

8096 Climbing Rose

7661 Wilderness Retreat

7656 Wild Weeds

7859 Rise and Shine

PART THREE

Taking the Lead

1983–2011

7110 Happy Hyacinth

7434 Swan Lake

7247 Royal Regetta

7859 Rise and Shine

7249 Morning Sky

7842 Harmony Hills

8093 Painters Red



Cloverdale Paint

Wink's objective has been to build the most successful regional coatings company in Western Canada and the Pacific Northwest of the United States. That success has been built on service to the customer. Cloverdale's management acts as a team with the employees of the company. Goals and objectives are set in consultation with employees and everyone shares in the achievement and success.

—John Truman,
General Counsel for Cloverdale Paint

The Golden Years

From 1983 to 2008, Cloverdale Paint experienced spectacular growth. The company expanded sales from \$14.5 million in 1983 to \$237 million in 2008. This dramatic increase in sales and profit legitimately earns the title of “the Golden Years” for this 25-year period. Two factors contributed to this impressive result.

First was Al Mordy, who in 1977 had moved from Cloverdale Investments to Cloverdale Paint as our controller. Al's responsibilities advanced to VP Finance, General Manager, President and CEO. He was instrumental in the company's ability to complete acquisitions, integrate the businesses and attract many excellent employees. His consistent good management drove growth and profitability, which resulted in an impeccable balance sheet.

The second key factor was the addition, in 1986, of two external shareholders and directors, Allan Laird and Bob Mair. Allan Laird had long been a personal friend of Wink's and he had business experience in many different industries. Allan embodied the perfect combination of shrewd financial conservatism and courageous entrepreneurial investment instincts. Bob Mair was a senior partner in the law firm Lawson Lundell and served on many boards with Allan Laird. Bob is a strong supporter of the Vogel private family business. His fiscal discipline and excellent knowledge of corporate governance helped us immensely. The addition of these two directors and shareholders greatly enhanced Cloverdale during these years. Joining Noelle, Wink and Al Mordy, these two new partners helped create a superbly functional board of directors.

The golden years can be divided into three quite different periods. From 1983 to 1990 Cloverdale

rebounded after the 1982 recession, with slow but steady growth, one acquisition (Tower Paint, page 65), changes in ownership and restructuring of the board of directors. From 1990 to 2000 we experienced internal growth in BC and Alberta, entry into Saskatchewan and the US, plus financial strengthening. From 2000 to 2008, five acquisitions resulted in record sales and profitability.

Cloverdale Paint's successful financial turnaround started in late 1982. The recession was a traumatic period that caused us to fundamentally change the way we did business. Our sales and marketing plan in 1982/83 was to reduce our DIY focus and invest in the development of our industrial coatings products. As a result of the 1982 recession, sales in 1983 dipped to \$14.5 million from \$19.6 million and our employee base dropped from 240 to 143. This painful right-sizing initiative, difficult though it was, returned us to profitability. The staff reduction increased the sales per employee to \$101,399 in 1983, up from \$81,667 in 1981, in spite of the 26% decrease in sales. This was the beginning of a new and successful business plan. After 1983, sales began to grow and cash management and profitability were the key management goals.

The Management Team

In 1984 we experienced slow growth but our profit improved. We strengthened our balance sheet steadily over the next five years and made modest profits throughout the 1980s. Coming out of the 1982 recession was a sobering experience and many companies around us were going out of business. We continued to right-size several branches by relocating to lower-cost warehouse-style contractor facilities. We focused our

The Management Team 1977–1995



Wink Vogel,
President and CEO



Al Mordy,
VP and General Manager



Warren Gee,
VP Alberta Sales

sales effort on the industrial paint coatings market and the contractor trade sector.

Our shareholders reinvested 100% of the company's net profit from 1976 to 1989. This was the 13-year period when our debt equity ratio dropped from 13.5:1 in 1976 (after the Kelly Douglas buyback) to 3:1 in 1990. The reinvestment of profit enabled Cloverdale to reduce the bank debt and the payables that had financed the company's buyback from Kelly Douglas as well as to fund new growth. We commenced modest shareholder distribution in 1989. Distribution was 5% of the net profit to shareholders and 95% of the net profit reinvested in the company. As the payables and debt equity were further reduced, the banks slowly reduced the personal guarantees of the Vogels, which were necessary early on. In the 1980s, the company coalesced into a focused paint and coatings manufacturing company. We abandoned the concept of large DIY decorator concept stores and, in the mid-'80s, we changed our name from Cloverdale Paint and Paper to Cloverdale Paint Inc. and introduced the colour fan logo. The company concentrated on branch distribution, with a well-trained sales force in Alberta and BC.

Warren Gee was developing excellent sales of industrial air dry primers, top coat industrial enamels and bake enamels in northern Alberta. Warren put together an excellent team at store #50 in Edmonton to service this growing business. His leadership example was followed in stores in south Edmonton, Red Deer and Calgary. During this period, Warren developed a resale arrangement of Endura polyurethane products with George Esterer, the owner of Endura. Edmonton and Red Deer sold Endura's line and the heavy-duty Valspar

Coatings, which increased volume and credibility with industrial customers. Nick Willis and his wife Diane were hired in 1981 from Toronto. Nick became the marketing manager. His tasks included leasing stores and designing store layouts as well as designing marketing displays and product labels. Diane became the purchasing manager in the late '80s.

Opening Stores Again

In 1984 we started to think about adding more branches and salesmen. At this time, Bill Fowlie was sales manager, with Nick Willis assuming the marketing role. Bill and Nick picked a Vancouver location on Broadway near Cambie Street. This store was eventually relocated to Burrard and 5th and then to our present location on Broadway, west of Burrard.

In 1984 Wink told Noelle he had good news and bad news for their 23rd wedding anniversary on February 17. The good news was a weekend away at a hotel. The bad news? The hotel was in Prince George in the middle of winter. The purpose of the weekend was to assess whether or not Cloverdale should open a store in Prince George. Wink and Noelle arrived in the middle of a snowstorm and went to the hotel where they met a university friend of Noelle's who worked there. The friend said, "What are you doing looking for a paint store here? Every hotel but this one is in bankruptcy or receivership." We received the same response from three bankers and a real estate agent. Mike Pearce, a resident of Prince George, was a friend from earlier days and a prospective store manager. Mike helped us find our present location and against all advice to the contrary we opened a branch in early spring. We hit

the absolute bottom of the northern economic slump from the 1982 recession. Going to Prince George was a corporate strategic move connected to our forest products and industrial activity. In spite of the naysayers, things slowly picked up after we opened and this branch became a profitable operation.

We opened additional branches on Scott Road in North Delta and near the Guildford Shopping Centre in North Surrey. We also opened a branch in Campbell River and hired Dan Lubovicki, who immediately built profitable sales in the North Island market. Soon after opening Campbell River, we opened a branch in Courtenay and moved Parksville to a larger location. Nanaimo was relocated to the north of town.

In the late '80s we opened the large Terminal branch in Vancouver. We also opened stores in Penticton, Mission and near the university in Victoria. Kevin Belton moved to Cloverdale from ICI in 1987. Kevin added a lot of Vancouver trade business. Barry Fraser transferred to Alberta as the branch supervisor. John Pandin was hired to take Barry's Vancouver trade territory.

In 1975 Valspar had hired Rick Lloyd and opened a warehouse in Edmonton to develop sales of their heavy duty coatings for the oil and gas industry. This product line was originally Mobile Coatings. Warren Gee became a distributor and by 1979 carried Mobile Valspar stock at store #50 in Edmonton. Sales grew each year and by 1985 Cloverdale was responsible for the majority of Valspar's sales volume in Alberta.

Subsequently, Al Mordy and Warren Gee negotiated a deal to purchase Valspar's Heavy Duty Maintenance Coatings stock and equipment in Edmonton and we hired Mark Pfaff and Rick Lloyd. In 1986 Cloverdale signed an exclusive distribution deal with Valspar for maintenance and marine coatings for western Canada. This well-accepted line of technical coatings gave us a healthy step forward and increased credibility with the oil patch and OEM (original equipment manufacturer) sales. Valspar coatings, plus Cloverdale's air dry primers and industrial enamels, provided the springboard Warren and the Alberta sales staff needed to grow our industrial market share.

The Sales Force

During the 1980s Bill Fowlie concentrated on expanding the sales force. Additional salesmen were vital to growing Cloverdale's trade and industrial sales at this early stage. It was this internal growth that greatly increased our market share from 1983 to 1990. Trade and industrial salesmen hired during this time include Barry Fraser, Kevin Belton, Rick Lloyd, Brian Johnston, Scott Cuthbertson, Mark George, John



Tower Paint employees in front of store and plant, circa 1974.

Pandin, Tom Fong, Gord Thorne, Wayne Armstrong and Dick Cardon.

Reorganization

1987

In December 1986 Wink purchased shares back from his non-active family members Hunter, Bill and Dick. Allan Laird and Robert Mair purchased Cloverdale Paint shares and became the first non-family external directors of Cloverdale Paint. Noelle Vogel had been serving as a director since 1976, and she continued. Wink Vogel retained his position as President and became Chairman of the new board of directors. In 1987 Wink and Noelle gifted a block of shares to their three children, Randy, Tracy and Tim.

Warren Gee, Vice-President of Alberta Sales, also became a shareholder, as did Al Mordy, Vice-President of Finance and General Manager. Al also became a director. Long-range planning ensued and financial goals were set by the new board of directors. In 1988 the board developed a company mission statement.

Record Profits and Expansion

In 1989 Cloverdale earned a 4.85% net profit. That year we paid a record high profit-sharing payment per employee. The tax laws would not permit employees 100% deferred tax-free savings. We then introduced the option of 50% cash payment and 50% deferred for all future profit-sharing payments. From 1976 to 1989 the company retained 100% of the net profit. This slowly

but steadily provided the working capital to expand and reduce the debt equity ratio of 13.5:1 after the Kelly Douglas buyback. We achieved a reasonable debt equity ratio of 3:1 by 1989. Our fiscal good management improved our credit worthiness. This permitted us to expand more rapidly in Canada and, eventually, in the US and reduce the Vogel personal guarantees.

Tower Paint Acquisition

In 1989 Cloverdale acquired Tower Paint. The company was started by Louis St. Laurent in Edmonton in 1962 and at the time of acquisition, Louis' sons, Gerry and Marcel, and his son-in-law, George Baier, worked for Tower as well. Cloverdale had approached Tower on two previous occasions to see if we could acquire the company. We understood that they were struggling financially. They had opened several trade paint stores in the late 1970s. The 1982 recession was very difficult for Tower, causing them to retrench and focus on industrial coating sales. In spite of these efforts they were not profitable and went into receivership.

In 1989, we negotiated an asset purchase of Tower through a soft receivership with the HSBC bank. The owners and employees stayed on and for a short time we continued manufacturing all their brands in Edmonton. Gerry St. Laurent became the plant manager, with a Tower branch on the front of the Edmonton factory. Tower's Calgary store became a Cloverdale Tower branch with Brian Johnston as manager and Calgary salesman for Tower. Eventually, we moved Tower industrial products into our branch #51 and made the Tower location our trade centre store #61, for southeast Calgary. Brian then managed the Tower industrial customers in Calgary and eventually became the Industrial Sales Manager.

In BC, Tower had a branch in Burnaby on Winston Street, which became a Cloverdale Tower industrial and trade branch (store #62) (see page 88 for the story of this branch's resident ghost). Store #50 in Edmonton became the Tower plant distribution warehouse. Originally, Tower had produced architectural coatings and this production was moved to Surrey. Tower's trade labels were phased out and Cloverdale products were sold in the Tower branch es. Two-component epoxy primers, two-pack polyurethane, zincs and air dry industrial coatings were produced in the Tower Edmonton plant and sold throughout the company. A bonus was the Elastomeric product that Tower produced called Towerthon. This was an outstanding product for exterior stucco and masonry and it is now a core CPI product. The Surrey Cloverdale plant became the manufacturer of all the trade and large-volume industrial products. The lab staff were mostly

located in Surrey while the industrial chemists were in Edmonton. Tower became instantly profitable without a price increase due to our lower cost of raw materials.

Cloverdale upgraded the Tower plant and lab facilities. Henry Blaszcok was Cloverdale's industrial products chemist at Tower and he continually improved the high-performance coatings during the early to mid-'90s. Henry was eventually replaced by Marianna Ceisla-Rozenberg, who was recruited from Guertin Bros. Coatings in Winnipeg. Some of Cloverdale's small-batch Alberta industrial products were produced in the Edmonton Tower plant. Eventually, Cloverdale purchased the Tower factory property of 1.6 acres, with a 12,800-square-foot factory on the back and a row of rental stores on the front. The stores fronted on 111 Avenue, a high-traffic east-west street, in northwest Edmonton, close to the West Edmonton Mall and store #50, our largest-volume branch. Cloverdale/Tower now occupies all the retail space in the front as branch #60.

The acquisition of Tower Paint added significant Alberta business volume and service capability to Cloverdale Paint.

I went to court on behalf of Cloverdale Paint Inc. in Alberta with regard to a lawsuit. When the judgment was being read (in Cloverdale's favour), the judge mentioned that Cloverdale Paint Inc. was probably one of the most standup companies he had ever had in his court. As a side note, he commented that he had Cloverdale paint in his own home, and as far as he was concerned, both he and his wife would use Cloverdale at any time for excellent products and service!

—Rodger Stotz, Trade Sales Manager, Alberta

WOULD YOU LIKE FRIES WITH THAT?

In 1987 there was a restaurant on the west side of our Broadway and Cambie location that seemed to have a lot of Harley Davidson customers. The police talked to Nick Willis and Al Mordy about their desire for a covert investigation of our neighbour. Nick and Al agreed to let them drill holes in the wall and install surveillance cameras in our store. After collecting video evidence, charges followed resulting in a front-page drug-bust story. Customers next door were ordering hamburgers, coffee — and drugs!

Heading East and on to Saskatchewan

After the recession of 1982, the bulk of our branch investment and advertising support was devoted to BC. This was justified by the 25 existing BC branches and higher retail or DIY sales in British Columbia. Until 1989, the year of the Tower purchase, we had operated 24 branches in BC and 4 in Alberta. The 4 Alberta branches contributed 43% of the company's total sales and a higher share of the profit. This excellent sales volume and profit was a result of industrial sales, which were steady all year round. This strong result was largely due to Warren Gee's sales ability and leadership throughout Alberta.

The 1989 purchase of Tower Paint added two Alberta branches and one branch in BC. With Tower came not only greater volume and service capability, but also new products and two salesmen. By 1990 Cloverdale operated with 32 well-located branches with strong branch sales staff and salesmen.

In 1990, we made a strategic corporate decision to focus on more branch expansion in the Alberta market. Al Mordy implemented this program and worked with the Alberta organization to improve Cloverdale's offering for trade paint sales, and to strengthen the service for our high-market-share industrial division. We took Calgary from 2 industrial focused branches to 6 branches in total and consolidated industrial products into store #51. We expanded Edmonton from 3 branches, including Tower, to 5 branches with stores #49 and #50 primarily industrial. We purchased and expanded existing paint stores in Lethbridge and Medicine Hat. In 1998 Grande Prairie was opened. These new branches, plus relocations, brought Alberta to 17 branches from 6 in a very short period. By 2008 Cloverdale was operating 19 corporate branches and the Far-Go factory sales desk in Alberta. (See page 75 for the Far-Go story.)

In the late 1990s Cloverdale also opened two Saskatchewan branches, in Saskatoon and Regina, with the help of Rodger Stotz.

Stronger Commitment to Trade and Industrial Sales

TRADE SALES

The branch expansions throughout BC and Alberta were key building blocks for trade sales growth. We expanded several strategically located stores, stocked five-gallon pails and installed spinners and shakers for five-gallon tinting in all branches. Over time, new large tinters were introduced and additional shakers and colour computers were installed. We increased store staff and adjusted hours for early opening to attract painters. Product training became a major focus.

Many contractor sundries were added, including power washers and spray guns, which we rented, sold and serviced. This period saw improvement in water-borne products, which now performed like alkyd products, but were easy to use like latex, with negligible odour.

Along with these improvements, Al Mordy and Bill Fowlie made the decision to strengthen the trade sales division. Bill Nicol was hired from Color Your World in 1991 to head this division as Trade Sales Manager. He hired several additional salesmen and our trade sales expanded rapidly. We picked up real steam from the mid-'90s. Bill not only strengthened the sales force, he improved the setup of stores and initiated contractor promotions. His efforts contributed to the incredible growth in Cloverdale's trade sales division in BC and the Prairies from 1987 to 2000.

The contractor promotions Bill Nicol initiated grew out of his enthusiasm as a salesperson. In the beginning the events were a combination of breakfasts at one store and barbecues at the next. Bill, Kevin Belton and John Pandin were the cooks and food managers, with the local store staff and salesmen handling the setup, merchandising, customers and sales. We had displays and participation from spray equipment salespeople, brush and roller suppliers, ladder and other sundry product suppliers. Technical staff and management participated when possible. Well publicized by mailouts and talked up by store staff and salesmen, the events were a huge success. The pace was exhausting for the core crew, but to this day the results make these the most important customer promotions the company has undertaken. We now own a trailer with professional barbecue and food cooler equipment, and we continue the contractor barbeque program.

