

# **CORPORATE RESUME**

**HERBERT O. CRANE & ASSOCIATES, INC.**

**February 28, 2009**

# RESUME

Specialists in marketing to the Do-it-Yourself, Home Center, Hardware, and Mass Merchandiser markets, covering Oregon, Washington, Northern Idaho, Montana and Alaska

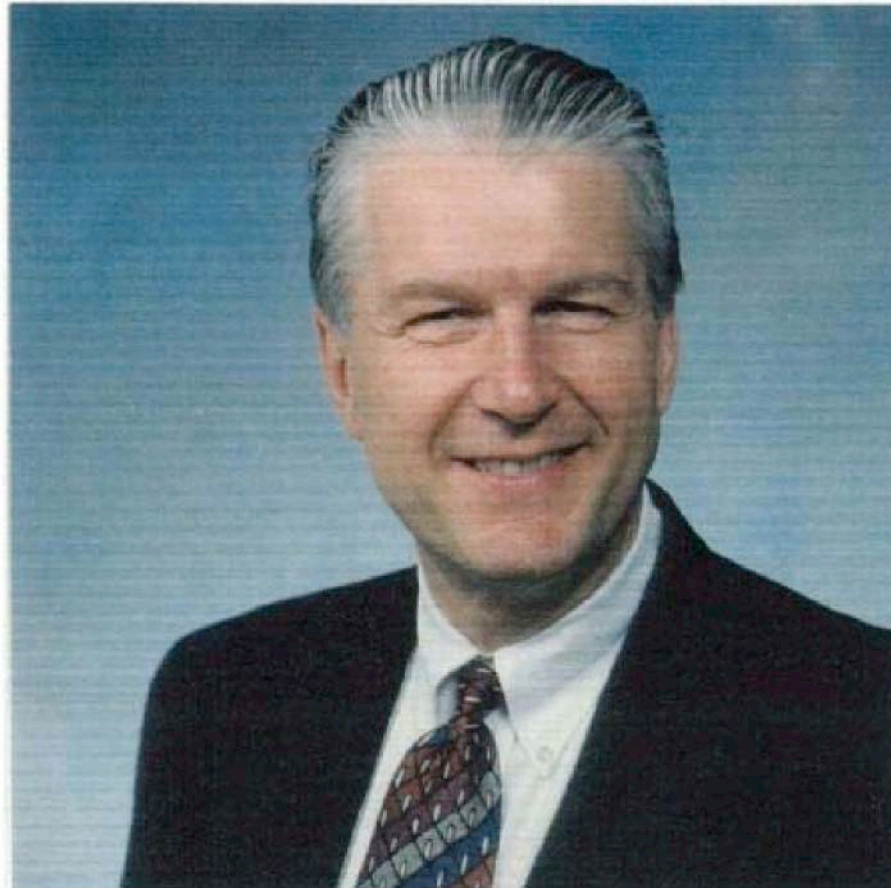
Established February 1961

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Tax ID #: 91-1676137

National Awards: 93

## PERSONNEL



**JERRY L. JONES**  
PRESIDENT/OWNER

Main Office

Since 1970 Jerry has grown our firm through his thorough knowledge of our industry, particularly in the area of COSTCO Wholesale Clubs Inc. Much of our growth can be attributed to Jerry's rapport with all the major accounts in our territory. His background is in home improvement center décor merchandising. Jerry's experience has proven that if we "work for clients as if we care more about their business than they do, we will be rewarded, and remember, business is supposed to be fun!"



**WILLIAM J. COVERT**  
SALES ASSOCIATE

Branch Office

Bill joined our agency in 1987 with strong experience in the wholesale home improvement industry to include his association with a national company, Libby-Owens Ford. His broad knowledge in the fields of OEM, marketing and retail merchandising along with his expertise in the home improvement business has doubled our volume in the Oregon territory.

**BRIAN SPELLMEYER**  
**SALES ASSOCIATE**

Branch Office

Brian brings a great deal of sales and marketing experience to our agency, having worked for, and represented some of the biggest names in the hardware, plumbing, and electrical industry. Brian's experience in dealing with Plumbing and Electrical home center chains and Farm-Ag and Garden centers is a great help to our business and that of our factories. Brian is an alumni and a rabid fan of the Washington Huskies, who still referees high school football games. He now lives in Wilsonville, OR with his wife Samantha. They have one son who recently graduated from Linfield College in accounting.



