

KREISLER MANUFACTURING CORPORATION

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on December 20, 2011

TO OUR STOCKHOLDERS:

WHAT: Our 2011 Annual Meeting of Stockholders

WHEN: December 20, 2011

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

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

1. Elect three 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, 2012; 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 November 4, 2011 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
November 9, 2011

**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 20, 2011**

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 2011 Annual Meeting of Stockholders (or any adjournment, postponement or rescheduling thereof, referred to as the “annual meeting”) to be held on December 20, 2011, 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 November 9, 2011.

WHAT AM I VOTING UPON?

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

- (i) to elect three 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, 2012; 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 November 4, 2011, 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 November 4, 2011, 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 November 4, 2011, 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 three directors, requires a plurality of the votes cast to elect a director. The three 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, 2012 and the approval of any other business as may properly come before the annual meeting or any postponement, adjournment or rescheduling thereof, must receive a “For” vote by the majority of shares present or represented by proxy and entitled to vote. An abstention will have the same legal effect as an “against” vote on, and a broker non-vote will not be counted as shares entitled to vote and accordingly will not affect the outcome of the vote on, Proposal 2 or any other business as may properly come before the annual meeting, or any postponement, adjournment or rescheduling thereof.

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 and 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 as well as the proof of identification. 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, 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 three 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, 2012.

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 by resolution has set the number of directors at three. The Board of Directors currently consists of three members and there are three 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 and Michael D. Stern, all of whom are currently serving as directors. Our Board of Directors 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. On January 8, 2011, Richard T. Swope, a member of our Board of Directors and an independent director, passed away unexpectedly.

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 November 4, 2011</u>
John W. Poling ⁽¹⁾⁽²⁾	Director	2003	66
Edward A. Stern	Co-President, Chief Financial Officer, Secretary, Treasurer and Director of Kreisler and 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.	2009	50
Michael D. Stern ⁽¹⁾	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	45

(1) A member of the Audit 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. Since 2009 he has served as Senior Vice President for The Colmen Group, Inc., a company which provides consulting and financial advisory services to public and private companies, including advice regarding compliance with U.S. securities laws, investment banking and financial modeling. From October 2010 to April 2011, Mr. Poling served as Chief Financial Officer of Eastern Environment Solutions, Corp., a municipal waste disposal company in Harbin China. 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. 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. Since 2006 Mr. Poling has served as a member of the Audit Committee and member of the Compensation Committee for US Ecology, Inc., a company engaged in hazardous and nuclear waste treatment and disposal. 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 joined Kreisler's Board of Directors in December 2009. 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 is also a director of New Jersey Manufacturers Insurance Company, a provider of workers' compensation and commercial auto insurance, and a director of the New Jersey Business & Industry Association, a New Jersey employer association which provides information, services and advocacy to its member companies. Mr. Stern graduated with a Masters 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, Chief Executive Officer and director.

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, Treasurer and director.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" THE ELECTION OF THE THREE 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, 2012, 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 John W. Poling and Michael D. Stern. Mr. Poling serves as the Chair of the Audit Committee. Prior to his death in January 2011, Richard T. Swope served on the Audit Committee. Michael D. Stern was appointed to serve on the Audit Committee following the death of General Swope. Our Board of Directors has determined that Mr. Poling is independent under the Nasdaq listing standards related to the independence for Audit Committee members. General Swope was independent under the Nasdaq listing standards related to the independence for Audit Committee members.

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 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, 2011 and 2010.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Option Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Edward A. Stern Co-President, Chief Financial Officer,	2011	151,731	--	--	--	6,862 ⁽³⁾	158,593
Secretary, Treasurer and Director ⁽²⁾	2010	144,269	--	21,240	--	8,573 ⁽³⁾	174,082
Michael D. Stern Co-President, Chief Executive Officer and Director ⁽²⁾	2011	151,731	--	--	--	7,258 ⁽⁴⁾	158,989
	2010	144,269	--	21,240	--	8,323 ⁽⁴⁾	173,832

- (1) The amounts shown do not reflect compensation actually received by the named executive officers. Represents the aggregate grant date fair value of option awards computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, referred to as “ASC Topic 718,” based on assumptions set forth in “Note G. Stock Option Plan” to the consolidated financial statements for the fiscal year ended June 30, 2011 and without giving effect to the estimate of forfeitures related to service-based vesting conditions.
- (2) 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.
- (3) These amounts represent (i) \$3,917 in fiscal 2011 and \$4,375 in fiscal 2010 of an annual automobile allowance provided by us and (ii) \$2,945 in fiscal 2011 and \$4,198 in fiscal 2010 for the employee cost contribution portion of our medical insurance that was paid by us.
- (4) These amounts represent (i) \$4,313 in fiscal 2011 and \$4,125 in fiscal 2010 of an annual automobile allowance provided by us and (ii) \$2,945 in fiscal 2011 and \$4,198 in fiscal 2010 for the employee cost contribution portion of our medical insurance that was 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. On October 31, 2011, the Board of Directors approved a salary increase for Michael D. Stern and Edward A. Stern, from \$150,000 per year to \$175,000 per year, retroactively effective October 30, 2011.