Significant hires in 1996 were Tom Pharis and Rodger Stotz, from ICI management. They joined us as Alberta trade sales reps. Tom became a rep in Calgary, adding sales volume from large commercial trade painters and private label business such as Liquidation World. In 2011, Tom became Sales manager for Trade in Alberta South. Rodger lived in Red Deer and eventually moved to Edmonton. He worked closely with Tom to build sales throughout Alberta and Saskatchewan. He was instrumental in hiring employees and opening branches in Grande Prairie, Regina and Saskatoon and became the Alberta Trade Sales manager. Rodger and Tom worked with Bill Nicol to organize contractor barbecues in Alberta and Saskatchewan. Excellent leaders and team players, they were instrumental in the significant growth of our share of the trade sales market in the Prairies.

I opened the first-ever Cloverdale Paint store in Regina, Saskatchewan. I stood in the empty 4,000-square-foot space and thought, "What the hell am I doing here?!" I had no help and a 40-foot trailer was arriving soon with all the fixtures and paint to get the store ready and open for business. I hired students from the University of Regina and we started on a Friday morning. Dick Cardon, the area manager for the Prairie region, and several Calgary managers were set to arrive Monday morning to help as well. Much to their surprise, when they showed up on Monday, the racking was up, paint was on the shelves and the counters and shakers were in place, all ready to go. I had worked all weekend with the students, all of whom had no experience. I got Dick and the managers to hang signage to at least give them something to do! The fact that all these managers were excited to come to the new store and help out showed a real sense of teamwork and family spirit. It was a proud moment for me.

—Chris Fowlie, Area Manager, Lower Mainland

INDUSTRIAL SALES

During this same period of 1987 to 2000, Cloverdale also realized significant growth in the industrial division. Similar to the trade growth, we expanded the product line with Tower's new-and-improved heavy duty coatings as well as new Cloverdale products. The sales force was increased and the Prairie branch expansion greatly contributed to increased sales.

The combination of branch expansion, Tower acquisition and industrial and trade sales growth contributed to a major corporate market share improvement to our Prairie position during the 1990s. Most of the Alberta branches became successful very quickly, contributing to the company's profit and balance sheet.

In Alberta, Warren Gee's sales of industrial products were booming. Cloverdale had hired Rick Lloyd in 1986 with the Valspar deal. In Edmonton we added more staff, including Keith Reichert, Harley Markwart and Virgilio Mendoza. Dave Appleby was hired in Red Deer. Some key hires in the early days for industrial sales were Jack Edmiston, Brian Labossiere, John Marinescu and Rob Wilson. Some Cloverdale employees transferred to industrial, including Eric Sexsmith, Mark George, Tamara Arnold, Tim Vogel and Mike Pearce. In later years the industrial staff received National Association of Corrosion Engineers (NACE) training. The NACE training strengthened the industrial sales force and greatly improved the company's respect in the industry.

Contractor promotions with barbecues continued after Bill Nicol left in 2001. When Marty McKenna became the marketing manager he introduced

MISSION STATEMENT

GOALS AND OBJECTIVES

Cloverdale will be a strong regional coatings company focusing on specific products and markets. Customers will be served through a network of corporate branches and dealers and specialists committed to delivering quality products and outstanding service.

The Company will place a high priority on personal excellence through a program of recruiting, training and motivating employees. Success will be measured by achieving high customer acceptance, and maintaining excellent corporate morale.

The Company will employ the principles of Total Quality Management and ensure environmental compliance.

With efficient manufacturing using optimum technology, we will be competitive and profitable. This will provide career opportunity for our employees and security for the shareholders.

GOALS:

1. Be a market leader for paint and coatings within the Pacific Northwest
2. Continue profit sharing with our employees
3. Achieve a significant share of selected markets
4. Be the "Lowest Cost Producer" in the Pacific Northwest
5. Financial goals: Achieve a debt equity ratio of 1:1 and earn a net profit of 5% on sales

A profitable Company is a secure place to work. The Company finances expansion of inventory, working capital, receivables with retained profit. We constantly spend money on capital assets, such as manufacturing, technical, branches and replacement of computers, store equipment and machinery.

Profit is the air that a corporation breathes. With it we survive and prosper, without it, we wither and die!

Passing of the Founders

A sad note in our history is the loss in 1989 of both Rudy Henke and Hunter Vogel.



Rudy Henke, founder, 1975.



Hunter Vogel, circa 1965.

Rudy Henke, 1899–1989

FOUNDER OF CLOVERDALE PAINT

Rudy retired from Cloverdale Paint in 1954, after devoting 21 years to growing the company. Wink has very pleasant memories of working with Rudy. He found him soft-spoken and an excellent teacher, patient in all matters of training for paint making and selling. Rudy told Wink stories of the hard times in Germany when he was growing up after World War I. There was runaway inflation and “things” were more valuable than money. Rudy was a pacifist and believed that personal “vibes” explained the quality of human relationships. For example, he always said he got good vibes when he met Hunter Vogel.

Rudy retired and sold his shares to Hunter on friendly terms. Brother Bill took an interest in Rudy’s apple cider project and purchased a large apple-crushing machine from Rudy and put it to use making delicious apple juice for many years. Rudy married later in life. He was an extremely creative and courageous person. He was also a very nice man.

Hunter Vogel, 1902–1989

CO-FOUNDER OF CLOVERDALE PAINT

Hunter was a self-taught businessman and an excellent people person. With sales techniques built on trust and integrity, he was always well respected in the community. When Wink realized at an early age that his own credit rating far exceeded his personal record, he knew it was because his father had bestowed on him the

excellent credit and character rating he had earned.

“In other words,” says Wink, “I inherited a good rep.”

Hunter had good work habits and vision. He was always reaching for the next level, and devoted a considerable amount of time to the community. In fact, he was so immersed in work that he left most of the parenting to Isobel, who, fortunately, was the perfect loving mother. Aside from sailing, Hunter was largely absent from family activities, probably due to the struggle of building a business.

Hunter’s wife, Isobel, died tragically in 1965 as a result of incompetent medical diagnosis and treatment. She was the heart that held the family together, and she was sadly missed.

Hunter was elected to the provincial legislature as a Social Credit MLA three times starting in 1963. He retired from provincial politics in 1973. Hunter partnered with Wink and Dick in Mushroom Records in 1970 and eventually sold his shares to them. The problems encountered during the Cloverdale Paint buyback and the recession of 1982 placed stress on the entire family, which was already suffering from the deaths of Brodie Vogel in 1981 and Kris Vogel in 1982. The period from 1982 through Hunter’s death in 1989 was very difficult time.

Hunter was a true visionary. He placed a lot of trust and faith in others. His legacy is that he aspired to build a significant paint company. This legacy has been realized and Hunter would be proud of Cloverdale’s growth and position in the coatings industry.

THE VOGEL HERITAGE

BUSINESS IN THE BLOOD

It could be said that Wink Vogel comes by his business acumen naturally. Wink's grandfather, Hans Broder Anton Vogel, was born in Flensburg, Denmark. He worked for the East Asiatic Shipping Company in Honolulu until he relocated to Vancouver in 1896. Hans started the Vogel Business College on the second floor of a building at Broadway and Granville Street, which later became Sprott Shaw Business School. In the 1920s, after Hans died, his wife, Annie Vogel, purchased an 8- to 10-acre estate in Burnaby fronting on Kingsway and backing on the interurban tram tracks. She transformed a large home on the property into the Kingsway Private Hospital, where Wink would later be born. Annie established another hospital in Victoria called Clovelly Private Hospital, which was run by her daughter Doris during the early 1940s. A third hospital was opened on the Ferry Highway at Royal Oak in Victoria. Wink's grandmother sold the Burnaby property in 1945, which along with a large schoolyard next door would become the beginning of Metrotown in Burnaby, BC.

On to the next generation. Hans and Annie's son Hunter worked in Duncan at Buckerfield's feed and farm supply. Hunter and Isobel later purchased a small general store in Maple Bay called the Maple Bay Trading Post. From 1940 to 1945 Isobel ran the store and the family lived in the back.

In another entrepreneurial adventure, Hunter and two partners purchased surplus army huts to create a shop for building boats. Their company, called Sailboats and Specialties, built Lightnings (19-foot wooden racing sailboats) in Maple Bay from 1943 to 1946. Later, in the 1960s, Hunter purchased the plans for a Danish-designed 30-foot sailboat. The boat was a double-ended model he called the Hunter 30. Hunter contracted with Stoltz Boat Yard in Steveston to build a Hunter 30 in fiberglass, which he would race as well as present to the market. He was successful in selling 12 of the Hunter 30 fibreglass sloops.

Another entrepreneurial adventure was Mushroom Records. For the Mushroom story, see page 45.

Real estate was always an investment of interest to the Vogels. For example, Wink purchased the old Cloverdale

paint factory at 64th and King George Highway from Kelly Douglas in 1972. When the tenants failed in 1982, Wink and Noelle created the Surrey Public Market with the help of Randy, Tracy, Tim and seven investment partners. They ran a successful public market business and sold it in 1990.

These early business adventures demonstrate the family's interest in business and their courage to try new ideas. There is no doubt that Hunter's decision to purchase a share of Cloverdale Paint was also a high-risk venture at the time. Sixty-four years later it is without a doubt the most successful entrepreneurial venture in the Vogel family history.

While the three Vogel brothers were initially involved in Cloverdale Paint, two of them eventually followed different career paths. Richard Hunter "Dick" Vogel completed his law degree at Dalhousie University in Nova Scotia. He articulated in Cranbrook and practiced briefly in Creston, BC, before settling in Vancouver in 1970, where he joined the Lawson Lundell law firm. In the late 1970s he was appointed to the position of Deputy Attorney General for the Province of BC working for Premier Bill Bennett. He worked briefly for Swinton & Company prior to his retirement. He lives on Salt Spring Island with his wife, Dr. Anne Vogel.

William Michael "Bill" Vogel obtained his flight training with the RCAF #401 Reserve Squadron in Westmount Montreal. He trained in Penfold and Portage with 20 international NATO pilots. He was hired by Trans-Canada Airlines (Air Canada) in 1957 and retired as a captain of the L1011 airplane in 1992. Bill took an interest in community politics and became a Surrey councillor in 1975 and served as mayor of Surrey from 1978 to 1980. He sat on the board of the Surrey Credit Union (renamed Surrey Metro, then Coast Capital) and was chairman from 1988 to 1992. He was also chairman of the Fraser River Harbour Commission from 1986 to 1991. Bill was the founding chairman of the Surrey Public Library in 1990. He is retired and living in Langley with his wife, Joan Vogel.



Annual general meeting of shareholders, 1987. *Back row:* Robert Mair, Noelle Vogel, Tim Vogel, Allan Laird, Randy Vogel and Tracy Vogel. *Seated:* Al Mordy, Wink Vogel and Warren Gee.



Annual general meeting of shareholders, circa 1997: Robert Mair, Allan Laird, Tracy Vogel, Tim Vogel, Randy Vogel, Noelle Vogel. *Seated:* Wink Vogel, Al Mordy.

motorcycle giveaway contests. This gave contractors and industrial accounts a free draw opportunity for every purchase of \$1,000 of product. The first promotion prize was a Harley Davidson while the second and third promotions offered an Indian motorcycle.

From 1987 to 2008, Cloverdale realized incredible internal expansion, with acquisitions that increased our sales 17-fold during these “golden years” from 1983 to our 75th anniversary in 2008. The trade sales division hired and acquired 56 people in this period, covering western Canada. The industrial division added 40 people. By 2008, after retirements, transfers and resignations, the total sales force would number 65. This has to be the largest sales force in our market territory and we are proud to say it is by far the best trained and motivated group of sales producers in our industry.

The Advent of Product Care

In the early 1990s, British Columbia’s environment minister accused the paint industry of being BC’s worst polluter. In response, the government introduced legislation to force the paint industry to take back architectural paint or face substantial fines and/or be prohibited from selling paint in the province.

The industry responded with shock and disbelief. Why was the government focusing on the paint industry? According to press coverage, the environmental records of other BC industries, such as forestry, pulp and paper, and mining, were of much greater public concern. While some companies considered suing the government, several manufacturers decided instead to work towards compliance. In 1994 these companies formed a non-profit society called BC Paint Care. Our task was to collect the tins containing left over architectural paint the home owners stored in

their basements and garages. By December of that year the society was incorporated, with 47 companies signed up, including BC manufacturers, Cloverdale Paint, General Paint, Color Your World and Benjamin Moore.

Initially, Paint Care scrambled with advertising for weekend “paint roundups.” Eventually, the society opened depots for full-time paint return. Our goal was to avoid having to take back paint in the stores. New “eco fees” were added on to the cost of paint at 25 cents for quarts or less, 50 cents for gallons and one dollar for five gallons. Charging the consumer directly like this was a brilliant way to cover the cost of proper disposal of leftover paint and containers. The customers were accepting the cost knowing that we disposed of the left over paint responsibly.

The only major industry players that did not register with Paint Care were Home Hardware and Sherwin-Williams. These companies tried to compete for market share by not charging eco fees. They soon realized, however, that the legislation required them to take back all brands of leftover paint, not just their own labels. Both companies subsequently joined our association.

The government then expanded the list of regulated products to include aerosol paint, paint solvent, pesticides and leftover gasoline. Paint Care amalgamated with a competing eastern organization, changed its name to Product Care and became a federal corporation. Depots soon exceeded 100 throughout BC and eventually cash surpluses were created to form insurance and building funds.

Mannie Chung was hired as director of technical services in 1999 and Mark Kurschner was hired as president in 2002. Today, Dick Glassford of General Paint is chair with Dave Russell of Recochem as vice chair. Wink is the only founding director still active.

BC was the first jurisdiction in the world to develop



Wiltech in Longview Washington, circa 1997: Chuck Gillette, James Wisner, Dave Gieseke, Callie Gieseke, Nick Willis, Carl Paterson, Eric Onirc, unknown person, unknown person, Ken Skalsky, Al Mordy, Michael Pogue.



Ken Skalsky, Manager of Cloverdale Paint Corp US, and Al Mordy.

a model for taking back leftover architectural paint. This BC model is being used by American Coatings in upcoming programs in three US states. What started as a nightmare has ended with an efficient system of collection, processing and orderly disposal of leftover paint and paint containers as well as additional products managed in some jurisdictions, such as solvent, leftover gasoline, pesticides, electrical appliances and lights. We are a non-profit organization, managed by industry volunteers. Cloverdale Paint is very proud to be a part of the world's first environmental initiative of this kind.

Going South

Expanding into the United States

In 1990 the board of directors approved a market research program to study the paint markets in Washington, Oregon, Idaho and Montana. Many private paint companies were in business in this area along with all the multinationals. Wink did most of the investigative work and Al Mordy and Wink made several visits to private family paint companies to get to know them. We were searching for an acquisition that would fit Cloverdale's culture and budget. We discovered that while the US Pacific Northwest was a larger market than western Canada, it was extremely competitive. Large regional and national companies were very aggressive in this territory, the strongest being Sherwin-Williams.

It was at this time that we became better friends with Tom and Whitney Braden of Rodda Paint. We had met them in the 1980s through our partnership in Coatings Research Group Inc. and the Colour Expression Group. We also got to know Bill Boone and his family, who owned Daniel Boone Paint in Tukwila, Seattle. Bill's

mother, Jo, managed the office. Bill Boone Sr. had recently retired. The Boone family was well known and respected by commercial contractors in Seattle.

Cloverdale attempted to purchase Farwest Paint as a first move into the US market, but the owner cancelled the sale two weeks before the close. When we were unable to find another suitable company to purchase, the board agreed to expand Cloverdale Paint stores into Washington. In 1994, we created Cloverdale Paint Corporation (CPC) for this US expansion. Starting cold with no product recognition in the US market was daunting. Although we had more resources by this time and hired experienced people from the paint industry, the 10 years of CPC startup would prove difficult and costly. A great deal of credit must go to all the CPC employees, for it is they who took Cloverdale from an unknown Canadian paint company to a credible player in western Washington.

In Seattle, we rented a warehouse in the South Center Industrial Park. Ken Skalsky had just applied for a job with Cloverdale. Previously the sales manager for Preservative Paint, he was now offering to open Cloverdale Paint corporate stores and hire high-calibre, experienced store managers and salespeople. We hired Ken in 1994 and he set to work hiring staff and negotiating for branches in western Washington and Greater Seattle.

Ken was well known and respected by customers and employees in the US. His first hire was Scott Rainwater from Bellingham. Scott started selling Cloverdale products from the trunk of his car on his second day of work. He made arrangements for some warehouse space with Terry Bell, a commercial contractor in Bellingham. Scott soon hired Gregg Engholm, Joe Bailey and Chris Mastropaoala and opened the Bellingham store. This crew has been outstanding in

building a solid base in northwest Washington. John Shaw and Kathy Wilson built strong sales from an incredibly obscure Everett location. Gerry Rosenthal and Anthony Felize were hired for Tacoma as sales staff with Jack Beshawa and Gary Disharoon for store sales. We experienced staff turnover at this branch, with Parker Paint recruiting Gerry in the late 1990s. But Gerry would return to us after the Rodda merger in 2004.

In 1997 we acquired Oregon Industrial Supplies in Portland. We acquired Wiltech, previously Longview Paint and Varnish, about the same time. We eventually closed the Portland branch and consolidated the sales with Longview. The Wiltech acquisition brought Willis Williams to Cloverdale as the salesman at Longview along with a great staff including Callie and Dave Gieseke. Callie became the store manager and David succeeded Willis when he retired. David is a top Rodda producer today.

