



Seigle's Re-emerges in Chicago Market

The former 11-unit dealer buys back showroom as Stock Building Supply exits Chicago area.

By: Andy Carlo, PROSALES Information Service

July 14, 2009 —Seigle's, the former Chicagoland area dealer, is set to re-enter the metro market and is buying back a cabinet business and showroom it once sold to Stock Building Supply.

After emerging from Chapter 11 earlier this month, Stock will close a millwork plant in Carol Stream, Ill., along with a regional office, cabinetry, and turnkey operation in Elgin. Approximately 200 employees will be impacted by the closings, according to documents filed with the state.

However, Seigle's is purchasing the Elgin-based cabinetry business along with a cabinet showroom.

Seigle's Cabinet Center LLC incorporated with the Illinois Secretary of State's Office on July 6, according to documents obtained by ProSales. The paperwork was filed by Mark Seigle, the former president of Seigle's Home and Building Centers. Seigle could not be reached for comment.

At its height, Seigle's Home and Building Centers operated 11 locations in the metro-Chicago area with about 1,300 employees, and nearly \$260 million in sales. Stock bought the Elgin-based business in 2005 for roughly \$121 million in a cash deal.

The deal also included Seigle's Michael Nicholas Carpentry subsidiary, a turnkey provider of framing services.

Stock, the No. 2 LBM company on this year's ProSales 100 emerged from bankruptcy protection on July 1.

Stock filed for Chapter 11 bankruptcy on May 6, one day after Wolseley Plc sold 51% control of the dealer to The Gores Group, a private equity firm based in Los Angeles. During its time in bankruptcy, Stock won court approval to reject more than 250 leases, most of them for properties it has closed since mid-2006.

Chicago was not among the 19 core markets Stock has pinpointed since emerging from Chapter 11. Those markets include: the Washington, D.C., area; Paradise, Pa.; Richmond, Va.; Raleigh-Durham, Charlotte and Winston-Salem/Greensboro, N.C.; Greenville and Columbia, S.C.; Atlanta; Austin, Amarillo, Houston, Lubbock and San Antonio, Texas; Albuquerque, N.M.; Salt Lake City and Southern Utah; Spokane/Northern Idaho, and Los Angeles. Stock also said will continue to operate its commercial, flooring and roofing business units.

At its peak, Stock had more than 17,000 employees but slimmed down to roughly 7,200 workers as of this past May. At the same time, Stock cut the number of facilities it had on May 6 roughly in half, to 100, and eliminated an undisclosed number of headquarters and administrative staff. Last year, Stock's sales fell 24% to nearly \$3.2 billion from about \$4.2 billion in the 2007.