option Plan. In fiscal 2008, this amount represents 25% of the product of 4,000 options exercised on May 18, 2007, multiplied by the product of the per share closing price of the common stock on the exercise date (\$17.31) minus the exercise price per share of such options (\$1.25).
- (5) These amounts represent (i) \$5,521 for fiscal 2009 and \$4,875 for fiscal 2008 of an annual automobile allowance provided by us and (ii) \$4,198 in fiscal 2009 and \$3,940 in fiscal 2008 in health insurance cost contributions paid by us.
- (6) These amounts represent (i) \$4,125 for fiscal 2009 and \$4,750 for fiscal 2008 of an annual automobile allowance provided by us and (ii) \$4,198 in fiscal 2009 and \$3,940 in fiscal 2008 in health insurance cost contributions paid by us.

Base Salary. On February 13, 2007, the Compensation Committee of the Board of Directors recommended and the Board of Directors approved a salary increase for Michael D. Stern and Edward A. Stern, from \$137,500 per

year to \$150,000 per year. This salary increase was effective on February 25, 2007. Effective with the pay period ended October 18, 2008, Michael D. Stern and Edward A. Stern unilaterally reduced their respective annual base salaries ten percent from \$150,000 per year to \$135,000 per year. On November 14, 2009, the Compensation Committee of the Board of Directors recommended and the Board of Directors approved a salary increase for Michael D. Stern and Edward A. Stern from \$135,000 to \$150,000 effective January 1, 2010.

Non-Equity Incentive Plan Compensation. On November 26, 2007, the Compensation Committee of the Board of Directors approved our fiscal 2008 Incentive Compensation Plan, which provided for a potential cash bonus of up to 60% of the salary that Michael D. Stern and Edward A. Stern may earn. These bonuses were earned upon the satisfaction of non-financial and financial objectives previously set by the Compensation Committee, including objectives for corporate profitability, top line growth, accreditation and compliance, health and safety, customer quality and delivery performance. On September 9, 2008, the Compensation Committee approved cash bonuses under the fiscal 2008 Incentive Compensation Plan of \$67,500 to each of Michael D. Stern and Edward A. Stern.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth all outstanding equity awards held at the end of the fiscal year ended June 30, 2009 by the named executive officers.

Name	Option Awards			Option Expiration Date
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	
Edward A. Stern	14,000 ⁽¹⁾	7,000	10.83	02/12/2017
Michael D. Stern	14,000 ⁽¹⁾	7,000	10.83	02/12/2017

(1) Option to purchase 21,000 shares of Chrysler's common stock granted under the 1997 Stock Option Plan on February 13, 2007 at an exercise price of \$10.83, vesting in three equal annual installments beginning on February 13, 2008.

DIRECTOR COMPENSATION

The following table sets forth the compensation earned by each of our non-employee directors during the fiscal year ended June 30, 2009.

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$) ⁽¹⁾	All Other Compensation (\$)	Total (\$)
Wallace N. Kelly ⁽²⁾	--	11,870	90,000 ⁽³⁾	101,870
Ronald L. Nussle, Jr. ⁽⁴⁾	10,750	17,806	--	28,556
John W. Poling ⁽⁵⁾	23,500	11,870	--	35,370
Richard T. Swope ⁽⁶⁾	18,500	11,870	--	30,370

- (1) The amounts shown do not reflect compensation actually received by each of our non-employee directors. Instead, the amounts are valued based on the amount recognized in fiscal 2009 and 2008 for financial statement reporting purposes in connection with option awards. We recognize the compensation cost related to share-based payment transactions based on the estimated fair value of the equity or liability instruments issued utilizing an option pricing model. That cost is recognized over the period during which a director is required to provide service in exchange for the award (usually the vesting period). No compensation costs are recognized for equity instruments for which directors do not render the requisite service. See “Note A. Operations and Summary of Significant Accounting Policies – Stock-Based Compensation” and “Note F. Stock Option Plan” in our Notes to Consolidated Financial Statements for the fiscal year ended June 30, 2009 for a discussion of the relevant assumptions used in calculating fair value. This amount includes options granted only in fiscal 2007 as no options were granted to any non-employee director during fiscal 2008 or 2009.
- (2) At the end of fiscal year 2009, Mr. Kelly had 8,000 options outstanding.
- (3) Represents amounts paid to Mr. Kelly for consulting services performed pursuant to the supplemental agreement between us and Mr. Kelly. See “Certain Relationships and Related-Party Transactions – Consulting Agreement with Mr. Kelly.”
- (4) At the end of fiscal year 2009, Mr. Nussle had 12,000 options outstanding.
- (5) At the end of fiscal year 2009, Mr. Poling had 8,000 options outstanding.
- (6) At the end of fiscal year 2009, General Swope had 8,000 options outstanding.