**BEN HEIMERMAN**  
**SALES ASSOCIATE**

Main Office

Ben is our newest sales associate. He has an excellent background Retail Home Center merchandising, having worked in our store services division prior to joining our agency sales team. Ben's work with Amazon.com and other key accounts in our territory is a part of our success. Ben is a communications graduate of Whitworth College, where he played basketball. He continues to enjoy sports of all kinds.



**JESSICA GONZALES**  
OFFICE and PERSONNEL MANAGER/ SALES

Main Office

Jessica brought to our company her solid background in financial and personnel matters. She has become a trusted advisor to our management and a valuable part of our sales team. Her attention to detail, regarding our customers, brings new business for our factories on an ongoing basis. Jessica continues to bring her special brand of enthusiasm and motivation to the people she works with daily.



**PATRICIA KATELEY**  
**SALES SUPPORT**

Branch Office

Pat has broad experience in the Oregon market as she works as sales assistant to Bill and Brian. Pat's skills in presentation preparation and customer service are often the envy of our factories. Pat's thoroughness in follow up and customer service are legendary. Pat lives in Boring, OR with her husband Harry.

## **ADMINISTRATIVE STAFF**

Our administrative support team's experience collectively spans many years with our corporation. Key responsibilities include customer service, sales support, computerized record keeping, and commission reconciliation. To contact any of our staff, please e-mail to:

**JESSICA GONZALES**  
**Office Manager, Personnel and Sales**  
Main Office  
Bellevue, Washington  
jgonzales@hocrane.com

**PAT KATELEY**  
**Sales Support**  
Oregon  
pkateley@hocrane.com

## **MAJOR RETAIL CHAIN ACCOUNTS**

### **BI-MART CORPORATION**

220 South Seneca Road

Eugene, OR 97402

BI-Mart is a 60-unit chain of discount stores, owned by a management group led by Marty Smith, president of BI-Mart.

A major portion of BI-Mart's considerable volume is purchased through feeders and other two-step distribution. Recently, however, BI-Mart has their own warehouse replenishment system for key buys and special programs. In the past, we have sold them through feeders, or factory direct to individual stores, and through their distribution center, we are well prepared to handle their changing buying patterns. We are in fact currently negotiating some of these changes with their buyers. We anticipate volume increases on the business we enjoy with them.

### **B & T WHOLESALE DISTRIBUTORS, INC.**

#### **DBA MCLENDON HARDWARE STORES**

715 - Lind Avenue S.W.

Renton, WA 98055

This family owned local hardware chain (7 stores) was the first to offer "more of everything". With over 120,000 SKU's and knowledgeable clerks to help you find what you are after, this chain has become a Seattle area mainstay and thrives amongst dozens of big box competitors.

Almost everything they buy is ordered either store direct or through their buying front warehouse B & T Wholesale Distributors, Inc. This chain has shown huge growth with our manufacturers and will always be a part of our success.

### **COSTCO WHOLESALE, INC.**

999 Lake Drive

Issaquah, WA 98027

Costco Wholesale, one of America's leading warehouse clubs, generates tremendous dollar volume for our agency. Costco's corporate headquarters are located in Issaquah, Washington. Costco has approximately 500 warehouse stores that are 100,000-150,000-square-foot. Approximately 400 of these warehouse locations are in the United States. Costco is one of the fastest-growing accounts in North America with plans to be at 1,000 locations by 2014.

Purchasing for Costco has been consolidated into the Issaquah office, for all in store items, online Costco.com items, business to business items, Costco Home Stores items, and Costco international divisions' items. This obviously increases our volume potential enormously. Purchasing is centrally controlled, with truckload and container quantity shipments being split to each warehouse location from factory direct or Costco depot connections.

Our Costco item presentations are tailored to their warehouse format and to their selective merchandising philosophy. Often items are sourced for Costco from our factories in Asia, Great Britain and Israel, as well as the USA. The approach Costco takes in selecting items is highly discriminating and aimed at bringing the greatest value for competitive price. For those factories creative in their approach to product design, rewards can be enormous.

**FRED MEYER, INC., a division of Kroger Foods Inc.**

3800 SE 22nd Avenue

Portland, OR 97202

This chain (which includes 140 Home Centers) are logistical experts in transportation and distribution of products. Although some categories are either purchased through distributors or by their warehouse replenishment system, practically everything is bought centrally for store distribution. We offer strong support programs and enjoy substantial volume with this account. Their sales exceed \$16 billion annually with acquisitions of Ralph's, QFC Stores, & Smitty's.

