

UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION

In re:

SUNCOAST ROOFERS SUPPLY, INC.,

Debtor.

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Chapter 11

Case No. 8:07-bk-11039-KRM

**DEBTOR'S CHAPTER 11 CASE MANAGEMENT SUMMARY**

Suncoast Roofers Supply, Inc. (the "Debtor"), by and through its undersigned counsel, hereby files its Chapter 11 Case Management Summary (the "Summary") pursuant to Administrative Order TPA-2005-2. In support of its Summary, the Debtor respectfully represents as follows:

**Introduction**

On November 14, 2007 (the "Petition Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code").

**Case Management Items**

**I. Description of the Debtor's Business**

The Debtor is a Florida corporation founded in 1975 and headquartered at 14212 N. Nebraska Avenue, Tampa, Florida 33613. It is one of the largest distributors of roofing supplies to the Florida residential and commercial construction markets. The Debtor offers a broad range of asphalt, tile, and metal roofing products and accessories and provides value-added services including technical support, delivery and logistics management, call centers and supportive tools and training to its customers. The Debtor

serves more than 2,500 residential and commercial contractors, as well as retail customers, through its network of warehouses located in key metropolitan areas across the state of Florida. Management estimates that its approximate eleven percent (11%) market share of the Florida roofing products market represents the number two (2) position in this highly fragmented industry. Please review the Debtor's website at [www.srsicorp.com](http://www.srsicorp.com).



## II. Location of the Debtor's Operations and Whether Leased or Owned

The Debtor leases its Tampa headquarters as well as its sales centers/warehouse facilities from various entities, some of which are owned (in part or in their entirety) by one or more of the Debtor's principals. The following are the Debtor's corporate headquarters, sales centers, and warehouse facilities as of the Petition Date:

### **Corporate Headquarters/Sales Center/Warehouse**

14212 North Nebraska Ave.

Tampa, FL 33613-2219

### **Clearwater Sales Center/Warehouse**

12833 US Hwy 19 N

Clearwater, FL 33764-7223

### **Deerfield Beach Sales Center/Warehouse**

1851 S.W. 43rd Terrace

Deerfield Beach, FL 33442

**Ft. Myers Sales Center/Warehouse**

7899 Drew Circle

Ft. Myers, FL 33967

**Jacksonville Sales Center/Warehouse**

4930 Spring Park Road

Jacksonville, FL 32207-7457

**Miami Sales Center/Warehouse**

7821 NW 67<sup>th</sup> Street

Miami, FL 33166

**Orlando Sales Center/Warehouse**

2251 Mercy Dr.

Orlando, FL 32808

See, e.g., <http://www.srsicorp.com/locations/>

**III. Reasons for Filing Chapter 11**

The Debtor has been in operation since 1975 and its operations have historically been profitable, with gross revenues reaching \$211.7 million and \$209.6 million in 2005 and 2006 respectively. In fact, in 2005, Florida Trend Magazine declared the Debtor the top ranking minority owned business in the Tampa Bay area, ranked the Debtor among the top fifty (50) privately held companies in the Tampa Bay area, and ranked the Debtor among the top two hundred (200) privately held companies in Florida. Notwithstanding the Debtor's solid historical performance, the Debtor experienced a fifty-seven (57%) decline in gross revenues over 2006 because of the significant downturn in the housing and related markets. Unfortunately, during this same time, the Debtor had embarked upon an expansion campaign to vertically integrate the manufacturing and distribution processes within the roofing supply industry in order to provide improved product

availability and timely delivery to its customers, as well as capture a larger share of supply chain profits. To that end, in 2006, the Debtor acquired eighty percent (80%) of the common stock of American Concrete Tile, Inc., a Florida-based manufacturer of concrete tile products and, in March 2007, the Debtor acquired J. Mila Enterprises, Inc. (“JM Metals”) a Florida-based manufacturer of metal roofing, flashing and edging products. In June 2007, the Debtor completed construction of a concrete tile manufacturing plant in Arcadia, Florida. This rapid expansion during one of the worst housing market declines in decades has left the Debtor strapped for cash required for working capital.

