

Multi-million dollar flooring firm undone after a few bad quarters

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It took 78 years to build Hoboken Wood Flooring LLC, and a few bad quarters to tear it down.

The Wayne-based company, led by a family of Hungarian immigrants, grew into the largest wood-flooring distributor in the nation, with sales of more than \$550 million and 1,000 employees. Its customers included Home Depot Inc. and Lowe's Cos., the two largest home-improvement chains in the nation.

Yet on Nov. 7, when Hoboken Wood Flooring filed for bankruptcy, the company was so troubled it didn't try to reorganize. It went straight into liquidation, leaving tens of millions of dollars in debt, angry workers suddenly without jobs and benefits, and suppliers struggling to survive.

How an apparently thriving business fell apart so quickly is still a mystery to those who bought, sold and distributed its line of planks, parquet floors and ceramic tiles.

"This was a wonderful, wonderful company to work for," said office manager Donna Ciraulo, a 15-year employee. "What could've happened in two years?"

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Company history stretches across the decades

- 1923 -- Opens in Hoboken as Chambers Flooring Co., New York-area office for a Wisconsin- and Michigan-based flooring supplier.
- 1929 -- Chambers Flooring renames company Hoboken Wood Flooring Corp.
- 1953 -- Company bookkeeper Joseph Sakosits, a Hungarian immigrant, buys the business.
- 1970s -- Sakosits' son, John Joseph Sakosits, purchases the company.
- 1988 -- Hoboken Wood Flooring moves to Wayne.
- 1996 -- Joel and Ira Lefkowitz, twin stepsons of John Joseph Sakosits, buy the business with stepbrother Brian Sakosits.
- Mid-1990s -- Company acquires Florida-based Rubin Bros., expanding into the South.



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Former employees say Hoboken Wood Flooring grew too fast in an ambitious effort to build a \$1 billion national operation.

- April 2005 -- Hoboken Wood Flooring enters Texas market, opening a Dallas operation.
- May 2005 -- Chicago-based Code Hennessy & Simmons LLC purchases Hoboken Wood Flooring. Joel and Ira stay on as chief executive officer and president, and Brian Sakosits sells his shares.
- October to December 2005 -- Hoboken Wood Flooring buys Superior Products Inc. of Elkridge, Md. Code Hennessy says company will have sales of more than \$500 million.
- May 2006 -- Layoffs begin at various locations.
- June 2007 -- Ira Lefkowitz asked to step down.
- September 2007 -- Joel Lefkowitz demoted.
- October 2007 -- Company tells the state it will begin layoffs.
- Nov. 5 -- Hoboken Wood Flooring closes.
- Nov. 7 -- HWF, parent company of Hoboken Wood Flooring and Superior Products, files for Chapter 7 bankruptcy.
- Nov. 16 -- A Maryland judge dismisses the bankruptcy case, in part because there is no money to pay for the administration. Wachovia Bank says Hoboken Wood Flooring has no assets beyond those owed to the bank and other secured lenders.

Sources: Joel Lefkowitz, CHS Web site, Floor Covering Weekly, Sakosits family, Hoboken Wood Flooring Corp. Web site.