Fees. Each director of Kreisler who is not an officer receives a fee of \$10,000 per year and is entitled to the reimbursement of reasonable out-of-pocket expenses. The Chairman of the Audit Committee receives a fee of \$5,000 per year. The Chairman of the Compensation Committee and the Nominating and Corporate Governance Committee each receive a fee of \$2,500 per year. Each member of the Board of Directors will be paid \$750 for each meeting attended in-person and \$250 for each meeting attended telephonically, up to an annual maximum of \$3,500. On July 22, 2009, the Board of Directors approved the payment of the special directors’ fees of \$2,500 to each of Messrs. Poling and Swope. Directors who are our employees or consultants do not receive additional compensation for their services as our directors.

Stock options. Stock options are granted to directors from time to time at the discretion of the Compensation Committee and the Board of Directors. We do not presently maintain any program with respect to automatic grants to directors at the time of joining the board or annual grants to directors.

CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS

Consulting Agreement with Wallace N. Kelly

On July 1, 2005, Kreisler and Wallace N. Kelly, Chairman of the Board of Directors since June 2004, entered into a letter agreement, referred to as the “consulting agreement.” The consulting agreement set forth the terms of our engagement of Mr. Kelly to render technical advisory services to Kreisler in the areas of process engineering, product development, strategic planning, and customer and marketing support, as directed by our Chief Executive Officer. We agreed to pay Mr. Kelly \$1,000 for each full (eight hours or greater) day that he performs such services during the term of the consulting agreement. For days that Mr. Kelly performs the services during less than eight hours, the fee will be based on the fraction of actual hours during which the services were performed. We will also reimburse Mr. Kelly for all reasonable out-of-pocket expenses incurred during the term of the consulting agreement. These include, but are not limited to, Mr. Kelly’s commute to or from his home residence, living expenses while on site in New Jersey, and certain business travel and entertainment expenses. The consulting agreement became effective on July 1, 2005 and continues until thirty days following a written termination notice sent by either party to the consulting agreement. A copy of this consulting agreement was previously filed as an exhibit to our current report on Form 8-K which was filed with the SEC on September 19, 2005. The discussion of the terms of the consulting agreement outlined herein is qualified in its entirety by reference to the full text of such agreement. During our fiscal years ended June 30, 2009 and 2008, we paid \$90,000 and \$117,000 to Mr. Kelly, and reimbursed Mr. Kelly \$16,000 and \$30,000 for his out of pocket expenses, respectively.

Consulting Agreement with Stern Equity Group, LLC

On June 1, 2009, we entered into a consulting agreement, referred to as the “SEG consulting agreement” with the Stern Equity Group, LLC, referred to as “SEG” to provide consulting services related to (i) implementing sustaining solutions to existing sales, (ii) identifying higher margin/higher complexity products and (iii) developing new technologies. SEG is owned by Jeffrey R. Stern who is the brother of Michael D. Stern and Edward A. Stern, Co-President & Chief Executive Officer and Co-President & Chief Financial Officer, respectively, of Kreisler.

We agreed to pay Mr. J. Stern \$7,500 per month for each month that he performs such consulting services during the term of the SEG consulting agreement. We also agreed to reimburse Mr. J. Stern for all reasonable out-of-pocket expenses incurred during the term of the SEG consulting agreement, including, but not limited to, Mr. J. Stern’s commute to or from his home residence, living expenses while on site in New Jersey and certain business travel and entertainment expenses.

The SEG consulting agreement became effective on June 1, 2009 and continues for an initial period of three months from that date and then continues until thirty days following a written termination notice by either party to the SEG consulting agreement. For the fiscal year ended June 30, 2009, we paid Mr. J. Stern \$7,500 for consulting services and reimbursed Mr. J. Stern \$646 for his out-of-pocket expenses. For the first fiscal quarter of 2010, we paid Mr. J. Stern \$22,500 and reimbursed Mr. J. Stern \$888 for his out-of-pocket expenses. We have not utilized the services of SEG since October 1, 2009.