Fred Meyer dominates Oregon and is a major factor in the Washington, Utah, Arizona and Alaska markets. "Fred Meyer's" hyper-mart approach to the home repair categories puts great emphasis on quarterly merchandizing promotions, along with basic program assortments in which we have been very successful.

**HI-SCHOOL PHARMACY, INC.**

915 West 11th Street

Vancouver, WA 98660

Over the last several years, Hi-School Pharmacy has branched heavily into stores which feature full line plumbing, electrical, hardware and paint sections. This expanded format is found in 11 of their stores. Located in small communities where they are "the source" for our type of products, makes them an important customer for any of our factories. This customer buys almost exclusively through ACE Hardware Corp. and Jensen Distribution Services, Inc., but allows us opportunity to submit our programs and then designates the vendor they want the product from.

**WORLDWIDE DISTRIBUTORS, INC.**

P.O. Box 88607

Seattle, WA 98138

This company operates as a buying front and warehouse distributor for more than 289 independently owned mass merchandise stores growing out of what were once army navy surplus-Sporting goods and Farm-Ag stores. This company approves vendors in major categories for sales to their members on a drop ship, pool order and import order basis. The company sponsors two major shows each year for vendors and members to interact in buying events. Our volume with these stores is substantial and continues to grow each year

## **OTHER RETAIL ACCOUNTS**

A-Boy Electric & Plumbing Supply Co	8 Stores	Portland, OR
Able Building Supply	5 Stores	Moses Lake, WA
Allied Building Products	12 Stores	Pacific N.W.
Coastal Farm Supply	8 Stores	Woodburn, OR
Dell's Farm Supply	16 Stores	Tacoma, WA
Dunn Lumber Company	10 Stores	Seattle, WA
G & G Electric & Plumbing Dist., Inc. (DBA Grover Electric & Plumbing Stores)	8 Stores	Vancouver, WA
Jerry's Home Improvement Centers	2 Stores	Eugene, OR
Keith Brown Lumber	2 Stores	Salem, OR
Kenyon Nobel Lumber	3 Stores	Missoula, MT
Lumbermen's Building Centers	68 Stores	Olympia, WA
OSO Lumber Co., Inc.	6 Stores	Marysville, WA
Parr Lumber Company	22 Stores	Portland, OR
Pendleton Grain, Inc.	6 Stores	Pendleton, OR
Power Townsend	2 Stores	Helena, MT
Tum-A-Lum Lumber	9 Stores	Walla Walla, WA
Withers Lumber Co.	6 Stores	Woodburn, OR
Western Independent Nurseries	245 Members	Olympia, WA
Zeigler Lumber Company Stores, Inc.	8 Stores	Spokane, WA
Ziegler Lumber, Inc.	4 Stores	Billings, MT

## **CLASSES OF LEGITIMATE WHOLESALE TRADE COVERED**

As a matter of principal, we have always avoided direct selling to individual retail stores. The states of Oregon and Washington alone cover 165,000 square miles (in which live no more than 8,000,000 people), and distribution in a territory of this size has often been best achieved through a variety of specialty and full line wholesalers. However, recent times have narrowed the influence of distributors (except for building materials) in the field of retail distribution. Where distributor strength remains, we do not pirate our customers' markets.

The fact that we work directly and closely with the retail chains indicated does not conflict with this marketing policy, but, in fact, bolsters it. We are frequently able to direct to the service wholesalers substantial business from the major chains. Our major wholesale accounts fall into several categories, some of which are:

### **FULL LINE HARDWARE**

Jensen Distribution Services (D.A. Group Member)	Spokane, WA
Horizon Distribution, Inc. (Pro Hardware Group Member)	Yakima, WA
Cascade Wholesale, Inc. (Pro Hardware Group Member)	Portland, OR

### **SPECIALTY AND SERVICE WHOLESALERS**

Builders Hardware & Supply, Inc. (Pro Hardware Group Member)	Seattle, WA
B & T Wholesale Distributors, Inc. DBA McLendon Hardware, Inc.	Renton, WA
Central Garden & Pet Supply	Clackamas, OR & Auburn, WA
Freedom Wholesale Hardware	Beaverton, OR
Gardenwise Distributors N.W., Inc.	Portland, OR
Johnstone Supply, Inc.	Portland, OR
Keller Supply, Inc.	Seattle, WA
L & L Nursery Supply, Inc.	Fife, WA
Northwest Builders Supply, Inc.	Seattle, WA
Tacoma Electric, Inc.	Tacoma, WA
Thompson Tile, Inc.	Tukwila, WA
Tri-W Distributors, Inc.	Kirkland, WA
Western Tile & Marble, Inc.	Bellevue, WA
Worldwide Distributors, Inc. (289 member coop)	Seattle, WA