The Seattle branch, relocated in 1997 to a high-profile location on Michigan Street, gave us a very positive market lift. The early staff included Chuck Gillette, Keith Hilmer and Jenny Wine, plus Jeff Frankenberg, who ran the spray shop. A huge boost to Seattle was Joe Bailey, transferring from Bellingham to Seattle as

a salesperson. We soon opened our eastside branch at Kirkland and Joe became the selling branch manager. He worked hard to create a profitable branch along with Crystal McAdams. Crystal eventually became the store manager and Joe concentrated on sales.

The US was slow to grow and difficult to manage, with the competitive market and many staff changes in the early days. Sales reached \$6 million by 1999 and profit was realized in 2000 on sales of US\$6.86 million. By 2004 sales exceeded \$9 million but we had accumulated significant losses. Ken Skalsky retired in 2002 and was replaced by Rick Henning, formerly of Parker Paint. It would not be until 2004 and our merger with Rodda Paint that we would finally profit from these years of investment. (See pages 75–77 for the Rodda Paint story.)

Many employees contributed to the CPC market entry but Ken Skalsky was the catalyst for our breakthrough. He was well known and liked by the PDCA firms. It was not easy for a Canadian company to start “cold” in an extremely competitive market. We persevered and achieved \$9.6 million in sales through a seven-branch chain in a new “Greenfield market” in the Seattle/western Washington territory.

UP IN SMOKE

Calgary branch #51, on McLeod Trail just south of the former Woodward's Shopping Centre, was managed by Lou Murray. The store was one tenant in a row of commercial shops. On January 17, 1987, a spinner that mixes colourant was in a five-gallon pail of industrial enamel. It threw out a spark and fire flashed through the store like a minor explosion. Luckily, staff quickly fled so no employees were hurt. The fire was so intense that the aerosols and the solvent-based stock exploded and metal cans melted. While the neighbours experienced smoke damage, our store was completely destroyed. The fire was reported on the six o'clock news on Calgary TV and this photo and an article were in the *Calgary Herald* the following day. After the fire, we moved to the Blackfoot location in southeast Calgary. The new location had a larger concrete building that served us for many years as the Calgary industrial centre.



© *Calgary Sun*.



Photo by Shannon Oatway, *The Calgary Herald*.
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Photos of the Calgary store fire, January 18, 1987.



The Warren Gee Salesman of the Year plaque.



Dean Bennett, the first winner of the Warren Gee Sales Award, 1995.

Passing of Warren Gee, 1935–1995 Vice-President Sales, Alberta

My fondest memories of my time with Cloverdale are of working with Warren Gee.

—Keith Reichert,
Senior Industrial Salesman in Edmonton

Warren Gee passed away in December 1995 after a brave struggle with cancer. He is survived by his loving wife, Virginia, daughter Teresa and son Jeffrey. It is impossible to articulate Warren's contribution to Cloverdale Paint. His untimely death was such a personal and corporate loss, we still have difficulty accepting it.

Warren's work ethic is legendary. His generation of product sales and attention to customer service were unparalleled. It has taken many people to maintain the service standard he set. Warren started with Monarch in 1955 and his combined service with Cloverdale and Monarch totaled 40 years. We hope that a few anecdotes will help paint the picture of Warren's outstanding contribution.

Store #50 was receiving full trailer loads of paint and sometimes the truckers would arrive in the middle of the night, open the back doors, back up to the building and fall asleep in the cab. On one occasion around 1985, at about 4 a.m. a trucker woke up and discovered that Warren had quietly unloaded the truck and was trying not to disturb him.

Warren was always working and we could not convince him to take a vacation. Finally, around 1990, we tried a new tactic. Wink arrived in Edmonton on a cold November day and while Warren drove him

into town Wink congratulated him for "winning the Warren Gee Sales Contest." Wink said Warren's results of sales and profits over the years were so impressive, he had earned a special corporate award. Wink gave him a package that included a proposed trip to Hawaii over Christmas for Warren and Virginia, including airfare, hotels for two weeks, car rental and expenses. Warren was very appreciative and said, "Thank you very much, could I talk to Virginia tonight and advise you tomorrow?"

The next day Warren said, "Your gift is very generous and Virginia and I appreciate it," but there were three things he needed to discuss:

1. Could they go in March instead of December?
2. Could he take his daughter and he would pay her way?
3. Could he go for one week instead of two?

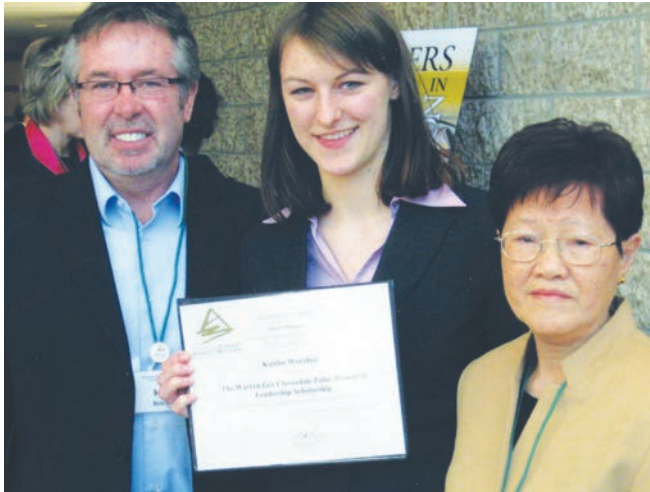
What a guy! Cloverdale provided one more corporate paid holiday for Warren and Virginia when they went to Florida to Disneyworld.

We have honoured Warren's name with a scholarship at the University of Edmonton created by a flood of donations from employees and customers, with matching funds from Cloverdale. The capital fund generates an annual scholarship at the University of Alberta. As with our other scholarships, relatives of Cloverdale Paint employees receive preference. The company also created a top sales award to honour Warren. All salesmen covet "The Warren Gee Memorial Sales Award for Salesman of the Year." There is great pride in winning it.

More Change, More Growth

Sales and Market Share on the Rise

From 1990 to 2000, Cloverdale more than doubled sales — a significant market share improvement



Warren Gee Cloverdale Paint Memorial Leadership Scholarship, University of Alberta School of Business. Presented by Virginia Gee and Keith Reichert to Kaitlin Worobec, January 31, 2009.

— due entirely to internal growth, as there were no acquisitions in this period. We achieved this remarkable improvement through a combination of strengthening stores, increasing our sales staff and initiating aggressive sales and marketing strategies.

Cloverdale's longstanding relationship with General Paint would prove a boon, bringing us a number of key people. Once a year in the '80s Wink and Keith Stevenson would have lunch to discuss industry matters. When General Paint was sold to the Williams Group of the UK in 1986, Keith retired and Wink continued this tradition with GP's new president, Clive Stanbury. In 1994, when Clive resigned from General Paint, Cloverdale hired him as a consultant, avoiding any areas of conflict with his termination agreement. During this period we also hired several ex-General Paint sales and store employees and picked up many new customers.

One change during this period appeared at first to be the wrong kind. In 1999 Dave Appleby resigned as salesman in Red Deer and formed a competing company called High Performance Coatings (HPC). Not only did he damage Cloverdale's relationship with Endura, our major supplier of polyurethane, but several customers and employees left Cloverdale (Red Deer) during this difficult time. However, as a result of the Endura defection, Cloverdale set out to reformulate and improve our own polyurethane topcoat products. We reformulated Clovathane and introduced Dura Gloss to compete with Endura, later adding a lower-cost 9:1 polyurethane topcoat. Cloverdale's epoxy primers were preferred by the market and we continued to supply primers to many customers.



Linda Ronald and Kirk Beggs present the BCAA winner, Arlene Paquin, a \$12,000 cheque, 1996.

In 1999 Al Mordy became President of Cloverdale Paint and Wink moved to Chairman and CEO. Al Mordy reorganized the sales management by appointing Kevin Belton as the BC Trade Sales Manager and Rodger Stotz as the Alberta and Saskatchewan Trade Sales Manager. Alex Drody was the Industrial Sales Manager for many years and became the Vice-President, Sales. Alex appointed Brian Johnston as the Industrial Sales Manager. Alex and Brian worked closely with the Edmonton lab and plant to improve our industrial high-performance coating sales. In 2001, Brian Carpenter was hired as the BC Industrial Sales Manager.

In 2000 we totally renovated the office area and mezzanine at the Surrey location. This resulted in a more efficient layout and upgraded the function and appearance of the work area. The mezzanine was redone to provide more private offices and one more meeting room.

Back in the 1980s Nick Willis and Bill Fowle approached the British Columbia Automobile Association (BCAA) and set up a program that gave BCAA employees a preferred price on Cloverdale Paint products. This "Show Your Card and Save" program now operates in BC, Alberta, Saskatchewan and Manitoba. Our partnership with BCAA also included supporting a "free draw" contest held over the years. At right is the presentation in Campbell River to Arlene Paquin, the winner of the free draw contest run in conjunction with BCAA.

Marty McKenna joined our company in January 2000. Marty had extensive experience with sales through dealers and we hired him to develop a dealer



Far-Go paint factory.

program for Cloverdale. Cloverdale had opened a few dealers from 1998 to 2000 on Vancouver Island and in Saskatoon with Ray Koch. We subsequently hired Terry McKinley on Vancouver Island and he also opened more dealers. We recognized the potential in developing a strong dealer program. Marty and Clive Stanbury launched the new Cloverdale dealer program in a big way at a Saskatchewan dealers conference that exposed us to most of the western Canadian dealer organization. Marty hit the road running in January and Clive continued as a part-time consultant. The dealer program cranked up very quickly with Marty focusing full time on opening Cloverdale dealerships. The prairie provinces and north Vancouver Island succeeded with dealer opening in the early period. Marty eventually took responsibility for export sales to Asia.

During this period from 1990 to 2000 Cloverdale became a top-three performer for paint and coatings in western Canada and the preferred place to work for many industry employees. With the combination of all our initiatives, Cloverdale sales grew from \$38.7 million in 1990 to \$85.7 million in 2000, with a total of 54 branches.

The Golden Era of Acquisitions 2000–2008

NORTHERN PAINT, WINNIPEG

In the late 1990s Cloverdale negotiated with a Quebec broker to purchase Northern Paint in Winnipeg, but withdrew from negotiations for fiscal conservatism. Later, Alex Drody was interviewing a prospective store manager, who told him that “Sherwin-Williams has

announced the purchase of Northern Paint.” Al Mordy called the broker to verify if that was true and it turned out the deal was not a fait accompli. We subsequently reissued our previous offer to purchase and were successful in acquiring Northern Paint in August 2001.

Northern Paint was a wonderful fit with Cloverdale because they were strong in Manitoba and Saskatchewan, with some business in Alberta. They operated nine branches, supplied many dealers and had sales of \$13 million. They also had good, loyal employees. Cloverdale shifted some production to the Northern plant and vice versa. It took several years to rationalize the stores. The Alberta branches folded into Cloverdale’s quite quickly and we operated the two Saskatchewan stores for several years along with our two Cloverdale branches in Saskatoon and Regina. They are now both consolidated with Cloverdale.

In 2004 we planned to rationalize the purchase of raw materials, the manufacturing of some products and the relabeling of Northern to Cloverdale products on key trade formulas. With hiccups on formulations in the wood stain and latex, we experienced product problems and recalls. This was unfortunate but corrected. The factory and lab in Winnipeg continued to operate until 2008. Cloverdale owned the factory location and the two Saskatchewan branch properties for some time. The Saskatoon property was vacant and sold in 2006. Regina was sold in 2009 and the factory property was sold in 2010.

FAR-GO PAINT, CALGARY

On October 28, 2002, Al Mordy negotiated the acquisition of Far-Go Paint. Dan Thomson and Larry Lozinski were equal partners in this business and had developed a profitable industrial and board coating business with customers in the US and Canada. They also produced air dry alkyd industrial products sold to High Performance Coatings and scenic coatings for the movie industry. The Far-Go acquisition expanded Cloverdale’s customer base and product offering. Both Dan and Larry continue to work at Cloverdale Paint.

RODDA PAINT, USA

We first met Tom Braden in the 1980s, but talks with him about a merger with Cloverdale Paint did not begin in earnest until the fall of 2003, when Tom made the decision to plan for his retirement. By July 31, 2004, these talks with Wink and Al Mordy had culminated in an agreement. The acquisition involved Cloverdale purchasing the shares of Rodda’s non-active shareholders. In 1998 Rodda had purchased Daniel Boone Paint and Bill Boone Jr. became Vice-President of Sales of Rodda Paint. Tom and Bill Boone merged 50% of Rodda’s shares with Cloverdale and collectively

became the largest shareholder group in Cloverdale Paint next to the Vogel family. Tom stepped into the chairman position at Rodda Paint and Al Mordy became President and CEO. In 2003 the company operated 47 branches in Oregon, Washington, northern Idaho and Alaska, with sales of US\$59 million. Rodda also owned a 10-acre factory site in Rivergate, Portland, with 350 employees.

By 2004, Cloverdale's US operation included 7 branches in Washington state with sales of \$9.6 million. One major challenge was that both Rodda and CPC operated at a loss and Cloverdale had accumulated significant US tax losses over the 10 years of startup. The other challenge was that Rodda occupied some very large branches geared for DIY retail and decorator sales, and the big boxes were killing this DIY market segment.

During the period between the Rodda acquisition merger and 2008, we tackled debt reduction in Canada and the US by merging Cloverdale staff, products and locations with those of Rodda. Cloverdale/Rodda relocated and right-sized several branches for lower-cost operation. We merged the 7 Cloverdale corporate US branches into the 47 branches of Rodda. Cloverdale retained the Rodda corporate name and brands for our US operation, with its head office in Portland, Oregon. Rodda Paint is a wholly owned subsidiary of Cloverdale Paint. Not only was the merger significant for Cloverdale's expansion into the US, it also brought us many wonderful employees.

Several Rodda branches were merged together, such as Tacoma, Everett, Longview and eventually Kirkland and Smokey Point. The executive office was vacated and the head office relocated to the Rivergate factory annex. Some of the notable US relocations were Redmond, Tacoma, Lacey, Anchorage, Bend, Bellevue, Issaquah and Sedro Woolley. The Sedro Woolley dealer became corporate and was relocated to the I-5 at Burlington.

Shortly before the merger, Rodda had opened five branches that were very promising but running at a loss. It was agreed that, besides merging Cloverdale CPC in with Rodda, we needed to right-size branches from high-rent locations to lower-cost premises to serve paint contractors. While we hoped to keep some retail, the sale of decorator retail merchandise was on a downward trend.

Al Mordy and Bill Boone immediately set to work on these branch mergers and relocations, as well as on reducing operating costs. This 2004 acquisition/merger was a major leap forward for our US investment with CPC. In 2007 the US operation achieved a record profit. The consolidated companies retired all bank operating debt, recouped the tax loss and had a cash

surplus of \$9 million. This was gratifying to employees, shareholders and suppliers alike. The Rodda acquisition was definitely a win-win for all parties.

In 2007 the Board of Directors created a profit-sharing plan for the US employees that is similar to the Canadian plan, but based solely on the pre-tax profit of Rodda. As at Cloverdale, the Rodda plan is like a company pension plan and is 100% company funded. At Rodda, however, it is dovetailed with the 401K. We encourage employees to supplement this with additional savings for a more comfortable retirement.

The unique camaraderie amongst staff at Rodda is a credit to the quality and character of the employees and to the management style. We believe that profit sharing is also a factor, the glue that unites us all in providing the kind of service that will bring us loyal customers. Now at Rodda, as at Cloverdale, employees depend on each other for an excellent profit result — better profit meaning an improved employee benefit.

GUERTIN BROS. IN WINNIPEG AND

PEINTURES OPTIONS INDUSTRIELLES IN QUEBEC

In February 2008, Cloverdale announced the acquisition of Guertin Brothers Coatings in Winnipeg, Manitoba. Their sales were 100% industrial, and included resin manufacturing, powder coatings, liquid industrial coatings, lacquer and sealants. Guertin technology encompassed isocyanate polyurethane, isocyanate-free polyurethane and an automotive intermix system under development. The factory site occupies 5.7 acres and includes 100,000 square feet of plant, lab, office and warehouse.

This company was started in 1954 by Louis and Tony Guertin Sr. Tony's three sons worked together in the business until 1991, when Tony Jr. left to form his own coatings company. Phil and Charlie have been equal partners since then and managed the company after their father and uncle retired. In the early days they produced trade paint but by 1990 they were entirely focused on industrial coatings. They invested in resin kettles, high-performance chemistry and coatings technology. They developed some unique, high-quality liquid coatings for OEM (original equipment manufacturer) production. Polyurethane was a major product, plus the epoxy primers. Latterly, Guertin developed their isocyanate-free polyurethane and has been working on an intermix system for the auto transport, OEM plants and agricultural equipment business. They started producing powder coatings in the 1990s and have excellent lab and powder production equipment. They had purchased a larger powder machine they never installed due to the current "powder price wars." Severe competition has depressed profit margins for powder coatings worldwide.



In the Clover

Cloverdale Paint

Special Edition

November 2004



RODDA / CLOVERDALE MERGER 2004

Rodda Paint



Cloverdale Paint



Wink Vogel and Tom Braden shake on the merger.

A Merger in the Making for 20 years.

