



Bankruptcy Fallout: Hoboken's unpaid bills force exotic hardwood supplier to close

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Wood Flooring International (WFI) founder and ceo Bill Jopling told NFT that he had no option but to initiate the "orderly liquidation" of his nine-year-old company after the abrupt closing of the multi-state distributor Hoboken Floors.

Jopling said debt left unpaid by Hoboken, including "a bunch of bounced checks and a bunch of containers stranded in port," left WFI unable to meet its financial obligations. He noted the 25 workers were laid off and that a skeleton crew of "about 10" people remains to tie-up loose ends in WFI's headquarters in Burlington, N.J.

"I'd call it a domino effect," said Jopling, whose company specialized in exotic species including Brazilian cherry, Caribbean rosewood and Australian cypress. "We never expected that Hoboken would just shut down.

"When I found out about it I wanted to do the right thing." He said he called his creditors and voluntarily began liquidating assets. "We had a pretty good company but a weak ledger sheet," he said.

The closing of WFI is one of a number of repercussions arising from Hoboken's Chapter 7 bankruptcy filing in early November after 77 years in the flooring business. Hoboken is believed to have 1,000 to 5,000 creditors. Its bankruptcy filing came on the heels of claims against Hoboken by suppliers.

The closing of the Wayne, N.J.-based distributor also prompted a flurry of activity among suppliers seeking new distributors. Many of Hoboken's customers were also left scrambling to find products needed

to complete scheduled jobs.

While the overall slump in the flooring business is widely seen as the main reason for Hoboken's demise, another factor frequently mentioned is the company's ownership change two years ago. The new owner, the private equity firm Code Hennessey and Simmons, is said to have put more pressure on the bottom line despite the industry's downturn. It also sought to immediately expand. Shortly after the purchase, Hoboken merged with the Elkridge, Md.-based flooring distributor Superior Products. Prior to the bankruptcy filing, Hoboken Floors operated 26 locations around the country.

Liquidation firm LiquiTec Industries is overseeing the dismantling of the now defunct Hoboken Floors and the Superior Products division. The company estimates that more than \$50 million in flooring inventory will be liquidated, including tile, hardwood, carpet, finishes, accessories and tools.

WFI's Jopling stressed that he harbors no ill will for Hoboken's long-time management team Ira and Joel Lefkowitz. The two brothers had stayed with the company after the acquisition two years ago, but departed for other opportunities earlier this year.

Jopling noted that his decision to forego bankruptcy protection and deal directly with creditors may be a plus for any of his future efforts in the industry. "It isn't like our suppliers and customers hate us," he said. Asked about his future plans, the 55-year-old executive said he was a bit beleaguered by his experience, but is still unlikely to look beyond the industry he has worked in for most of his career. "I'll be selling flooring somehow, don't ask me why."