CLASSES OF LEGITIMATE WHOLESALE TRADE COVERED

Continued from previous page

**BUILDING MATERIALS DISTRIBUTORS**

Cameron Ashley Building Products, Inc.	Portland, OR
E & B Bradley, Inc.	Seattle, WA
Huttig, Inc. (4 Branches in NW)	Auburn, WA
Jewitt Cameron Lumber Co., Inc.	N. Plains, OR
Lumber Products, Inc. (9 Branches)	Portland, OR
Lumber Supply & Warehouse Co., Inc. (2 Warehouses)	Seattle, WA
Lumber Yard Supply Co., Inc (3 Branches)	Great Falls, MT
	Billings, MT
	Spokane, WA
National Builders Hardware, Inc.	Portland, OR
	Olympia, WA
OREPAC, Inc. (8 Branches)	Portland, OR
Prime Source N.W.	Auburn, WA
Weatherly's Inc.	Eugene, OR

## **ALASKA MAJOR ACCOUNTS**

### **SPENARDS BUILDERS SUPPLY, INC.**

4412 Lois Drive

Anchorage, AK 99518

Spenards is the only state headquartered chain of hardware, paint, plumbing, electrical, and building material stores in Alaska. Owned by Lanoga Corp., a Seattle holding company, Spenards enjoys solid financing and good management. Their 11 stores are located in the suburbs of Anchorage and across the state in other smaller towns. They are a very important part of the Home Center equation in Alaska.

### **ALASKA COMMERCIAL CO., INC.**

(A division of the Northwest Corporation out of Winnipeg, Canada)

5611 64th Ave.

Anchorage, AK 99518

Alaska Commercial acts as a buying front for 30 of their own stores. Involved in supplying general merchandise stores in smaller communities throughout the State, Alaska Commercial must carry a wide array of hardware and basic home improvement products to satisfy their customer's needs. We offer them everything we sell. They continue to grow and we will grow with them.

### **GENERAL HARDWARE DISTRIBUTORS, INC.**

**DBA Alaska Industrial Hardware Stores, Inc. (6)**

2192 Viking Drive

Anchorage, AK 99501

General Hardware is Alaska's largest full line hardware/home center products distributor. They own SIX of their own hardware stores, but sell in varying degrees to virtually every retail hardware, building center, and home improvement center store in the State. Many of their accounts are general merchandise stores in the small out of the way communities of Alaska, so their sales are far reaching. To consider doing business in Alaska without them would minimize a factory's impact.

### **ALASKA HOUSEWARES, INC.**

501 West 58th Street

Anchorage, AK 99518

Alaska Housewares is one of the highly respected wholesalers covering chains and independents throughout the State of Alaska. Their sales division concentrates on house wares, hardware and variety. They sell to hardware, building center outlets, and general merchandisers throughout the state. We think highly of the approach they take toward their customers.

### **A & W WHOLESALE CO., INC.**

950 Aurora Drive, Suite #101

Fairbanks, AK 99709

This independently owned and operated wholesale distributor of bar, restaurant, and janitorial supplies services the entire state of Alaska. Cleaning aids, plumbing specialties and basic hardware items are a part of their product mix. This company continues to grow as Alaska develops a greater need for this type

of distribution

**ALASKA**  
**OTHER SPECIALTY & SERVICE RETAILERS AND WHOLESALERS**

V.F. Grace Co., Inc.	Anchorage, AK
Wholesale Distributors, Inc.	Anchorage, AK
Alaska Diesel Electric, Inc.	Anchorage, AK
Alaska Builders Cache, Inc.	Anchorage, AK
Alaska Building Specialties	Anchorage, AK
Allen & Peterson Home Decorating Center	Anchorage, AK
Central Warehouse & Supply, Inc.	Anchorage, AK
Curtis & Campbell, Inc.	Anchorage, AK
U-Plumb-N'Save	Wasilla, AK
Fairbanks Paint & Glass	Fairbanks, AK
Chandler's Plumbing, Inc.	Kodiak, AK
Sentry Hardware	Fairbanks, AK
Trustworthy Hardware	Soldotna, AK