August 1st set a new course in the making of great unions. For over twenty years, Wink Vogel and Tom Braden exchanged ideas on a dream. Weaving two formidable manufacturing and sales organizations into one and taking advantage of the skills of both to provide an inter-connected distribution channel across the Northwest corner of the North American continent. Cloverdale Paint welcomes Rodda to our family. We will operate in Canada under the Cloverdale Paint store identification and labels. In the United States, the seven Cloverdale branches will continue to sell our brands and labels but will roll into the Rodda operation. Over time, there will be Cloverdale products sold in Rodda U.S. stores and selected Rodda brands sold in Cloverdale's Canadian branches.



*Board of Directors
Factory tour.*



*Board of Directors
Warehouse Tour.*



*From right to left: Bob Mair, Paul Schmidt,
Wink Vogel, John Trueman, Al Mordy,
Tom Arenz and Tom Braden.*



Arthur A. Rodda founder.

Rodda Founded in 1932

Art Rodda commenced production a block from the present East Side mega branch in Portland in 1932. "Morrie" Braden was his first employee in 1936. Art retired and Morrie bought him out in the 60's. John McIntyre became a Salesman in the 50's and soon Morrie's son, Tom Braden, joined the firm after his college and military service. In 1975, Tom became President and grew the business rapidly in Oregon and built the present factory at Rivergate in 1979. Their expansion took them into the Seattle market in 1987 and the company has rapidly come to be one of the major coatings companies in Oregon, Washington, North Idaho and Alaska.



*Thomas Morrie Braden
Co-founder.*

In the Clover

In June of 1988 Pat George started up a quarterly employee newsletter. The focus was employee promotions, new hires, new branches, new babies and cooking. Another feature was "That's Our Paint." This often included interesting commercial projects along with large industrial applications and community and charitable stories. Occasionally, it would include a unique use of our products, such as the article on a Model A Ford restoration. Below are selections from issues of *In the Clover*.

Cloverdale Paint *In the Clover* December 1988

50th Anniversary Year Retrospect

In 1988, the company celebrated its 50th anniversary. This has been a very exciting, busy and successful year with increased sales and production, branch expansion, sales force expansion and continued sales training in the branches.

Early this year **Store 18 Richmond** underwent a major renovation with the installation of a new deming wall, a new showroom, removal of carpet, upgrading of store fixtures along with the complete restructure of the store. **Store 15 North Vancouver** which was in need of a renovation, also received a renovation. One of the challenges of this renovation was the installation of a new tile floor. You can imagine the difficulty of moving stock and fixtures to accommodate the tile layout. We spent 2 to 3 days doing business on the sidewalk!

Our branch expansion during 1988 included **Store 09 Guildford** opening in March, **Store 14 Kelowna** opening in August and our newest branch, **Store 16 Langley** opening November 25th. The Langley branch is located in the heart of Metro's shopping area and is surrounded by competition. Guildford with more room to service vehicle business.

Our **Store 07 Broadway** is small with very limited parking. Our search for an improved site has finally paid off. We expect to complete a deal within a week for a 3500 sq. ft. space on the corner of Burnside & West 5th in Vancouver. This new location is on one of the main arteries going to and from downtown, has lots of parking and will greatly improve our Vancouver visibility. We expect to move to the site in early May '89.

On the sales force side, **Alex Drody** was promoted to Industrial Sales Supervisor BC, mid-year. This position was created to enhance our sales of ton locally and to allow us to concentrate our abilities more fully in these local market areas. **Randy Kassen** joined Cloverdale in September as Industrial Sales Rep. BC and will continue to expand the sales force as product and market requires.

Sales training in the branches has been ongoing throughout 1988. A major program was conducted in the Spring with branch managers taking a formal three day "Role of the Supervisor" course administered by Learning International. A "Sales Skills" course was established also by Learning International, and was presented by the Supervisor to all branch staff. Phase I and Selling Skills will be given on an as required basis for all new staff.

YOU'VE COME A LONG WAY, CLOVERDALE!

Cloverdale Paint *In the Clover* Spring / Summer Edition - July 2007

RETIREMENTS

An informal gathering was held on Tuesday, June 12, 2007 to celebrate **Blake Emery's** 30 plus year career with Northern Paint and Cloverdale Paint. Over 50 employees gathered at Buccacini's Cucina Italiana restaurant to congratulate Blake on his retirement.

Al Mordy, Alex Drody, Mary McKenna and **Dave Chaulk** attended from Head Office to thank and acknowledge Blake's contribution over the years. Also attending were family and retirees who worked closely with Blake during his career. Peter Curry followed with a PowerPoint presentation that highlighted some of Blake's memorable moments. Everyone enjoyed the friendly roast that well wishers gave Blake on his special day.

Al Mordy presented Blake with a retirement gift from the company and spoke of Blake's accomplishments throughout his career. Blake's loyalty and commitment has contributed to the success of our company and we will all miss his "hi guy" greeting.

It was truly a nice evening with everyone's very best wishes for a healthy and happy retirement to Blake and his wife Anita.

NEW FACES AT HEAD OFFICE



Amy Williamson joined the Company as the Receptionist. Tim Peters moved from the Help Desk. Maria Flores and Marlene Manifold are new to our Accounts Department.

Cloverdale Paint Inc. *In the Clover* April 1998

CLOVERDALE PAINT TURNS 60!!

1998 celebrates Cloverdale's 60th Anniversary. In the late 1920's, Rudy Henke and his brother Ute, emigrated from Germany to Surrey. They struggled through the depression on the Old McEllan / Cloverdale and Langley streets back into his making paint, using it in business and selling to bours, who received a der with their paint (father of Wink Vogel opportunity in Rudy's mess and purchased a becoming a co-ford Paint. By this time small factory one m on an acre of land store and office "Paint Factory". Hi

When it came time to paint his old 1929 Model A Ford Roadster pickup, a customer on Vancouver Island decided to try and stay as close to the original Ford paint type as possible. Enamel was the paint that Ford used in those days, so discussions with his buddy, **Bill Furell**, (remember Bill - how could we forget) led him to the Cloverdale paint branch in Parksville where the Master painter, **Chris Larsen**, helped to select the product and the colors he had in mind.

His project got underway firstly with a metal primer **Cloverdale Rustler #71029** reduced with Xolac.

termination were the fuel for rapid growth. Wink Vogel worked with Rudy and Hunter in the 1950's during his formative education, learning the art of manufacturing in the original factory. However, "it's not just the paint, it's the people" which has become a very apt phrase within the Company. Cloverdale employees take pride in product quality, superior customer satisfaction and the desire to achieve.

That's Our Paint!

Site in 1988 and portrays the history of the Britannia Mining and Smelting Company from 1909 until the mine was shut down on November 1, 1974. In 1988, George Robinson, a mining engineer from Vancouver, used for several years to construct the property had great potential to produce large quantities of copper and in 1904 the first shipment of ore was shipped to the **Crofton Smelter** on Vancouver Island. By 1916, the mine was capable of producing 2000 tons of one per cent copper.

he Britannia Mines were purchased in the British era the next 10 years, the independent. The mine - in 1915 an area of the camps, with 100 men were killed, in the of the mine to the of the same year, a of the small community creek, killed. During the 70 year period of many mines homes in the area project of one of was approached. Forty gallons of water was supplied, and in banks were excavated cooperation at Branch #15 of the perfect.

Cloverdale Paint *In the Clover* Summer 2009

Head Office News

Welcome back **Amy Williamson** who returned to the office on June 22nd from maternity leave with daughter **Layla** to lunch at the Red Robin Restaurant on Friday, June 19 to say thank you and to wish Ashley well in her future endeavours.

Annette Plate in our Accounting Department will be off for the next few months for health reasons. We all wish Annette well and look forward to having her back in the office. Thank you **Shelley Simcock** for filling in for Annette in her absence.

Congratulations to **Carla Sebullen** and her family who obtained their Canadian Citizenship!

Pictured below is **Carla's** family at the Oath Taking Ceremony on July 15, 2009 at the Canadian Immigration Services Office in Surrey BC.



Left to Right: Sonny Member of Parliament, Karen, Robert, Angeline, Robbie, The Presiding Officer, and Carla Sebullen.

The Cloverdale Paint Annual General Meeting was held on July 8 at Head Office. The Directors and Shareholders attended a pre-meeting function at Wink and Noelle Vogel's home on July 7th where **Mary McKenna** was awarded the "Guitar Hero" distinction.

Congratulations Mary!



Mary McKenna gives us her "in guitar" pose!



Phil Guertin, President.



Charlie Guertin, Vice-President, Sales.



The other leg of Guertin's product uniqueness is sealant. They produce industrial OEM sealant made in rolls and tubes. The lab and plant is capable of much higher volume and their location in central Canada is unique both for raw material access and North American sales. Their chemists have produced high-performance resins for OEM and industrial maintenance products. The resin division has external sales to Europe and Asia. The company can produce improved resins and products for Cloverdale and Guertin domestic sales of liquid coatings.

Twenty percent of Guertin's sales volume was in the province of Quebec. Martin Bachand had been a Montreal employee of Guertin for 14 years. He sold to OEM (original equipment manufacturer) customers in Montreal and Toronto, as well as in Atlanta and other US cities. Peintures Options Industrielles was a customer Martin had been selling to for 10 years. Company owner Mario Ouellet was an industrial distributor of chemicals for preparation and metal cleaning and he resold Guertin and Endura coatings. Cloverdale acquired Mario's business in 2008. The company had 14 employees and a 1.5-acre warehouse site in Longueuil, Quebec. Mario became the manager of Guertin sales in Quebec, with Martin selling major accounts throughout eastern Canada and the US.

Phil Guertin continued as manager of the Guertin division of Cloverdale. Charlie retired and his son Chris became the Guertin Products Sales Manager. Cloverdale appointed Trevor Newell as the Prairie Industrial Sales Manager, leaving Chris to concentrate on sales of the Guertin products to the US and eastern Canada. In July of 2008 we announced the transfer of production from Tower Edmonton to the Guertin plant and we completed the transfer by year end. Most of the Edmonton lab staff moved to Winnipeg to work at the Guertin plant. Cloverdale field tested Guertin-produced resin and coatings to replace our formulas of polyurethane, including the 9:1 polyurethane, Dura Gloss and Clovathane. The results were well accepted

and the new product announcement was made in January 2009.

New products formulated by Guertin and introduced under the Cloverdale brand (all with multi-bases) were ArmourShield 837 Series Polyurethane Enamel, ArmourShield Gemini Intermix System 839 Series and SuperShield 841 Series Isocyanate Free Polyurethane. The SuperShield® liquid coating system produces extremely durable paint films that resist ultraviolet degradation and exhibit exceptional chemical resistance. It is isocyanate and haps free, making it an environmentally friendly system. It has three compliant VOC technologies: 3.5 and 2.8 for the tint system, and 2.2 on finished packaged products. The proprietary tint system provides 180 standard colour card intermix formulations and is also capable of full spectrum, custom colour matching.

At the heart of Guertin Coatings' dedication to innovation is its capacity for leading-edge research and development. The firm hires expert chemists whose development of unique chemistries and technologies helps customers solve problems.

Industry Associations

Over the years, Cloverdale has been a consistent supporter of industry associations. Our longest memberships have been with the BC Paint Manufacturers Association (BCPMA) and the Federation of Societies for Coatings Technology in the Pacific Northwest (FSCT-PNW). Wink remembers being presented with papers from Shell and Reichholds at meetings in the 1950s and '60s.

Wink's earliest memory of the Canadian Paint Coatings Association (CPCA) is of attending a convention at the Empress Hotel in Victoria in 1973 with Pat Robertson and Bill Nasby — our introduction to the national association. In 1976 Cloverdale joined CPCA and Wink became the Western Regional Director.

In 1977 Cloverdale joined the Coatings Research Group Inc. (CRGI). CRGI had a lab in Cleveland

with approximately 30 North American member companies. Twice a year chemists would meet for three days to discuss a prepared agenda of technical and production issues. The lab conducted work and performed competitive product analysis for member companies. Presidents would meet for a day twice a year and discuss operations and marketing ideas. CRGI has been a very valuable resource for technical and management information exchange with a focus on architectural coatings. The membership is now more international in makeup. Membership is open only to private family paint companies that are well respected in the industry, with selection by approval of all existing member companies. Large multinationals are not invited.

We joined the National Paint and Coatings Association (NPCA), a US group, in the 1980s (now called the American Coatings Association or ACA). These annual meetings were usually coordinated with CRGI and paint shows run by the FSCT. A sub-group of NPCA was the Pacific Northwest PAC (Political Action Committee), which included Oregon and Washington manufacturers. We participated from 1995 when we opened our US operations. FSCT and NPCA announced a merger in 2008.

In 1994 Al Mordy and Wink Vogel were founding organizers of BC Paint Care, which became Product Care, the industry-managed paint return and recycler. In the mid-'80s, Cloverdale was a founding member of Colour Expressions, a colour co-op for sales aids. This co-op merged with Color Guild in 2000. A sub-group of Color Guild is the purchasing group Guild CPO, for sundries and raw materials; Cloverdale joined this group in the '80s.

In 2002, the Nova Paint Club invited Cloverdale to replace Sico as its Canadian member. Nova is a 13-member international association managed from London. Diamond Vogel Paint is the US member (no relation, but good friends).

BCPMA and CPCA Conventions

Participation in these associations over the years has helped Cloverdale keep abreast of fast-moving marketing and product technology advancements. Improved purchasing has always been an objective for Cloverdale, and participation has also helped with this. During the late 1970s and through the '80s we had a buying group in Canada called MIS, which included Sico (PQ), Standard (Newfoundland), Interlab (Winnipeg) and All Colour and DeSoto (Toronto). We gained some advantage from MIS but distance and independence kept us from maximizing the group's potential.

Social Networking

Since joining the Canadian Paint Coatings Association (CPCA) in 1976, social and business networking through industry associations has been an important part of our operation. Al Mordy, the Vogels, Alex Drody and Stu Eaton have all enjoyed great relationships with paint industry people. The CPCA held board meetings and an annual convention in September that rotated through major cities in Canada. Barry Kay of *Coatings Magazine* was the spark plug for golf games connected to this group and these meetings. These games developed into the Great Canadian Paint Skins game for which Rick Duha Sr. put up a trophy called the Duha Press Cup. The Vogels attended two conventions in Newfoundland during Standard Manufacturing's era. We had ocean trips on Harold Duffet's yacht and experienced the ritual of "kiss the cod and drink Screech" to become honorary Newfies. We have memories of Rick and Gwen Duha hosting dinners in old Montreal, and Wink remembers Sico hosting in Quebec City and Montreal over the years.

Networking Beyond the Border

In 1978, when we joined the Coatings Research Group Inc. (CRGI), we expanded this social networking to US paint companies. CRGI had 32 North American paint companies as members, mostly non-competitive private paint firms. Some of our good personal relationships through these meetings and golf games included Joe Cristiano of Kelly Moore; Joe Junkin of California Products in Boston; Tom and Whitney Braden of Rodda; David Hood of Indural in Alabama; Scott Wagman of Scott Paint in Florida; Ralph Chancy and Harold Duffet of Standard in Newfoundland; and Jean and Gilles Beauchamp of Sico. The business meetings were extremely productive for the lab and factory in the area of architectural products.

The Vogels were active from 1995 into the early 2000s in the Pacific Northwest PAC (Political Action Committee) run by National Paint and Coatings Association. This included Scott Forrest of Forrest Paint, Eugene; Tom and Whitney Braden of Rodda Paint; John Buckinger of Miller Paint; Paul Sheehan of Farwest; Laurel Jamieson of Rudd; and Larry Larrison and Ron Guilles of Columbia. Although we were competitors, the principals of these private family businesses knew each other very well. This networking made working cooperatively on government and environmental issues pleasant and effective.

The Nova group widened our industry relationships to an international level. Noelle and Wink attended a meeting in Stuttgart, Germany, hosted by Votteler Paint. We made good friends with Drew and



Derrick Pausey, Co-Chair; John Riddell, Wink Vogel, Co-Chair; Gary Doan, Ashlands; Larry Sealy, ICI; John Burgess, Clive Stanbury, General Paint; Bill Schneider, Benjamin Moore. Vancouver, circa 1985.



Stu Eaton accepting an award at the BCPMA meeting from Gary Doan of Ashlands, circa 1980.



Al MacDonald, Joe Sobie of Benjamin Moore, Doug Theiman of DeSotta, Bill MacInnis of Interlab, Winnipeg, 1990.



Erny Maguire and Jack Watson, BCPMA, circa 1980.



John Riddell and Frank Giltrow.



CPCA convention, Victoria. Bill Russell, Lloyd Lomas, Molly Russell, Wink Vogel, 1992.



Scholarship recipient Al Green; John Berghuis, Kronos; Ed Linton, Cloverdale Paint; Dave Pasin, Bob Nickells, Consolidated. 1985.



CPCA convention at Niagara on the Lake. Wink and Noelle won a costume prize for their "Scar Face" dress-up. Photo courtesy of Barry Kay, *Canadian Coatings Magazine*, 1993.



Ann Marie Prevost, Rick Duha, Peter Pritchard, Gwen Duha, Winnipeg, 1990.



Bo and Joan Henderson, Cathy and Jim Edwards, Noelle and Wink Vogel, Erny and Lois Maguire, 1985.



Tina Pritchard, John Morrell, Barry Kay and Gilles Beauchamp, 1993.



CPCA convention, Victoria: Wink Vogel, Peter Pritchard and Bill MacInnis, 1992.

Jean Vogel of Diamond Vogel Paint in Iowa, the US member. The next Nova meeting we attended was in New Delhi, India, with Asia Paint the host. Alex Drody attended a meeting in Cartagena, Columbia, and Wink, Noelle and Al Mordy attended the Vancouver meeting hosted by Cloverdale. Wink and Noelle attending the Iowa meeting that Diamond Vogel hosted. Nova has members in Portugal, Spain, South Africa, Indonesia, Columbia, Argentina, Australia, Germany, India, Canada and the US.