Stock Options. Effective on February 3, 2010, under the 2007 Stock Incentive Plan, the Board of Directors granted each of Michael D. Stern and Edward A. Stern an option to purchase 9,000 shares of our common stock at an exercise price of \$4.60. The options vest in three equal annual installments beginning on February 3, 2011 and expire 10 years from the option grant date.

Outstanding Equity Awards at June 30, 2011

The following table sets forth all outstanding equity awards held at the end of the fiscal year ended June 30, 2011 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	21,000 ⁽¹⁾	--	10.83	02/12/2017
	3,000	6,000 ⁽²⁾	4.60	02/2/2020
Michael D. Stern	21,000 ⁽¹⁾	--	10.83	02/12/2017
	3,000	6,000 ⁽²⁾	4.60	02/2/2020

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

(2) Option to purchase 9,000 shares of *Kreisler's* common stock granted under the 2007 Stock Incentive Plan on February 3, 2010 at an exercise price of \$4.60, vests in three equal annual installments beginning on February 3, 2011.

2007 Stock Incentive Plan

Set forth below is a summary of the material terms of the 2007 Stock Incentive Plan. This summary is not intended to be complete and is qualified in its entirety by the detailed provisions of the 2007 Stock Incentive Plan, which is attached as Appendix A to our proxy statement filed with the Securities and Exchange Commission on November 7, 2007.

Purpose of the Plan. The purpose of the 2007 Stock Incentive Plan is to provide incentives which will attract, retain, motivate, and reward highly competent non-employee directors, executive officers, and other employees of and consultants to *Kreisler* or its affiliates by providing them with an opportunity to acquire shares of common stock or other awards. Furthermore, the 2007 Stock Incentive Plan is intended to further align the interests of our non-employee directors, executive officers, and other employees and consultants with those of our stockholders.

Administration. The Board of Directors or a committee appointed by the Board of Directors administers the 2007 Stock Incentive Plan, referred to as the "committee."

Participation. Participants in the 2007 Stock Incentive Plan may be non-employee directors, executive officers, and other employees of, or consultants to, *Kreisler* or its affiliates that the committee determines to be significantly responsible for our success and future growth and profitability.

Awards. Under our 2007 Stock Incentive Plan, awards may be granted in any one or a combination of (i) stock options (both incentive stock options and non-qualified stock options), (ii) stock grants, and (iii) performance awards. Stock grants and performance awards may constitute performance-based awards.

Common Stock Available Under the 2007 Stock Incentive Plan. Up to 200,000 shares of common stock may be subject to awards under the 2007 Stock Incentive Plan, including shares of common stock underlying stock options. The maximum number of shares of common stock with respect to which awards may be granted to any individual participant during any calendar year shall not exceed 100,000 shares. The maximum number of such shares with respect to which stock options may be granted under the 2007 Stock Incentive Plan is 100,000 shares of common stock.

Adjustments. In the event of any change in the common stock through merger, consolidation, reorganization, recapitalization, stock dividend, stock split, reverse stock split, split up, spinoff, combination of shares, exchange of shares, dividend in kind, or other change in capital structure or distribution, an adjustment shall be made to each outstanding stock option. Such stock options will be adjusted so that each stock option will be exercisable for such securities, cash, and/or property as would have been received had such stock option been exercised immediately prior to such change or distribution. Such change will be made successively any time any such change shall occur.

In addition, in the event of any such change the committee shall have the authority to adjust the number and kind of shares that may be issued under the 2007 Stock Incentive Plan, the number and kind of shares subject to outstanding awards, the exercise price applicable to outstanding awards, and the fair market value of common stock applicable to outstanding awards. Such adjustments will be made to prevent dilution or enlargement of participants' rights under the 2007 Stock Incentive Plan. Appropriate adjustments may also be made by the committee in the terms any awards under the 2007 Stock Incentive Plan to reflect such changes or distributions and to modify any other terms of outstanding awards on an equitable basis.