**SECURITY OWNERSHIP OF CERTAIN
BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth, as of December 2, 2009, certain information with respect to the beneficial ownership of the common stock (i) by each person who is known by us to be the beneficial owner of more than 5% of the common stock, (ii) by each of our directors and nominees for director, (iii) by each of our named executive officers, as defined below, and (iv) by all of our directors and executive officers as a group. Except as otherwise indicated in the footnotes to this table, the persons named in the table have sole investment and voting power with respect to all shares of common stock shown as beneficially owned by them, subject to community property laws where applicable.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership⁽¹⁾	Percent of Class⁽²⁾
Wallace N. Kelly	700,268 ⁽³⁾	37.4
Ronald L. Nussle, Jr.	8,000 ⁽⁴⁾	*
John W. Poling	5,333 ⁽⁴⁾	*
Edward A. Stern	45,567 ⁽⁵⁾	2.4
Michael D. Stern	45,563 ⁽⁵⁾	2.4
Richard T. Swope	5,333 ⁽⁴⁾	*
All directors and executive officers of Chrysler as a group (6 persons)	810,064 ⁽⁶⁾	42.2

* Less than one percent

- (1) The securities “beneficially owned” by a person are determined in accordance with the definition of “beneficial ownership” set forth in the SEC rules and regulations. The beneficially owned securities include securities as to which the individual or entity has or shares voting or investment power or has the right to acquire voting or investment power within 60 days after December 2, 2009. Beneficial ownership may be disclaimed as to certain of the securities. Unless indicated otherwise, the business address of the beneficial owners who are Chrysler directors and executive officers is c/o Chrysler Manufacturing Corporation, 180 Van Riper Avenue, Elmwood Park, New Jersey 07407.
- (2) Percent of class is based on 1,867,948 shares outstanding as of December 2, 2009.
- (3) Represents (i) 11,667 shares directly owned by Mr. Kelly; (ii) 683,268 shares held in a trust established under the will of Lucile Stern for the benefit of Edward A. Stern, Michael D. Stern, Jody L. Stern and Jeffery R. Stern (Mr. Kelly serves as the sole trustee of this trust and has sole voting and investment power over the shares in the trust); and (iii) options to purchase 5,333 shares of common stock exercisable within 60 days of December 2, 2009.
- (4) Represents options to purchase shares of common stock exercisable within 60 days of December 2, 2009.
- (5) Includes options to purchase 14,000 shares of common stock exercisable within 60 days of December 2, 2009.
- (6) Includes options to purchase 51,999 shares of common stock exercisable within 60 days of December 2, 2009.

STOCKHOLDER PROPOSALS – 2010 ANNUAL MEETING

Our Bylaws require that proposals of stockholders must be submitted, in accordance with the requirements of our Bylaws, not later than October 22, 2010 and not earlier than September 22, 2010; provided, however, that in the event that the 2010 Annual Meeting of Stockholders is called for a date that is not within 30 days before or after December 21, 2010, such proposal must be received not later than the close of business on the tenth day following the day on which notice of the date of the 2010 Annual Meeting of Stockholders was mailed or public disclosure of the date of such annual meeting was made, whichever first occurs. You are also advised to review our Bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations.

OTHER MATTERS

Our Board knows of no other matters that have been submitted for consideration at this annual meeting. If any other matters properly come before our stockholders at this annual meeting, the persons named on the enclosed proxy card intend to vote the shares they represent in accordance with their best judgment.

FINANCIAL STATEMENTS

A copy of our consolidated financial statements for the fiscal year ended June 30, 2009 and notes thereto are posted on our website www.kreislermfg.com and are being mailed concurrently with this proxy statement. A copy of such financial statements and notes thereto is also available without charge by sending a written request to: Chrysler Manufacturing Corporation, 180 Van Riper Avenue, Elmwood Park, New Jersey 07407, Attention: Edward A. Stern, Co-President, Chief Financial Officer, Secretary and Treasurer or via e-mail to InvestorRelations@kreislermfg.com.

By Order of the Board of Directors,

A handwritten signature in black ink, appearing to read "Edward A. Stern", written in a cursive style.

Edward A. Stern
Co-President, Chief Financial Officer, Secretary and Treasurer