Senior Management Reorganization Cloverdale Paint

In 2007, on behalf of the Board of Directors, Al Mordy announced a major management reorganization. The following positions were effective March 12 of that year.

Wink Vogel — Chairman of the Board

Al Mordy — President and CEO

Alex Drody — Executive Vice-President and COO, Canada

Paul Schmidt — Senior Vice-President, Finance and Administration

Marty McKenna — Vice-President, Sales and Marketing

Dave Chaulk — Vice-President, Branch Operations

Larry Lozinski — Vice-President, Manufacturing/Technical Operations

Dave Bott — Director of Manufacturing

Tim Vogel — Products and Pricing Manager

Rodda Paint

Al Mordy also announced the following senior management positions at Rodda, effective May 21, 2007.

Bill Boone — Executive Vice-President and COO

Jeff Pellatz — Vice-President, Finance and Administration

Rick Barnard — Vice-President, Manufacturing Operations

Mark Holcomb — Vice-President, Branch Operations

Steve Holbrook — Director of Branch Operations

Steve Barrese — Spray and Sundry Products Manager

There were a few other changes in 2007 and into 2008:

- Blake Emery, General Manager Northern Paint Division, retired at the end of June 2007.
- Bill Karns retired in 2008, replaced by Jenny Wine, who transferred to Portland early that year. Jenny writes *The Weekly Update*, an excellent company newsletter.
- In 2008, Mark Holcomb left the company and Jon Knutson was appointed Vice-President, Sales. James Erne replaced Jonathan as sales manager of southern Oregon and Liz Weller replaced Todd Braden as Marketing Manager.

Board of Directors and Shareholders

At the June 2008 Annual General Meeting, Tim Vogel was elected as a Director representing the Vogel Family Trust and Bill Boone joined Alex Drody as an Observer at all future board meetings.

Dark Clouds on the Horizon

Cloverdale Weathers the Storm

In September 2008 the stock markets took a violent negative turn that experts blamed on the US subprime mortgage market collapse. Values fell 30 to 40% in the fourth quarter. Everyone was affected. This financial turmoil was cited as the worst financial recession since the crash of 1929 and the Great Depression of the 1930s.

In 2008, management on both sides of the border made a multitude of cost-cutting decisions to prepare Cloverdale and Rodda for an accelerated downturn in sales in 2009. This downturn of 2008–2009 affected Cloverdale and Rodda in raw material costs, sales, operating costs, budget and borrowing.

Every employee recognized what was happening, and their greatest concern was job security. Before the downturn was upon us, Cloverdale Paint had announced the closure of production at the Edmonton Tower plant and moved most of the industrial volume to the Guertin plant in Winnipeg, with some going to Far-Go. We also closed production at the Northern Winnipeg plant, moving this trade production to Surrey and Portland. Some employees transferred and several took retirement or severance packages.

Cloverdale cancelled the Canadian sales conference scheduled for Victoria and Rodda cancelled their conference. Two US branches were closed, with sales consolidated to other branches.

In spite of the acquisitions since 2000, the company's debt load was relatively low, with the majority of positive cash flow reducing the remainder of the bank debt. We forecast a decrease in sales that would reduce profitability even with cost and spending reductions, but we were confident that management of both Cloverdale and Rodda would handle the situation. We also believed that Cloverdale's strong balance sheet would avoid any serious risk to the company.

Historically, the paint industry is very stable. While economic downturns cause a decrease in new housing construction, maintenance and renovation often increase. The OEM (original equipment manufacturers) industrial business decreased as our customers' sales declined, but industrial maintenance compensated for some of this. As we anticipated, market share growth served as Cloverdale and Rodda's best defense; the positive attitude of our employees retained our

Senior Management

Cloverdale Paint



Al Mordy
President and CEO



Alex Drody
Vice-President and
COO



Paul Schmidt
Senior Vice-President,
Finance and
Administration



Marty McKenna
Vice-President,
Sales and
Marketing



Larry Lozinsky
Vice-President,
Operations



Dave Chaulk
Vice-President,
Branch Operations

Rodda Paint



Al Mordy
President and CEO
Rodda



Bill Boone
Vice-President
and COO



Jeff Pellatz
Vice-President,
Finance



Jon Knutson
Vice-President
Sales



Rick Barnard
Vice-President,
Manufacturing



The 2008 Board of Directors: *Back row [L-R]* Allan D. Laird, External Director; Robert J. Mair, External Director; Timothy H. Vogel, Director; Thomas J. Braden, Director; Noelle A. Vogel, Secretary. *Front row* William W. Boone, V.P. Observer, Charles Alan (Al) Mordy, President and CEO; W.M. (Wink) Vogel, Chairman; Alex P. Drody, V.P. Observer.

existing customers and added new ones. The strained economy put more emphasis on quality products and service, the very areas in which we excel.

We were also aided by weakness and closures caused by acquisitions of some competitors. Acquisitions and consolidations such as Akzo/Sico/ICI/Mills in BC, Kelly Moore/Preservative/Ponderosa and Sherwin-Williams/Columbia gave us an opportunity for new business. General Paint seemed stable after their acquisition by Comex of Mexico. Their closure of the Parker plant in Tacoma helped Rodda, as did Sherwin-Williams' closure of their Columbia plant in Spokane.

Cloverdale Gains Market Share

Like our competitors, we make paint. But most of our competitors are very large multinational companies and it's a lot of work to secure our piece of the pie. It's the Cloverdale culture that makes us stand out as a company. Cloverdale is small enough to care about our customers and employees but large enough to have a diverse selection of products for any of our customer's needs.

—Chris Fowlie, Area Manager

At the end of Cloverdale's first 25 years, most of our competitors seemed like giants, with Cloverdale a dwarf in comparison. But, ultimately, we proved to be a David against these Goliaths. In 1983, globalization began to accelerate in the paint industry, a trend that continued throughout Cloverdale's golden years. During these years, Cloverdale's management and employees gained market share with excellent management and sales practices.

Some of our competitors remained strong and held or gained in market share. Color Your World held strong until their bankruptcy in the mid-1990s. General Paint experienced huge growth in market share from 1968 (when ICI purchased Bapco) to 1986, holding solid on DIY and dealers until 2000. Keith Stevenson, the sales manager for architectural sales, focused on expanding their dealer sales from Manitoba west. Keith later became president of General Paint and retired in 1986. The franchises and dealers of Benjamin Moore and Home Hardware gained a significant market share from 1970 to 1988. Mills Paint obtained a fair market share in BC.

Latterly, the big boxes moved into the lead, gaining the most DIY on retail architectural sales. In the 1990s Home Depot, Revy and Lumberland were the main contenders. Home Depot continues to dominate in Canada, along with Canadian Tire and RONA. RONA gained huge market share in western Canada by

acquisition, starting with Revy and Lumberland and continuing with many other small lumber chains. In the US Lowes and Home Depot gained most of the DIY market share.

Most of Cloverdale's growth has been market share shift from what were, or still are, the giants in the industry. In addition the population growth and expansion of business activity created a much larger market. A very robust Western Canadian economy helped a great deal. Cloverdale Paint excelled at expanding distribution and service as well as improving greatly our brand awareness and acceptance. To better understand our good fortune, we will lay out just where, when and how this paint-industry market shift occurred.

DIY Retail Market

Cloverdale's early roots are in manufacturing paint and selling it "factory to you" to homeowners in the south Fraser Valley, this was the company's focus from 1933 to 1955. In the mid-'50s, we shifted to corporate branches for core sales and distribution. From 1955 to 1980, we aimed our locations, merchandising, hours of operation, staff and advertising at the DIY consumer. In the mid-'60s, the Super Valu experiment proved that paint was not a self-serve commodity; customers needed advice and personal service. In the 1970s we opened the larger power stores. DIY retail sales accounted for the majority of our business and we continued this focus until 1982.

During our middle 25 years our DIY market share growth was significant in the BC market as we opened branches throughout the Fraser Valley and the Lower Mainland, and completed three acquisitions. This DIY market share came from several sources: Sherwin-Williams, Bapco, General Paint, ICI, Color Your World, and various dealers.

Sherwin-Williams had a very large BC market share prior to the late '70s, with excellent dealerships and corporate paint stores throughout BC. They were the dominant multinational. Their financial losses during the '70s severely weakened their grip on the Canadian market. They closed four paint factories plus the branch and dealer distribution, and had withdrawn from Canada completely by the 1980s.

Bapco was the dominant regional paint company until they sold to ICI in 1968. Even though General Paint gained the most market share from Bapco, Cloverdale picked up a significant share of DIY from the Bapco sale and their subsequent contraction.

From the 1960s to the 1980s, paint sales shifted from the multi dealers to the strong corporate paint store chains. Eaton's and Woodward's stopped selling paint and Sears lost their momentum after the false

advertising issue (see page 118). Hardware stores, the traditional dealers, lost traction until the 1980s and '90s when Home Hardware, Early Bird and Lumberland got better organized. Benjamin Moore was a consistently strong dealer organization.

Internal expansion of our branch chain was the catalyst that shifted DIY market share to Cloverdale. Up until the 1990s we gained DIY retail sales in dollars from these dealers. Our greatest success was throughout the Fraser Valley, Vancouver Island and the Interior of BC. Heavy advertising, excellent locations and good staff provided us major gains in recognition and acceptance throughout BC. Our entry into Alberta with Monarch in 1968 did not focus on DIY, either in locations or offering. As a result we never gained much more than 10% DIY in Alberta.

The percentage of DIY sales steadily dropped from 50% in the mid-1970s to 10% today. In 1975, with 25 branches, our DIY sales reached \$3 million retail. By 2000, with 54 branches, DIY retail sales were down to 12% of our total sales, but this was approximately \$9.6 million, mostly from the BC chain of 31 branches. We obtained a boost in DIY market share in western Canada from 2000 with a dealer program and the purchase of Northern Paint in 2001. Northern provided dealers from Ontario to Alberta. DIY sales in western Canada were given a further boost by a successful advertising campaign with home-improvement expert Shell Busey and a partnership with the automobile associations.

In 1995 we saw more evidence of the shift of DIY going to big box retailers with the bankruptcy of Color Your World, Canada's largest paint retailer. Similarly, Standard Brands, a major DIY paint company in California went bankrupt. This market shift has altered our location model. We now select warehouse-type locations with high ceilings at lower rents. We have accepted that, with the entry of big box retailers, we can no longer aspire to be in the top three for DIY paint sales, particularly in major cities. Our focus, instead is trade and industrial paint sales.

Trade Market

The architectural paint products sold to new construction, commercial buildings, maintenance and the institutional wholesale market is identified as "trade sales." In the early days, some significant trade-sale customers were the Vancouver Parks Board, Surrey School Board, Sherwood Park Development, Hulla Construction, New West Development, UBC and the University of Victoria. Recognition must be given to the customers that selected Cloverdale as their preferred supplier. The many industry employees also

recognized that Cloverdale was providing outstanding personal service through the extensive branch chain. Cloverdale became the preferred place to work. The quality of products and local ownership provided the advantage that the market responded to. This combination provided the success loop that rapidly provided the growth of Cloverdale Paint in Western Canada.

After the Kelly Douglas era the lab at Cloverdale obtained the 10 Canadian General Standards Board (CGSB) federal government product approvals that provided Cloverdale with government and institutional acceptance. The Master Painters and Decorators Association (MPDA, now Master Painters Institute or MPI) manual provided Cloverdale with acceptance based on these CGSB approvals. This enhanced our opportunity in trade sales.

By the late-'70s, Cloverdale's branch chain totaled about 30 branches and trade sales were respectable, but we did not have a large market share. The bulk of our trade business was maintenance painters, pot-and-brush small contractors and small builders. In the late 1980s and through the '90s we focused on expanding the trade sales division.

We grew this trade sales segment by hiring Bill Nicol as Trade Sales Manager, along with several industry-experienced salesmen. The branches were strengthened with higher-volume equipment, more and better-trained staff and expanded hours. During the '90s, we relocated and renovated stores to better serve contractors. We opened many new branches, increasing our branch count to 109 by 2012 in Canada and the US.

We widened our product range through advances in technology, adding improved acrylics and water-borne coatings. We introduced engineered products designed to be cost competitive to the multinationals. As our volume grew, the plant increased batch sizes to reduce our production costs per gallon, particularly for high-volume trade products. Volume growth along with a variety of purchasing groups and negotiations reduced our costs of material. Improved filtering equipment produced clean, smooth-finish paint that did not clog filters or tips on spray equipment. Spray equipment sales and rentals were added with repair centres at several locations.

The contributors to our trade sales market share growth were the same as for DIY: Bapco, Sherwin-Williams and other dealers. Not until the late 1980s did Cloverdale gain a more significant volume of trade business from the giant competitors, due mainly to hires of star employees from General Paint, ICI and Color Your World. From 1983 to 2003 (just prior to the acquisition of Rodda in the US) our Canadian

trade sales grew dramatically, from \$4.3 million to \$61.3 million. By 2008 we had expanded beyond BC and Alberta to include Saskatchewan and Manitoba. By 2012 this increased to include Industrial sales in Quebec and Ontario with the acquisition of Pientures Industrial and Serif Coatings in Ontario plus additional salesmen. The Canadian branches grew to a total of 65, with an external sales force of 70 for trade and industrial.

Other local companies were not experiencing similar growth and eventually disappeared from the market. Among these were Mills Paint, from which Cloverdale gained employee Kevin Pidduck and Jim Mills after their sale to Sico in 2007. Ames Paint on Vancouver Island also ceased operation. Ted Harris closed its doors in 2009.

Sico of Quebec was the largest Canadian-owned public company until they sold to Akzo in 2006. Sico sells paint through RONA in our territory. Akzo then purchased ICI in 2007 making them our largest Canadian competitor.

Today, Cloverdale is a major supplier of product to large contractors in Canada and the US. In addition, a large number of maintenance painters and wholesale customers deal with Cloverdale in western Canada and the US Pacific Northwest. We are well accepted by architects, designers, government and institutional buyers. Rodda, too, has developed excellent acceptance and market share of commercial and institutional business throughout their territory, working closely over the years with the Painting and Decorating Contractors of America (PDCA) and its members.

By the late 1990s, Cloverdale achieved a strong market share in western Canada. The competitors that helped us the most to grow our market share of trade sales in Canada were General Paint, ICI and Color Your World.

GAINS FROM GENERAL PAINT

In 1983 General Paint was our major competitor in western Canada. They had a large manufacturing plant in Vancouver, good local management, excellent branches and a sales force from BC to Manitoba.

HE'S GOT A GUN!

On a Monday morning in 1993, a former factory employee parked on the south side of the Newton branch and entered the office through the stairwell "back door." With a two-shift system, staff would often enter through the back, bypassing the switchboard and receptionist at the front of the office. The man walked by several workers at their desks. Nobody noticed anything unusual, save for Gabriele Weiss, who noticed that the man was smoking and called out, "hey, this is a no smoking area."

What the office workers did not see was the 12-gauge shotgun this man held in his left hand, obscuring it with his body as he walked by.

Our production manager, Jim Edwards, had been recruited from Ontario several years earlier. The previous Friday, Jim, Mike Lynch, the factory foreman and the union representative had terminated this worker for cause, after several warnings and for serious charges. The meeting was not pleasant. The employee made several threats to Jim, both during the meeting and while cleaning out his locker.

On Monday morning Jim sat at his front-office desk. The former employee entered Jim's office, verbally attacked Jim and raised his gun. A big man at six foot three, Jim jumped up and yelled for help. He reached across the desk to grab

the gun barrel and point it away from him. A scuffle ensued along with much shouting. One employee walking by was so shocked he ran for cover. A second employee rushed in and helped wrestle the man down and took the gun away. Mercifully, no shots were fired.

When the police arrived they found that the gun was loaded and the man's pockets were full of live shells. The police took him away, but the judge later released him on his own recognizance with a bracelet monitor, telling him not to have any contact with Jim or the company.

The man immediately phoned Jim's home and made lethal threats. As the police would do nothing to protect Jim, Al Mordy moved Jim and his wife, Kathy, out of their house and hired a private detective to follow the former employee. Sadly, this man never got help, never went to jail and eventually took his own life.

Also sadly for us, Jim and Kathy decided to return to Ontario, where Jim took a job with the paint factory at Home Hardware. Noelle and Wink had a friendly visit with the couple in Montreal in September 2010. They were fine, and Jim was still working for Home Hardware. Jim said "we loved working for Cloverdale." Wink understood from Jim that the trauma in Surrey, combined with having family ties in Ontario, caused them to move back home.

THE COMPANY GHOST

While checking facts for this book, Wink stumbled across a mystery that may be connected to a runaway employee. It seems this former employee may have paid visits to one of our Burnaby branches. Or should we call them visitations?

In 1976 we hired a new manager for the Newton head office branch. He was a tall, good-looking man named Robertson or Roberts. One weekend the deposit he was supposed to make to the bank went missing, along with "Robertson" himself, who did not report for work the next week. The police questioned him about the missing cash but did not lay charges. The employee was terminated and we forgot about the incident.

Several years later, Wink learned of a paint company for sale at 8190 Winston Street in Burnaby, with a small retail store on the front. The location of the store was good, but Wink soon realized that the owner was Robertson, the employee who had disappeared with a bank deposit, and he lost interest in the deal.