Other than with respect to performance-based awards, the committee is authorized to make adjustments to the terms and conditions of awards in recognition of unusual or nonrecurring events affecting us or our financial statements, or in response to changes in applicable laws, regulations, or accounting principles.

Change in Control. All unvested awards granted under the 2007 Stock Incentive Plan will become immediately vested upon the occurrence of a change of control and all vested awards shall be paid out or settled within 60 days of the change in control, subject to requirements of applicable laws and regulations. The committee may determine that upon a change in control each stock option outstanding shall terminate and the holder shall receive within 60 days of the change in control an amount equal to the excess of the fair market value of the common stock immediately prior to the change in control over the exercise price per share of such stock option. That amount will be payable in cash, property, or a combination of the two, as the committee will determine.

Termination of Employment. If a participant's employment with us is terminated due to death or disability:

- all unvested stock grants held by the participant on the date of death or termination of employment shall immediately become vested;
- all unexercisable stock options held by the participant on the date of death or termination of employment shall immediately become exercisable and shall remain exercisable until the earlier of (i) the end of the one-year period following the date of death or termination of employment, or (ii) the date the stock option would otherwise expire;
- all exercisable stock options held by the participant on the date of death or termination of employment shall remain exercisable until the earlier of (i) the end of the one-year period following the date of death or termination of employment, or (ii) the date the stock option would otherwise expire; and

- all unearned and/or unvested performance awards held by the participant on the date of death or termination of employment shall immediately become earned and vested as of that date and shall be paid out and/or settled based on the participant's performance immediately prior to the date of the participant's death or the date of the termination of his or her employment on a pro-rated basis with a minimum of at least one year into a performance period, as determined by the committee.

If a participant's employment with us is terminated for cause (as defined in the 2007 Stock Incentive Plan), all awards, whether or not vested, earned, or exercisable, shall immediately be forfeited by such participant.

If a participant's employment is terminated for any reason, including retirement, other than for cause or other than due to death or disability:

- all unvested, unearned, or unexercisable awards held on the date of the termination of the participant's employment shall be forfeited by such participant on such date; and
- all exercisable stock options held by the participant on the date of termination of his or her employment shall remain exercisable until the earlier of (i) the end of the 90 day period following the date of the termination of the participant's employment, or (ii) the date the stock option would otherwise expire.

The committee may provide that any or all unvested stock grants held on the date of the termination of the participant's employment shall immediately become vested, any or all unexercisable or exercisable stock options held by the participant on the date of the participant's death or termination of employment shall immediately become exercisable, if applicable, and remain exercisable until a date on or prior to the date the stock option is set to expire, provided that incentive stock options shall remain exercisable not longer than 90 days following the date of termination of employment.

Transferability. Each award granted under the 2007 Stock Incentive Plan is not transferable other than by will or the laws of descent and distribution, and shall be exercisable during the participant's lifetime only by the participant. In the event of the death of a participant, each stock option shall be exercisable only by the executor or administrator of the estate of the deceased participant or by the person or persons to whom the deceased participant's rights shall pass by will or the laws of descent and distribution.

At the discretion of the committee, an award other than an incentive stock option may permit the transferability of such award solely to members of the participant's immediate family or trusts or family partnerships for the benefit of such persons, subject to any restrictions included in the award agreement.

Duration, Amendment, and Termination. The 2007 Stock Incentive Plan became effective as of December 11, 2007 and no award will be granted more than ten years after December 11, 2007. The terms and conditions applicable to any award granted prior to that date may be amended or modified by mutual agreement between us and the participant. Also, we may agree with the participant that awards may be granted in substitution and exchange for, and in cancellation of, any awards previously granted under the 2007 Stock Incentive Plan or any other future plan.

No amendment of the 2007 Stock Incentive Plan shall, without approval of our stockholders, (i) increase the number of shares issuable under the 2007 Stock Incentive Plan or the maximum number of shares with respect to stock options or other awards may be granted to any participant under the 2007 Stock Incentive Plan, (ii) modify the eligibility requirements for awards under the 2007 Stock Incentive Plan, (iii) effect the repricing of stock options, or (iv) otherwise materially amend the 2007 Stock Incentive Plan as provided in the Nasdaq Marketplace Rules. No amendment may be made, however, without approval of our stockholders if the amendment will disqualify any incentive stock options granted under the 2007 Stock Incentive Plan.

DIRECTOR COMPENSATION

The following table sets forth the compensation earned by each of our non-employee directors during the fiscal year ended June 30, 2011.