**IV. List of Officers and Directors and Their Salaries and Benefits at Time of Filing and During the One Year Prior to Filing**

The following individuals serve as Suncoast’s officers and directors and receive the compensation described herein:

<u>Name</u>	<u>Officer/ Director</u>	<u>Annual Prepetition Salary</u>	<u>Annual Postpetition Salary Requested</u>	<u>Monthly Prepetition Car Allowance</u>	<u>Monthly Postpetition Car Allowance Requested</u>
William Tamayo	Director CEO	\$658,000	<b>\$400,000</b>	\$1,473.38	<b>\$508</b>
Rowland Gregory, Jr.	Director	\$144,000- 2006	<b>\$120,000</b>	\$0	<b>\$700</b>
Curt Barker	President	\$300,000	<b>\$300,000</b>	\$1,106.19	<b>\$400</b>
Chuck Kretchman	Secretary Treasurer	\$107,999	<b>\$107,999</b>	\$600	<b>\$400</b>

The officers and directors also receive other benefits generally available to all employees, including medical insurance benefits and basic life insurance as well as the reimbursement of ordinary business-related expenses.

**V. Debtor's Annual Gross Revenues**

For the fiscal years ended December 31, 2006, and December 31, 2005, the Debtor's audited financial statements reflect annual gross revenues of approximately \$209.6 million and \$211.7 million, respectively. For the nine (9) month period ending September 30, 2007, the Debtor's unaudited financial statements reflect gross revenues of approximately \$100 million.

**VI. Amounts Owed to Various Classes of Creditors**

The Debtor's principal secured creditor is Bank of America, N.A. which asserts a blanket lien on all of the Debtor's assets and a claim of approximately \$17 million as of the Petition Date. The only other secured creditors are those which assert liens on vehicles and/or equipment owned by the Debtor. The Debtor's priority claims as of the Petition Date totaled approximately \$400,000.00, which amount includes the claim of the Florida Department of Revenue for sales and use taxes. Claims asserted by unsecured creditors totaled approximately \$32.5 million as of the Petition Date.

**VII. General Description and Approximate Value of the Debtor's Current and Fixed Assets**

The Debtor's assets consist primarily of accounts receivable, notes receivable, inventory, and equipment which had a book value of approximately \$70.8 million as of December 31, 2006.

**VIII. Number of Employees and Amount of Wages Owed as of Petition Date**

Prior to the Petition Date, the Debtor had approximately three hundred (300) full-time employees, of which one hundred (100) were salaried and two hundred (200) were hourly. As of the Petition Date, the Debtor had approximately one hundred fifty nine

(159) leased employees. The Debtor's employees are leased from Selective HR Solutions, Inc. ("Selective"), a professional employer organization, pursuant to that certain Service Agreement (the "Agreement") dated as of February 6, 2004. None of the Debtor's employees are represented by labor unions nor have they entered into collective bargaining agreements. The Debtor's payroll for the payroll period ending on November 12, 2007, was paid in full. The Debtor has accrued and owes net payroll for the period of November 13, 2007, through the Petition Date. The accrued net payroll is due to Select on November 23, 2007.

#### **IX. Status of Debtor's Payroll and Sales Tax Obligations**

The Debtor's payroll taxes are remitted to Select as part of the net payroll pursuant to the Agreement. The Debtor's payroll taxes for the payroll period ending on November 12, 2007, were paid in full. The Debtor's accrued payroll taxes for the period of November 13, 2007, through the Petition Date are included in the net payroll. The accrued net payroll, which includes payroll taxes, is due to Select on November 23, 2007. The Debtor is current on its sales tax obligations with its next remittance for sales taxes due to the State of Florida on November 20, 2007.

#### **X. Anticipated Emergency Relief Within 14 Days of Petition Date**

The Debtor anticipates filing the following pleadings requesting emergency relief or expedited relief within 14 days of the Petition Date:

1. Motion seeking authorization to obtain debtor in possession financing;
2. Motion to maintain prepetition bank accounts/cash management system;
3. Motion to pay prepetition employee wages and benefits;

4. Motion to pay critical vendors; and
5. Motion to deem utility companies adequately protected.

WHEREFORE, the Debtor respectfully submits this as its Case Management Summary.

Dated this 15<sup>th</sup> day of November, 2007.

/s/ Amy Denton Harris

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Counsel for the Debtor

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the *Debtors' Chapter 11 Case Management Summary* has been furnished either electronically via the Court's CM/ECF system or by U.S. Mail on this 15<sup>th</sup> day of November, 2007 to:

Theresa M. Boatner, Esquire  
Office of the United States Trustee  
Timberlake Annex  
501 East Polk Street, Suite 1200  
Tampa, Florida 33602

Local Rule 1007-2 Parties in Interest

/s/ Amy Denton Harris

Amy Denton Harris