Some time later, Gerry St Laurent, the president of Edmonton manufacturer Tower Paint, was approached by a man by the name of Robertson, who wanted to purchase paint and become a dealer. Gerry's memory is that Robertson was a tall man with dark hair. Gerry liked Robertson's Burnaby location and sold him a full line of architectural paint. In 1981 Tower took over the branch and made it a corporate store. Within six months, Robertson left the company's employ.

When Cloverdale Paint purchased Tower Paint in 1989 we inherited Tower's Burnaby, BC, location on Winston Street. Cloverdale operated Winston Street as a Cloverdale/Tower trade and industrial branch very successfully.

In 2000 Sherry Andre became the manager of this Burnaby branch. An extremely successful manager, Sherry had previously worked in Guildford, Langley and Newton, three of the company's most profitable BC branches. In late 2004, Cloverdale took over the location beside the Winston Street branch. We started renovations in January of 2005 to combine the two spaces.

Later that year, after most of the renos were complete, Sherry was walking upstairs to the upper mezzanine when she heard a "man's" voice talking. At first she thought it was the radio but there was no radio upstairs and the radio downstairs was not turned on. She remembers thinking,

"Hmmm, this is all in my head." She continued up the stairs, then paused again, this time for a couple of minutes, and definitely heard a man talking. "I was a little freaked out," says Sherry, "so I went downstairs. I never discussed this with anybody at the time."

Early one morning, a couple of days later, Sherry was working alone and heard someone walking up the stairs to the mezzanine. "They were loud footsteps," says Sherry, "so I knew who it was." All her later experiences of this strange phenomenon happened early in the morning and they were always around the stairs or on the upper mezzanine. This went on for awhile but Sherry never discussed it with any of her staff. "What would they think of me talking about a ghost?"

One day, an employee named Richard Bates approached Sherry and asked if he could have a private conversation. They went into Sherry's office and Richard stated that he did not want Sherry to think he was "weird or using drugs." Sherry says she laughed. "I knew exactly what he had to say to me." It seems that Richard was working late one night when he heard what he thought were footsteps going up the stairs to the upper mezzanine. A short while later, he saw a shadow walk past him and he thought someone might be upstairs, but when he went up to look, no one was there. "I told him not to worry," says Sherry. "It was just our friendly ghost." For some time, Richard continued to hear strange noises coming from the upper mezzanine and felt like he was being watched, as if someone was staring at him from the mezzanine window. Another employee, Rebecca Salvador, stated that she experienced "very cold chills and shivers" in the first room of the upper mezzanine, but when she entered the second room the chills would stop.

When Sherry researched the identity of the branch's "friendly ghost," the only possibility she came up with was a past employee named Gary, who had suffered a fatal heart attack at the store. But Wink isn't convinced. Wink questioned Sherry about the size of the ghost and Sherry told him the ghost was tall. Gary, on the other hand, was short, causing Wink to suspect that the spirit more likely belonged to the "Robertson" who had made and sold paint there in the 1970s and '80s.

The Winston Street branch is now the major supplier of coatings and supplies to the local movie industry and is a large-volume trade/industrial outlet. Maybe our customers in the movie industry can spin this story into a thriller movie!

The hiccup for GP was its owner, Reed of England. In 1986 Reed sold GP and four US paint companies to Williams PLC of England. Reed of England's philosophy was to "invest and grow" while the Williams PLC philosophy was to "squeeze and harvest." Williams' Boston-based North American management was very directive, a style that stifled the GP momentum. Clive Stanbury replaced Keith Stevenson as president of General Paint in 1986 and resigned in 1994. From 1995 to 2000 Paul Senov served as the Williams/GP President. We were told that their trade sales stagnated or declined. In 2000 this group of paint companies was sold to a management buyout called Professional Paint Inc. (PPI) and in 2004 COMEX of Mexico purchased the PPI group including General Paint.

The turmoil in General Paint during these years resulted in opportunities for Cloverdale Paint. Sixteen very strong management, technical and sales people joined Cloverdale from General Paint between 1983 and 2008, including Clive Stanbury, Dave Bott, Val Braund, Marty McKenna and Dick Cardon, just to name a few.

GAINS FROM IMPERIAL CHEMICALS INC.

Based in England, the multinational ICI grew its North American market mainly with acquisitions. In the early days in Canada this included the purchase of Bapco and Canada Paint, followed by the purchase of Gidden Paint in the late 1970s. Every five years ICI posted a new Canadian manager from England, India or some other international outpost. The policy changed from "profit improvement" to "low prices" for market share growth, and then changed again with the next manager. The acquisition of Color Your World in the mid-1990s resulted in some store closures and staff defections.

During the 1990s ICI made a series of US west coast acquisitions, including Fuller O'Brian, Ameritone Devoe and Sinclair. These acquisitions appeared to be ill conceived, as ICI was not able to assimilate them profitably. It seemed that ICI did not understand our western Canadian market. They were also prone to changing their name frequently. This inconsistency of management and the company's questionable acquisitions gave Cloverdale and Rodda ongoing opportunity to grow market share. By 2008, we had hired 11 key employees from ICI, including Kevin Belton, Al Crichton, Tom Pharis, Roger Stotz, Duane Ogilvie and Chris Moore.

GAINS FROM COLOR YOUR WORLD

From 1983 to 1986, under the ownership of the Strongman family, Color Your World (CYW) was a formidable competitor for Cloverdale. For architectural

paint in BC and Alberta, they were second only to General Paint in market share. The company drifted during the late 1980s after it was sold to Color Tile in the US. It was sold twice after this and the last purchaser was a management buyout group that paid an unrealistically high price all based on debt. Ensuing problems in management led to the company going into bankruptcy in the mid-1990s.

ICI purchased the assets and CYW was weakened dramatically with the fallout of store closures and staff departures. The takeover made ICI a much larger competitor in western Canada for trade sales, but Cloverdale continued to make market gains. We also gained some excellent employees. Bill Nicol was hired from CYW in 1991 as Trade Sales Manager. Brad Neil, Terry Donnelly, Scott Cuthbertson and Brian Labossiere were also early CYW converts and in 2009. Former sales manager Ian Chubb joined Cloverdale as sales consultant for western Canada.

INDUSTRIAL COATINGS MARKET

The heart of Cloverdale's industrial coatings in the 1950s was two products: a custom fast-dry product to coat survey stakes and an M50 one-coat bridge coating. As well, we sold maintenance top-side marine coatings to BC Packers and sold quick-dry Plastic Primer (speed primer) for signs and to Dominion Construction as an undercoat for Zolatone. Metal primers were formulated including Rustex, shop primers, and self-priming enamel for chairlifts and steel sold to metal fabricators.

During the late '60s, we focused on the forest industry, introducing end paint. We could not compete on price, so we developed a better-quality product. In the late '80s we introduced returnable steel totes holding 320 US gallons for many industrial coatings.

The plant installed machinery for tank cleaning and two solvent recovery stills. Because we recycle the cleaning solvents, we have zero waste on solvent paint production and tank cleaning.

The acquisition of Monarch Paint in 1969 led us to develop multiple air dry and baking enamel steel coatings, a marketing and sales initiative led by Warren Gee. We added significant volume of sales with these products to steel fabrication companies, mainly in Alberta. The original equipment manufacturers (OEMs) included oil and gas equipment, pump jacks, oil rigs, compressors, oil storage tanks, jail doors, toilet partitions, office furniture, construction steel beams, new 5- and 45-gallon containers, farm equipment, and caterpillar and construction machinery.

Metal primers have become core products for the industrial division. We are the dominant supplier to bulk dip tanks for priming steel construction girders, with customers in Alberta, BC and Washington State.

We also supply OEM wood siding pre-stainers in BC, Alberta, Washington and Oregon.

After the purchase of Tower in 1989, we invested in improved technology for our manufactured heavy duty two-component coatings, including zincs, epoxy primers and multiple polyurethane top coats. We have formulated 80% solids epoxy tank linings and have steadily improved our acceptance and market share for the industrial coatings market. Over the years we have had resale lines of zinc, epoxy, urethanes, powder and tank linings. Rodda manufactures many industrial products and resells national-brand industrial products as well.

The competitors that helped us in the early stages (1960 to 1970) with this industrial market segment were Sherwin-Williams, Bapco and General Paint.

General Paint was a very focused industrial coatings company from 1950 to 1970. Mel Keeler was the president, Ernie Sutherland the Industrial Sales Manager and driver. Aided by a salesman named Campbell, with Bill Biddle as Technical Director, they produced and sold epoxy and maintenance coatings, concentrating on coatings for the new pulp and paper mills being built throughout BC. Out of 11 of these forestry mega projects, General Paint supplied the original coatings for 10. General Paint backed off industrial sales in the 1970s. In the latter years, ICI (with Devoe) was strong but inconsistent in their marketing.

The biggest industrial market share gain for Cloverdale resulted from the Pittsburgh decision to close their North Vancouver factory in the late 1970s. In the 1980s International Paint also closed their North Vancouver plant, and Walker Bros sold to Glidden, ceased manufacturing and sold Walker market rights to Consolidated Coatings. These factory closures and changes provided Cloverdale with many opportunities to grow the industrial division. Cloverdale gained credibility with the purchase of stock and distribution rights for Valspar Mobile in the 1980s. However, Valspar sold their maintenance and marine coatings business in the '90s and we ceased distribution of their products. The acquisition of Tower in 1989 was a boost to Cloverdale's industrial product offering and market share. Today Cloverdale is 50% industrial and 50% architectural products.

The local company that grew in market share for western Canada was Endura of Edmonton. Devoe of ICI dominates the tank-lining business and is a considerable factor in industrial. Worldwide, International dominates the marine coatings business along with Jotun. Previously, they were also strong in heavy-duty coatings, but their presence has recently

diminished. As well, there are industrial markets for which Cloverdale does not have a major offering, such as automotive, rail, heavy duty marine and aircraft.

The acquisition of Guertin in 2008, allowed Cloverdale to make a leap forward in cost effectiveness and product performance for industrial coatings. Their resin-cooking technology and powder manufacturing allow us to be more competitive. Guertin has also taken us from a regional western industrial seller to a more global company. Global companies generally are very large multinational firms with advanced technology. We can definitely think about liquid coatings and powder sales in North America.

Market Share Contributors in the US

The US Pacific Northwest is an extremely competitive paint market. Growth in US markets is slower than in Canada due to the greater number of competitors in the field. Rodda has grown but not as quickly as Cloverdale. The competitor from which Cloverdale Paint drew the most benefit in Seattle from 1994 to 2003 was Preservative, as we hired many excellent employees from that firm. We also took some share from Parker Paint and this accelerated after the Rodda merger in 2004.

Sherwin-Williams has grown significantly, having invested aggressively in the US Pacific Northwest by opening branches, hiring salespeople and acquiring Columbia. They are definitely the number one competitor and very price aggressive. Their purchase of Columbia gave them a dominant market share in eastern Washington, Idaho and Montana. Recently, Rodda has hired some key employees from both Columbia and Sherwin-Williams. The attraction to Rodda is a combination of quality products, local ownership and profit sharing. An industry-experienced paint employee who chose to join Rodda Paint said "Rodda is one of the honest, quality companies, the way it use to be."

Miller Paint gained market share in Oregon and Washington. Kelly Moore acquired Preservative in Seattle in 1995 and Ponderosa in Boise in 2000. They are still a strong factor but do not seem to have maintained or gained market share compared to the volume of the acquisitions. In 2011 and 2012, Kelly Moore closed branches in Oregon and Washington West and sold the rest to Miller Paint. Rudd and Forrest have market segments that are stable but since the recession have shrunk some. Several small market players are still operating, such as Farwest in Seattle and Rassmussen, Drew and Imperial in Oregon. RPM Akzo (Chemcraft) operates plants in Oregon and California.

What Makes a Good Manager?

One of my consultants asked me to write a summary of the reasons for Cloverdale's success, including the characteristics of a good manager. My reaction was "this could be another book!" Here's my short answer to what makes a successful manager:

Entrepreneurial — Sees the way it could be, creative thinker, positive and aggressive for long-term benefit

Positive attitude — Glass half full, sees the best in people and projects

Good listener — Really listens to subordinates, thinks about their issues and creates solutions and actions

Excellent people skills — Good communicator

Honest and fair — Even-handed in all decisions

Gives credit to others — Not a large ego

Sets realistic expectations

Hires good employees — Never afraid of hiring strong managers and employees

Fiscally responsible — Conservative but not afraid to invest for opportunity

Spends time with customers and employees — Takes the time and listens to their input

I could add the many obvious characteristics like dedication, promptness, being well organized, working long hours and being loyal. These seem to be a given, but they all make the difference for a well-managed company. To be successful, it is critical to have cooperation between manufacturing, shipping, technical, administration, sales and management.

Even with the best of intentions, internal problems can arise in a company. Good management is knowing when to admit a mistake and correcting it quickly. This can manifest in changes to product design and store location, employee promotion or hiring, and in corporate investment. Here's what a good manager and an effective organization should be able to do:

A. Admit when we make a mistake.

B. Take corrective action — recall a product; relocate, demote, reassign or terminate a non-performing employee.

C. Don't let procrastination or defensiveness get in the way of a good business decision.

Employees who are self-starters succeed at all levels of Cloverdale Paint. Employees who must be told what to do usually do not stay long. Team players are motivated by profit sharing and being the best at what they do. Team players also recognize that every one of us has a job to do and that cooperation and respect for others is far more effective and efficient. This positive constructive attitude is the opposite of a bureaucracy, which builds structure, waste and inefficiency. Customers sense this positive, friendly attitude and enjoy doing business with Cloverdale.

Wink's glass is always half full as opposed to half empty. He is always on the lookout and willing to invest in good people and in opportunities that would contribute to growth for Cloverdale Paint.

—Marty McKenna, VP Sales and Marketing

I believe Wink's philosophy has been to surround himself with the best people, lead by example, and forever continue growth in a steady, smart manner.

—Joe Bailey, Salesman with Rodda Paint
(former Preservative employee)

Wink's demeanor is always the same — positive and enthusiastic — whether he is buying a company to expand the business or pulling the company back from the edge of bankruptcy.

—John Trueman, General Counsel for Cloverdale

A defining element of Wink's philosophy is the excitement of making the sale. Enthusiasm for the sale and for the growth in our customer base is a main focus in all our gatherings and environments.

—Dave Chaulk, V.P. Branch Operations

Acheiving our goals

By 2008, Cloverdale was the largest Canadian-owned paint company in Canada, and the 14th largest in North America. Our consistency in product improvement, branch expansion, store-staff strengthening, and our commitment to an experienced sales force paid off. Profit sharing instilled a positive attitude in employees throughout the company. The sales and marketing programs of honouring customers through breakfasts, barbecues and product promotional offerings were effective. Personal contact with contractors through the variety of customer entertainments (see pages 139 onwards) also contributed to a large gain in market share in western Canada. Today in many market regions Cloverdale is the number one supplier and definitely in the top three throughout western Canada for the trade and industrial markets.

The Cloverdale Branch System

One of my favourite places to be in our company is in the paint stores. It is where we ultimately live corporately, the place that defines us. Cloverdale wants our customers to know who we are, and we want to know who they are as well. Relationship is the key driver for all our internal education, development and training. Our relationships define our success.

—Dave Chaulk, VP Branch Operations

Branches are the heart and soul of our marketing and distribution system for both Cloverdale and Rodda. The combination of regional stock with trained, motivated store staff and regional salesmen is what has steadily built our business into a major factor in the Pacific Northwest/Cascadia region. This high-service higher-cost model, with 109 branches (as of 2012), six sales desks, salesmen and five factories situated close to the customers, gives us a market edge over our low-cost multinational producers. Akzo, ICI, PPG, Valspar, DuPont and Sherwin-Williams all produce and manage their local operations from 2,000 or more miles away. Our marketing strategy is what has permitted us to grow 16-fold from 1983 to 2012. Customers appreciate our knowledgeable local service.

At any given time, each branch falls into one of three groups: (1) loser, (2) contributor or (3) cash cow. With a few exceptions, branches can quickly move from the loser category to either a contributor or a cash cow. Branches tend to fall into this loser group during their opening period or in extremely competitive markets. If a losing store cannot be energized with a change of staff or relocation, it is closed. Langley was our cash

cow from the 1940s to the late '50s. The factory branch in Newton opened as a cash cow and has remained so. In fact, Newton was the cash cow that from 1955 to 1980 singlehandedly built the company.

Cloverdale and Rodda do not have a cookie-cutter store model. Over the years, we have planned the location, size, shape and merchandising of each store to fit the target clientele we want to attract. For example, the White Rock store was originally targeted at the DIY consumer market. The relocation in 1997 to the former Color Your World location was intended to improve contractor service. This new highway location provided better parking, access and egress and a lower rental rate. The move was successful both in maintaining DIY and growing the trade business for South Surrey and White Rock.

In 1980 Warren Gee at store #50 in Edmonton kicked into high gear with the goal of having his branch and the major Alberta branches join Newton as cash cows. Alberta stores have been very strong profit contributors since then, and today almost all prairie branches are cash cows. Store #50 started downtown as a trade paint store in the late 1960s and was not profitable. Warren Gee successfully sold to industrial customers there so we relocated to a larger 4,500-square-foot low-ceiling store in West Edmonton. In the 1980s we relocated again to a 10,000-square-foot warehouse in the northwest section of town. Store #50 became profitable in this location. Sales grew and grew and in 1989 we rented a beautiful 17,500-square-foot warehouse in northwest Edmonton that provided excellent front end for an open-area sales desk, with offices for salesmen. In the back there is a ventilated tint room with aerosol packaging and high-ceiling warehouse with truck loading. These moves increased the branch volume from \$2 million in the late 1970s to over \$10 million in the mid-'90s. This remains our largest-volume branch, specializing in serving industrial customers.