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$)	All Other Compensation (\$)	Total (\$)
John W. Poling ⁽¹⁾	19,250	--	--	19,250
Richard T. Swope ⁽²⁾	1,750	--	--	1,750

(1) At the end of fiscal year 2011, Mr. Poling had 9,500 vested options and 3,000 unvested options outstanding.

(2) At the end of fiscal year 2011, General Swope had 12,500 vested options and 0 unvested options outstanding. General Swope died on January 8, 2011. As a result, all of his outstanding options vested immediately and may be exercised by his estate until January 8, 2012.

Fees. Each director of Kreisler who is not an officer receives a fee of \$12,500 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. Each member of the Board of Directors is paid \$750 for each meeting attended in-person and \$250 for each meeting attended telephonically, up to an annual maximum of \$5,000. Directors who are our employees 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.

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

The following table sets forth, as of November 4, 2011, 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 above, 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
Whitebox Advisors, LLC	145,585 ⁽⁴⁾	7.8
Whitebox Multi-Strategy Advisors, LLC	113,180	6.1
Whitebox Multi-Strategy Partners, L.P.	113,180	6.1
Whitebox Multi-Strategy Fund, L.P.	113,180	6.1
Whitebox Multi-Strategy Fund, Ltd.	113,180	6.1
Whitebox Small Cap Long Short Equity Advisors, LLC	17,815	*
Whitebox Small Cap Long Short Equity Partners, LP. ...	17,815	*
Whitebox Small Cap Long Short Equity Fund, LP	17,815	*
Whitebox Small Cap Long Short Equity Fund, Ltd.	17,815	*
HFR RVA Combined Master Trust	14,590	*
John W. Poling	9,500 ⁽⁵⁾	*
Edward A. Stern	55,567 ⁽⁶⁾	2.9
Michael D. Stern	55,563 ⁽⁷⁾	2.9
All directors and executive officers of Kreisler as a group (3 persons)	120,630 ⁽⁸⁾	6.3

* 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 November 4, 2011. Beneficial ownership may be disclaimed as to certain of the securities. Unless indicated otherwise, the business address of the beneficial owners is c/o Kreisler 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 November 4, 2011.
- (3) Represents (i) 11,667 shares directly owned by Mr. Kelly; and (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).
- (4) Based solely on Schedule 13G Amendment No. 1 filed with the SEC on February 11, 2011 by Whitebox Advisors, LLC (“WA”) acting as an investment adviser to its client; Whitebox Multi-Strategy Advisors, LLC (“WMSA”); Whitebox Multi-Strategy Partners, L.P. (“WMSP”); Whitebox Multi-Strategy Fund, L.P. (“WMSFLP”); Whitebox Multi-Strategy Fund, Ltd. (“WMSFLTD”); Whitebox Small Cap Long Short

Equity Advisors, LLC (“WSCLSEA”); Whitebox Small Cap Long Short Equity Advisors, L.P. (“WSCLSEP”); Whitebox Small Cap Long Short Equity Partners, L.P. (“WSCLSEFLP”); Whitebox Small Cap Long Short Equity Fund, Ltd. (“WSCLSEFLTD”); and HFR RVA Combined Master Trust (“HFR”), each of the foregoing entities has shared voting and investment power over the shares of our common stock beneficially owned by it as set forth in the table. The address of the business office of WA, WMSA, WMSFLP, WSCLSEA and WSCLSEFLP is 3033 Excelsior Boulevard, Suite 300, Minneapolis, MN 55416. The address of the business office of WMSP, WMSFLTD, WSCLSEP and WSCLSEFLTD is Trident Chambers, P.O. Box 146, Waterfront Drive, Wickhams Cay Road Town, Tortola, British Virgin Islands. The address of the business office of HFR is HFR RVA Combined Master Trust, 65 Front Street, Hamilton, HM 11, Bermuda.

- (5) Includes options to purchase 9,500 shares of common stock which may be exercised within 60 days of November 4, 2011.
- (6) Includes options to purchase 24,000 shares of common stock which may be exercised within 60 days of November 4, 2011.
- (7) Includes options to purchase 24,000 shares of common stock which may be exercised within 60 days of November 4, 2011.
- (8) Includes options to purchase 57,500 shares of common stock which may be exercised within 60 days of November 4, 2011.

STOCKHOLDER PROPOSALS – 2012 ANNUAL MEETING

Our Bylaws require that proposals of stockholders for the 2012 Annual Meeting of Stockholders must be submitted, in accordance with the requirements of our Bylaws, not later than October 21, 2012 and not earlier than September 21, 2012; provided, however, that in the event that the 2012 Annual Meeting of Stockholders is called for a date that is not within 30 days before or after December 20, 2012, 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 2012 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, 2011 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