Store #51 in Calgary was originally a trade retail store on south 17th and was relocated to the 5,000-square-foot branch on McLeod Trail that had the disastrous fire in the 1980s. After the fire, we relocated to a 6,500-square-foot warehouse on Blackfoot, southeast of Calgary. This became an exclusive industrial branch after Tower's consolidation in the early '90s. By 1997 the size of the store was not adequate for the \$4 million volume. Cloverdale moved into a build-to-suit branch in early 1998 with a total of 24,000 square feet. This included a 4,000-square-foot trade centre and sales desks, offices for salesmen and sales management, and a training facility above the store. In 2007 we relocated to a 23,000-square-foot store at 72nd Avenue SE in the Foothills industrial area.

VANDALISM OR TERRORISM?

One Sunday in June of 1984 Wink received an urgent phone message advising him of an environmental crisis at the Cloverdale Paint factory. He rushed to the factory where he was met by a crowd of firemen, police and press.

A quick tour of the five-acre factory site and a briefing from Alex Chohanuik revealed the magnitude of the situation. Vandals had entered the property and forced open a valve on a 3,000-gallon storage tank. The contents had drained into Hyland Creek on the south side of our property, which in turn drained into the Nicomekl River and out to Boundary Bay. A major fish kill, and a major disaster. The fire department had hoses running full tilt, dilution being the only corrective action now that the tank was empty. The damage was significant.

The fire chief was very sympathetic. He knew this was vandalism and not negligence. Damage to the valve was evident and the vandals had left behind tools they'd used to force it open. The press, on the other hand, was less than sympathetic.

What was the fish-killing product in this storage tank and why did we have it? This was the source of our corporate embarrassment, as the product was not one we either made or sold.

Back around 1981, Lyle Brown, our forest products salesman, sold wood stain to many sawmills, including one in Prince George. This was the end of the era in which sawmills used pentachlorophenol as a wood preservative. The Prince George customer had blended the penta he'd bought from another company (we did not sell it) with our product. They then asked Lyle to take back the wood stain

product. Lyle wanted to do this customer a favour and thought he could sell the product to another mill, so without corporate discussion or authority, he sent the tanker trailer to pick it up. Lyle subsequently resigned, and when we discovered what was in this product, we transferred it to a storage tank to await disposal.

After the vandals initiated the spill, Cloverdale posted a \$10,000 reward for information leading to a conviction. The police received a tip that identified the vandals, which confirmed that there were no disgruntled former employees or customers involved. Rather, the vandals were thugs, and extremely dangerous — so dangerous, in fact, that the police believed it would not be safe for any witness who may step forward. They informed us that they would not be able to lay charges or get a conviction. Case closed, right?

Wrong. The fisheries department charged the company with discharging a pollutant and a trial was held. Fortunately, the judge acquitted us of any wrongdoing, saying "but for the act of vandals, no discharge or damage would have occurred. Case dismissed!"

Again, we thought the incident was behind us. But later, the City of Cache Creek was convicted for a similar incident involving vandalism. In their case, sewage from fenced, locked tanks was discharged into the Fraser River. This case established a precedent and we were now open to a Fisheries appeal. They did appeal and we were found guilty, fined and embarrassed.

The icing on the cake was when an eco-terrorist organization accused us of being responsible for a dead whale found in Boundary Bay. We were cleared of this responsibility when a fisheries expert in Nanaimo flatly stated that this was impossible. The whale had died of natural causes.

Victoria branch #78 struggled in the early 1970s. It started out as a Sidney Paint store and was not profitable until we moved it to a new location on Quadra Street in 1974 owned by Cloverdale Investments. In the mid-'80s the store was moved again to the larger, highly visible Finlayson Street location, situated on the main entry road leading into town from the ferry. The store's contractor clientele was built by Rod Andrews, Kirk Beggs and Al Crichton. Over the years, retail grew as well and this Victoria store became the company's number one retail branch. A large 10,000-square-foot lower-cost warehouse was opened in early 1999 to relocate #78 Victoria. This continues to be a major contractor trade branch with good retail.

Some stores were relocated and remodeled several times. Langley was moved six times and underwent several remodels. Nanaimo was a loser for years; we moved it five times and eventually it succeeded, first with the large downtown Cloverdale Investments branch. Ray Koch was Salesman of the Year in the relocated north Nanaimo branch in the late 1990s. Red Deer, after being nearly closed twice and moved five times, peaked at over \$3 million sales in 1998. Today Red Deer North is expanded and a winner again, serving mostly industrial customers, with Teddy Shaw in charge of outside sales. In 2004 Rodger Stotz and Dwayne Ogilvie opened a Red Deer South branch for the trade painters. It was instantly profitable

and quickly expanded. Both branches continue to dominate the Red Deer market. Chilliwack was opened in 1958, closed in 1962, opened again in 1980, moved, closed in 1983 and finally opened as a winner in 1994 in a suburban location. Kelowna opened in 1969, closed in 1976, opened in 1980, closed in '83, opened in '86 and is a cash-cow contributor today. We also opened a winner at Westbank, a suburb of Kelowna, that was immediately expanded and has been profitable since day one.

An issue that made operating corporate branches extremely difficult was staff shortages, particularly from 2003 to 2008. This was an era of record low unemployment and booming economic activity, resulting in a lot of employees job-hopping to achieve higher wages. Attracting entry-level sales clerks became a challenge for Cloverdale. This problem was most noticeable in Vancouver and Calgary. Both cities were experiencing record high construction activity, with the booming oil and gas sector an additional factor in Calgary. The oil patch was offering premium wages and attracting employees from as far away as Newfoundland. John Mustard and the salesmen in Calgary deserve congratulations for pitching in to provide a great deal of tinting and customer clerking to maintain a reasonable service level during this record sales period without adequate store staff.

In 2002 we opened a branch in Fort McMurray, the site of Alberta's tar sands industry. A five-hour drive north of Edmonton, Fort McMurray is truly a frontier boom town, with a lack of affordable housing and all the vices in abundance: gambling, drugs and alcohol. When problems developed at this branch it was difficult to manage due to distance. Area Supervisor Scott MacDonald, Sales Manager Roger Stotz and Salesman Terry Fedoruk could get there only once a month at best, but they made a valiant effort to keep the doors open. Fortunately, things have stabilized and the branch is now doing well.

Good branches are the lifeblood of our company. As with making paint, the chemistry has to be just right. If the markets are good, our location might be poor, too big or too small. Often a better manager and/or salesman will make the difference. Sometimes, with stores like Nanaimo, Kelowna and Chilliwack, the local economy tanks and then bounces back. Other times a change or weakness in competitors will correct a loser branch. Good store salespeople and well-trained and motivated outside sales staff are essential to our success. Hard work, perseverance, recruitment of quality personnel and constant striving for improvement have paid off. A bit of luck doesn't hurt either!

The Rodda Branch System

As of 2008, Rodda had some dramatically diverse branches in their chain of 44 facilities and two sales desks. Eastside in Portland was physically the largest sales branch in the 109-branch Cloverdale/Rodda chain. According to Bill Boone, the VP and President of Rodda, the branch was underutilized. The reduced emphasis on the spray shop and DIY decorator merchandising reduced the need for the 19,000-square-foot ground floor area and 10,000-square-foot mezzanine. While the branch had been a flagship location for Portland, it would eventually be subdivided to reduce the costs. (See 2011 Update on page 107).

A polar opposite of Eastside Portland is Sequim located between Port Angeles and Port Townsend on Washington's Olympic Peninsula. This 2,900-square-foot store is freestanding in a small community and extremely well managed by Kelli Walker. It produces a nice profit on \$1 million in sales.

Seattle SE50 on Michigan Street in south Seattle was Cloverdale's main branch. Since our merger with Rodda, it had become the industrial centre for Seattle South. This 8,000-square-foot facility was one of Rodda's most profitable branches, with its fair rent, good staff and excellent sales management. Steve Simon was manager, with Dennis Vermette and Keith Hilmer on outside sales. Bill Boone, the Rodda President, made his Seattle office at Michigan Street. This was consolidated with the large, Seattle, fourth South branch in 2011.

Two branches that may be the perfect model for trade-focused sales marketing are Coeur d'Alene, Idaho, and Chehalis, South Washington. Both are about 5,500 square feet with rental rates amongst the lowest in our company. Both are profitable on sales of \$1.6 million and \$1.3 million per year.

Each of these branches was uniquely targeted at their market, and each is doing very well. In 2004, at the time of the merger, some of these Rodda branches were very large with high rents that did not reconcile with our activity or profit level. Overall, the major marketing shift at Rodda after the merger was right-sizing real estate and accepting reduced DIY decorator sales. Ten branches were merged and/or relocated to more appropriate size and cost, making possible the successful business Rodda is managing today.

Dealer Franchises

Cloverdale Paint distributes through its own corporate branches and authorized dealers. From 1948 to 1958, dealers were developed by Hunter Vogel throughout

the Fraser Valley. These were phased out as we opened corporate stores throughout the 1960s.

In the late 1970s the company launched a franchise department to open stores in smaller communities in BC. When the '82 recession hit, some of these franchise stores closed and the rest were bought back by Cloverdale Paint. In 1998 we again saw an opportunity for dealerships throughout BC as well as in Alberta and Saskatchewan. Clive Stanbury, the retired General Paint president, developed a Cloverdale policy manual for dealers and several dealers were opened on Vancouver Island by Ray Koch and Terry McKinley. Ray Koch also opened dealers in Saskatchewan.

In January 2000 Marty McKenna was hired from General Paint as our Dealer Manager and we launched an aggressive marketing program to expand our dealer base. Some of these dealerships were opened in remote communities where we do not, and likely will not, have corporate stores. These include Port Alberni, Ucluelet, Salt Spring Island, Port McNeill, Thunder Bay, Whitehorse, and in rural Saskatchewan where the two strongest are in Nipawin and Yorkton. When we purchased Northern Paint in 2001, we gained a large block of dealers in central Canada covering Thunder Bay to Alberta.

Cloverdale exports to China, South Korea and parts of Europe and these customers are like distant dealers. The offshore program is relatively new to Cloverdale Paint and is a small percentage of our total business.

In 2008 Cloverdale had 107 full-line dealers in Canada plus others that purchased sundries. Our total 2008 dealer sales from Canada were \$6.4 million. Rodda had 42 full-line dealers doing \$1.6 million US. Dealer sales are approximately 4% of our total sales.

"Full-line" dealers have a CPI colour display and sell a pre-determined "core" list of architectural products. We lost some dealers from this category from 2006 onward due to the RONA building supplies group making acquisitions. As this major chain buys up independent building supply stores they convert the paint line to their own private-label brand manufactured by Sico in Montreal.

Cloverdale also has "partial" dealers, private label dealers and industrial product resellers. Private label dealers include Liquidation World and the Wakeford Group of Asia. Our total 2008 sales in private label were \$470,000. Rodda has 10 private-label or toll customers, including Restoration Hardware and Zinsser. Industrial product resellers include companies such as Acklands and other industrial supply stores. Export sales to resellers of CPI products are mostly in Asian countries, presently selling in China and South Korea.

AN EARLY START

I always believed I wanted to work in the legal field. I went to college thinking I would work at Cloverdale until I graduated. Then I graduated and decided that I loved working for Cloverdale and loved my job, and I never left!

—Sandra Pandin, Sundry Buyer

I started when I was in high school as a stock boy at the Langley location about 15 years ago, when I was in high school. I went from clerk, to assistant manager to branch manager, and now I am an industrial sales rep in the Interior. My father has worked for Cloverdale for 35 years, since before I was born, so I can honestly say I have been brought up by Cloverdale, with company events, weekend trips to the lab, paint projects in the garage, etc. Cloverdale cares about their personnel and encourages further education. They are accommodating not only with scheduling, but many times have helped out financially so employees can reach their personal goals. I haven't worked for the competition, but I can say that the number of employees that come to Cloverdale from other paint companies would be a good indication that we're doing something right.

—Craig Eaton (son of Stu Eaton), Industrial Sales

When I was 13 years old, in 1983, the factory went on strike and management worked in the plant producing paint. My dad enlisted my help and I worked alongside Nick Willis, the marketing manager at the time, at the handle station. We made sure every gallon got a handle put on properly and shut the station down to replace any missing handles, a skill that served me well later in my career. I remember it being stressful, not knowing how the machinery operated. Neither did Mr. Willis, and we both panicked when a gallon came by missing a handle. Looking back, we must have appeared quite the comical team. I realized then that my career would be in the stores, not the factory! I received my first paycheque ever, which was a big deal for me at the time. I still have a copy of it today!

—Chris Fowlie, Area Manager

Private label has always been a small portion of our business. It boosts productivity and purchasing power, and can be profitable even at a low margin. Cloverdale and Rodda have 10 significant customers, 2 with international distribution. This segment totals about 2% of our total business.

It's the People, Not the Paint

In the end, like our competition, Cloverdale Paint does sell paint, but it does it with people, not with numbers. A lot of people feel that we do own the company, which is a sentiment supported by our profit-sharing program. The company does not do the same things as anyone else in our industry. It is focused on providing the best environment for excellent people to be excellent.

—Dave Chaulk, VP Branch Operations

Our employees and customers alike benefit from the family culture at Cloverdale Paint. Our local ownership and management understand and are sensitive to the markets we operate in. We are willing to custom design products that better suit our customers' needs. We have the capability to provide "rapid response" to unique opportunities compared to many of our competitors. I believe our customers and prospects are coming to appreciate the fact that we are a Canadian company within a market of global giants.

—Marty McKenna, VP Sales and Marketing

Cloverdale's extraordinary growth in this 25-year period, 1983 to 2008, really supports this saying. Employees from all departments contributed to our growth. Those in the factory, lab, warehouse, sales desk and office moved the paint from the plants to the branches. The store sales staff, branch managers, salesmen and the sales managers closed the deal by bringing more and more customers in the door and giving our clients great service and camaraderie. It is this combination of cooperation, professional service and knowledgeable sales skills that keeps customers coming back and breaks the ice for new customers. It's also what has so dramatically increased our market share in the Pacific Northwest.

While we acknowledge the excellent results of the branch system and sales force, we would also like to recognize the consistent skills and support delivered by branch supervisors and sales managers. In the 1970s and '80s Bill Fowlie, Leroy Carlaw and Ron Goudie were the branch supervisors. We soon expanded, with Bill Fowlie moving to Alberta. Barry Fraser subsequently became the Alberta supervisor and Bill Fowlie returned to BC to become the Vancouver Island supervisor. Bill held this position until his retirement in 1998. He was replaced by Kirk Beggs. Dick Cardon replaced Barry in Alberta. Keith Briggs was the Lower Mainland supervisor until his resignation. Ron Goudie retired and was replaced by Dave Chaulk, who covered a large BC territory. Scott MacDonald was promoted to northern Alberta Supervisor in 2003. When Al Mordy reorganized management in 2007, Dave Chaulk was



Ron and Gerry enjoying a warm summer day in Courtenay, August 2005.

THE GIFT OF LIFE

In 1998 Ron Smith, our Credit Manager, was diagnosed with a serious medical condition involving his kidneys. He was put on dialysis treatment and placed on the kidney transplant waiting list. This hereditary issue was a setback for Ron and he needed adjusted work hours to cope. Marion Campbell, the HR Director, put out an information notice to all Cloverdale employees that Ron was seeking a "donor." Eight employees expressed their willingness to donate a kidney. After medical testing of 13 total volunteers only one was the perfect match. Gerry Baker, employed at our Courtenay branch, made the ultimate donation of his kidney to Ron on May 31, 2004.

appointed VP Branch Operations and Kevin Pidduck was promoted to replace Dave in BC as an Area Manager. Peter Curry managed Manitoba and then Saskatchewan. John Mustard replaced Dick Cardon for southern Alberta on his retirement. Kim Brigden replaced Scott MacDonald in northern Alberta in 2008. All of these people were key employees whose skill and dedication smoothed the road to success for the branch system.

Cloverdale Paint is almost a living, breathing thing. I hear stories about people working for other companies in and outside the paint industry and they make it sound like they are treated like a number. I relate to them what life is like at Cloverdale Paint and they can't believe how close knit a large company like Cloverdale is. The management is very approachable, very much in tune with who their employees are, taking time to talk to them when visiting the branches.

—Chris Fowlie, Area Manager

Alex Drody was Cloverdale's Industrial Sales Manager for Western Canada throughout the 1980s. When he became VP of Sales and Marketing, he was replaced by Brian Johnston. Brian Carpenter was hired in 2001 as the BC Industrial Sales Manager and Trevor Newell was appointed Industrial Sales Manager for Manitoba and Saskatchewan after the Guertin Bros. acquisition in 2008. When Guertin was acquired, Charlie Guertin was the Sales Manager. He retired and his son Chris was appointed Sales Manager for Guertin covering eastern Canada and the US.

The trade sales evolved originally with Bill Fowlie as the Trade Sales Manager, then Bill Nicol was hired in 1991. When Bill Nicol left, Kevin Belton became the BC Trade Sales Manager and Rodger Stotz became the Alberta Trade Sales Manager. Peter Curry assumed Saskatchewan and Jim McDermid assumed Trade Sales Supervisor in Manitoba.

Since 2000, the company's dealer program has gained an excellent market share in Western Canada. Marty McKenna and Clive Stanbury did an outstanding job of opening dealers throughout our territory with the help of several salesmen. The major management reorganization announced in 2007 promoted Marty McKenna to VP Sales and Marketing with all sales managers reporting to Marty.

The extraordinary internal growth of trade and industrial sales from the late 1980s to 2012 owes a great deal of credit to the whole branch management system and the sales force. All the senior sales managers mentioned above contributed greatly to the Cloverdale success loop.

Wink and Al were there for me when my dad had open heart surgery. It was apparent that we not only worked together, but they offered a strong caring friendship to an employee.

—Mark George, Industrial Sales Rep

The Challenge of Employee Development

Cloverdale has consistently hired quality industry-experienced staff from within the coatings industry — people who fit comfortably into the unique Cloverdale Paint culture. Factory and technical staff as well as store and sales staff have come from ICI, Bapco, Sherwin-Williams, Pittsburgh, General Paint, International, Color Your World, Olympic and Mills. With training and promotion through growth and profit sharing we have developed an esprit de corps that is unique in the paint industry. Rodda Paint has a very similar employee culture and philosophy to CPC. The attitude and calibre of Rodda employees is equally outstanding.

Even with such outstanding employees, however, high turnover has at times been a challenge. Available payroll records show that since the year 2000, Cloverdale Paint's highest turnover rate was in 2007. Because there is a cost associated with turnover, we explored the various causes so we could gain a clearer understanding of the problem and work toward solutions. Roughly half of Cloverdale Paint's 660 to 700 Canadian employees work in the branches and this is also where the majority of the turnover occurred. We established that several factors contributed to high turnover.

One factor was the student status of many employees. Most students are seeking only short-term employment to help with tuition. Because Cloverdale needs more employees in the summer, we created a special incentive program targeted at students.

Another factor was the fluctuating economy. In the years immediately prior to 2008, we saw a very strong economy paired with low unemployment.

A third factor we identified was the seasonal nature of the paint business. Cloverdale requires more employees in the summer, when there is a higher-volume demand, and fewer in the winter.

To address these issues, Cloverdale Paint made a significant investment in training via increased resources and programs. People in each region were assigned to recruiting new employees and providing them a structured orientation followed by a training program in product knowledge and service skills. Other human resource programs were offered to help



Gary Philips, customer on Rod Andrews West Coast fishing trip. He bagged all the salmon! Circa 1988.



1985 fishing trip, Hakai Pass.



Wink on Rod Andrews West Coast fishing trip with 25 contractor customers, circa 1988.



Al Mordy, Ucluelet, West Coast fishing trip, circa 2005.



Mike McAuley of Armstrong Decorating, St. John's Fishing Lodge, 2007.

employees build teams through better communication.

We extended our efforts in 2007, when the Board of Directors enhanced compensation for new employees by removing the waiting period for profit sharing. Since this decision, all new employees receive profit sharing from the start of their employment. Through these investments, we demonstrated our commitment to our employees. By the end of 2008, with the new HR/training initiatives and immediate profit sharing, the rate of turnover had dropped considerably.

All Work and No Play ...

The Cloverdale family of employees has a history of working together to support community events. We also know how to have fun together, and with our customers. In fact, between the golf, barbecues and fishing you would wonder how we sold any paint or got serious work done! Part of the answer is that the employees love their work, love the sports and truly enjoy being with their customers. A lot of our leisure and sporting events take place on weekends and customers pay their own way for some of them. The camaraderie of these shared times makes customers feel they are part of the Cloverdale family. This, in turn, builds a genuine business friendship that helps explain the unique corporate culture of Cloverdale Paint and our solid market share. Besides, "All work and no play makes Jack a dull boy."

In the early 1970s Cloverdale Paint participated in a CKNW sales promotion that had the grand prize of a fishing trip to Cowichan Bay, hosted by wrestler Gene Kiniski. Hunter Vogel went as the representative for Cloverdale. A second CKNW/Cloverdale promotion was held at Pender Harbour in 1974. A former BC Lions player, Tom Larscheid, and Al Davidson of CKNW were the personality hosts. Wink caught a red snapper in this tournament and when he was cleaning the fish at the dock, four Japanese tourists dressed in suits were watching. They could not speak English but after a lot of oohing and aahing, Wink offered them the cleaning knife and they cut a piece of fish and ate it raw with great delight. Wink gave them the fish. Instant sushi.

In 1976, after the Kelly Douglas buyback, many employee social activities sprang up. Social clubs were formed in Victoria, Edmonton, Calgary and in the Lower Mainland head office. Employees made monthly payments and the company matched the funds. As a result, several events were funded. Summer family picnics were popular. They included softball, soccer and barbecues. The office and warehouse formed a mixed softball league that fielded a team for years. The "Cloverdale Shakers" was organized by Neil Polichuk and Dean Rogerson, with Al Mordy and others playing.

Pat George was the beer lady and major cheer girl.

Gone Fishing

In the late 1970s Al Mordy organized a company weekend at Lord Jim's motel at Secret Cove. Nick Willis, Bill Fowlie, Alex Drody, Dan Treleavan, Leroy Carlaw, Mike Lynch, Ron Goudie, Lyle Brown and many others joined the fun. With three employee boats plus a charter or two, we trolled off the tip of Thormanby and Texada Island. The 16 employees had a great time with successful fishing. The accommodations had kitchens and we cooked our meals bachelor style. Al Mordy made many weekend fishing trips in this era, often with customers and salesmen.

In the mid-'80s Wink and Al Mordy organized a customer fishing program aimed at entertaining our large, loyal industrial customers. We could not advertise effectively to our industrial market so we set a budget and focused on rewarding the owners of these companies. We invited them as a "thank you for your business over the years." Cloverdale chartered the 100-foot tug, *Breeze*, owned by Grant and Noreen Butt of Maple Bay. They located the *Breeze* at Hakai Pass, north of Vancouver Island. They had a fleet of 17-foot open aluminum boats, with 15 hp outboards, that took two persons per boat. We booked *Breeze* and the fleet for 12 days and hosted three different groups. We flew up on a twin Otter with the first group. After three days of fishing the plane brought the next group and took home the first in rotation. Great fishing, good food and bunkhouse-style accommodations. This program was great fun and it operated for many years. We entertained many of our valued industrial and trade customers.

Rod Andrews and Kirk Beggs of Vancouver Island developed a very interesting customer golf and fishing trip to Ucluelet. Most customers drove up, sometimes playing golf at Parksville on the way. The group consisted of 25 employees and customers. Guests stayed at the Canadian Princess Motel and the floating hotel. They fished on a large 50-foot boat that held 25 people with a rod for each. The boat would power offshore about 10 miles to a bank, cut the engine and drift. With fishing rods extended all around the boat it was chaotic but, amazingly, we caught lots of fish. This trip was "Dutch treat," with customers paying their own costs and the company hosting a wind-up dinner on Saturday night.

In 2008 Al Mordy, Alex Drody and the sales managers ran a customer event at a fishing lodge on the West Coast, at Bamfield, on the south side of Barkley Sound (the entrance to Port Alberni). This lodge provided accommodations, meals and charter



Wink Vogel, Nick Willis, Bill Nicol and Chris White. United Way barbecue, 1990s.



Dave Bott and Paul Schmidt, United Way barbecue, 2001.

boats. Al Mordy also took his 27-foot Grady-White and put 12 customers and staff on the water each trip. Chris Guertin, Martin Bachand of Montreal and Philippe Chenard, an industrial customer from Montreal, joined us. Currently, the fishing trips are attended by large paint contractors from BC, Alberta, Saskatchewan, Manitoba, Ontario and Quebec.

Golf Adventures

Golf tournaments have always been an excellent customer event. The Cloverdale Victoria crew hosts what is probably the longest-running annual event, which started in 1986. They sell out the golf course and provide a delicious barbecue dinner and prize giveaway. Tournaments involving both customers and staff are regularly organized in many other towns too, including Edmonton, Red Deer, Calgary and Surrey.

CPC, our US subsidiary, had a golf tournament running before Ken Skalsky and Scott Rainwater opened Cloverdale paint stores in Washington State. Scott had run an event in Bellingham since 1993 for Preservative Paint before he became a Cloverdale Paint employee. He continued organizing golf tournaments at Sudden Valley for Cloverdale. His tournaments were so successful that Scott had to move them to Avalon Golf Course, which had three nines, to accommodate the overflow crowds. Kathy Wilson, John Shaw, Big John and Ken Skalsky from Seattle brought customers, in addition to a huge Bellingham turnout. The event has been a very successful 18-year happening. Kevin Milton of the Bellingham branch is a brilliant guitar and five-string banjo player. He would organize a hootenanny after golf with Wink, Randy Olafson, Lennie Beckett and occasionally Marty McKenna and Tim Vogel playing guitars and bass. Al Mordy dubbed the group the "Cloverdale Cowboys."

Bill Nicol organized a corporate golf and sales meeting in the town of Oliver in the BC Okanagan. The motel is on a small lake with two excellent golf courses either side of town, North View and the Native-owned Inkaneep. The BC Interior tournament has now been ongoing for 20 years. Recently, Rodger Stotz organized a similar tournament in Kimberly, BC, for Alberta and Prairie customers. Both of these golf tournaments are held just after the barbecue tour and generally host 30 to 40 customers each.

When Rodger Stotz and Tom Pharis joined Cloverdale they had been hosting a customer golf event to the US for their customers. This was a self-funded trip that would include about 15 large commercial Alberta paint contractors. The tournament was usually held over a long weekend in the early spring in Nevada or California. This became a Cloverdale event in 1996. One year the tournament dovetailed with a CP sales conference in Laughlin, Nevada.

Making a Difference Together

Cloverdale employees work and play well together. We also have an impressive history of pulling together to make a difference. The United Way campaign has been our company's major charitable event over the years, with corporate donations to match donations from employees. Throughout our territory employees organize and select a captain each year. These captains plan many events at various branches to encourage employees to make payroll deductions and participate in fundraisers, from barbecues and raffles to parking-lot hockey games, darts and other fun events.

Head office staff supported a Surrey Memorial Hospital fundraising run from 1987 into the late 1990s. Pat George spearheaded head office runners. Supported with company-matching funds, the head



Lynn Holtz, Rick Henning, Shelley Turentine and Craig Turentine of Rodda, circa 2003.



Victoria Golf Tournament at Cedar Hills: Al Mordy, Herb Boyd, Tony Preston, Ian Shiply, circa 2007.



Neil Polichek, Al Mordy, Dave Bott and Alex Drody. A 2005 charity golf tournament hosted by a supplier to Cloverdale Paint.



Terry Bell, Milan Zilnek, Scott Rainwater at the Sudden Valley CPC Golf Tournament, circa 2000.



Randy White, Derrick Visser and Bruce Angel, golf banquet at Avalon, 2003.



Cloverdale chips in with \$30,000

GIVING: Family run business focuses charitable efforts on community

BY LINA TOYODA
THE PROVINCE

From humble beginnings on a chemist's farm in 1933, Cloverdale Paint has grown into one of North America's largest regional paint and coatings manufacturers through three generations as a Canadian family owned and operated company.

Cloverdale Paint's director of product design and quality Tim Vogel says taking care of the communities in which their employees and customers live and work has always been a priority for the company.

Cloverdale Paint and the Vogel Family Trust have combined on a \$30,000 donation to the 100 Days to Give campaign in support of Surrey Memorial Hospital's newest expansion, the Jim Pattison Outpatient Care and Surgery Centre that will open its doors June 1.

Now in the final days of the campaign, the Surrey Memorial Hospital Foundation is appealing for help to reach their \$5-million goal, which will be matched by Jim Pattison to buy state of the art medical equipment to bring new

doctors and specialists to Surrey.

Surrey Memorial Hospital Foundation president Jane Adams says Cloverdale Paint and the Vogel family are part of the community's rich history going back long before Surrey Memorial first opened its doors.

"We're the third-generation family in the business but I would say across the company, there are a lot of moms and daughters, sons and brothers," Vogel says.

The company's fundraising efforts for Surrey Memorial Hospital dates to The Run for Health during the '80s and '90s when teams of Cloverdale Paint employees ran in the annual community event while the firm matched their pledges.

"Over the course of the run's 14-year history, the fundraiser made more than \$1 million. Cloverdale Paint and its employees played a big role in the event and no doubt fostered a great team spirit by sending teams of runners each year," Adams said.

The funds raised helped buy equipment for the hospital's maternity and cardiology departments.

Cloverdale Paint and the Vogel Family Trust have joined the Surrey Memorial Hospital Foundation's 100 Days to Give campaign by giving \$30,000 to support a new integrated health-care centre in the Fraser Valley. Now in its third generation, the Canadian family owned and operated company wants to support the community where its head office and manufacturing plant have stood for many years. All donations for the Jim Pattison Outpatient Care and Surgery Centre will be matched to help purchase state of the art medical equipment for the new facility. The 100-day countdown is now in its final days.



Surrey Memorial Hospital
FOUNDATION



Cloverdale Paint and the Vogel Family Trust have combined on a \$30,000 donation to the 100 Days to Give campaign for Surrey Memorial Hospital's newest addition. This is Tim Vogel. ARLEN REDEKOP — PNG

"We tend to focus on charities that involve hospitals and education in the community," Vogel says, adding that Surrey Memorial has always been close to them because that's where their head office has been rooted for so many years.

In the current 100 days campaign that launched Feb. 21, the hospital foundation has collected more than \$4 million for the new integrated health facility to open in Surrey.

The Jim Pattison Outpatient Care and Surgery Centre has been called a one-stop shop for health where specialized programs, diagnostic procedures and day surgery will all be combined within one building.

The medical staff at Surrey Memorial Hospital have stressed that modern equipment and technology are vital in recruiting skilled specialists and building a strong team of health providers.

How you can donate

Donations can be made in person at any Coast Capital Savings branch, and online at 100days.smhfoundation.com. You can also choose to give a gift in celebration or memory of a friend or loved one. The 100 Days to Give campaign is on now through June 1, when the new centre is scheduled to open its doors.



Jim Pattison believes Surrey deserves the best health care. Give to Surrey Memorial Hospital Foundation today, and he will generously match your gift.

Give today!
www.smhfoundation.com

There are three easy ways to donate:

Donate online at
100days.
smhfoundation.com



Snap a picture of
this QR code and
donate now



Donate at any
Coast Capital Savings
Branch





Wink Vogel, Sandy Sohal and Noelle Vogel at Kwantlan College, circa 1994.



Alex Drody, Scott Davidson and Wink Vogel, 2006.



Al Mordy, Dumman Sohal and Wink Vogel, 2008.

office staff raised \$80,000 for the hospital. In 1990 Pat George started a 50/50 draw to raise money for Christmas parties, picnics and skating parties for children of employees. The Christmas skating party had a Santa Claus who gave each child a present.

Employees donated generously to the 2003 Interior fire relief fund in Kamloops and Kelowna and the relief fund for the Sri Lankan tsunami, both with corporate-matched dollars.

Vancouver Island has supported the “Cops for Cancer” drive and many local charities are supported throughout the company. Manitoba employees donated material and labour to paint a home. Five staff members prepped the house the day prior to painting and 15 employees painted the whole house in one day.

The company has made significant donations to hospitals and community projects and community theaters on Salt Spring Island and in Surrey. Calgary raised \$25,000 in one evening for a dealer who needed a kidney transplant.

We’re extremely proud of the Cloverdale family of employees, who consistently support our communities by donating time and/or money to such good causes.

Employee Service Awards

Wink and Pat George organized an employee service awards program in the late 1970s. Originally, this was designed to recognize employee service to the company. A gold lapel pin designed in the shape of our corporate fan logo was presented at the Christmas party to each employee upon completing five years of service. Employees with 10 years of service received the same pin with a precious stone denoting the number of years. Diamond pins designate 25 and 30 years of service. A gift is included at longer service levels. Today there is a budget for the gift at each plateau and a catalogue for the employee to choose from. We have also added a full-colour fan pin for the first year of service.

Cloverdale Scholarships

The Corporate Scholarship Program was started in 1989 with scholarships at Vancouver Community College and Simon Fraser University. This program has grown and we now offer scholarships and bursaries each year throughout Western Canada at the following institutions. Some institutions have multiple scholarships.

BRITISH COLUMBIA

Simon Fraser University, Vancouver Community College, Kwantlen Polytechnic University, Okanagan College, University of Victoria, Vancouver Island University (formerly Malaspina College), University of Northern British Columbia, College of the Fraser Valley and Langley Secondary School.

ALBERTA

University of Edmonton — Warren Gee Memorial Scholarship, NAIT — Edmonton Technical, SAIT — Calgary Technical, Medicine Hat College, Lethbridge Community College, University of Lethbridge and Red Deer College.

MANITOBA

University of Winnipeg

Each educational institution lists Cloverdale scholarships in their calendar, outlining the criteria, the amount of the award and how to apply. The institutions do the adjudication, with preference given to relatives of Cloverdale employees.

Over the years, we have received a number of touching “thank you” letters from student recipients. A particularly interesting letter came from a lady who had been out of school for 20 years. She wrote, the thought of going back to school was overwhelming, even aside from the financial difficulty. She wanted us to know how much she appreciated the help from the Cloverdale Paint scholarship. Not only did it help her reach her goal, but also taught her four boys that if you try very hard, good things will come your way.

Sales 1983-2008

