RELIANCE STEEL & ALUMINUM CO
Form S-4
January 03, 2007

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As filed with the Securities and Exchange Commission on January 3, 2007

Registration No. 333-

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

RELIANCE STEEL & ALUMINUM CO.
(Exact Name of Registrant as Specified in Its Charter)

California	**5051**	**95-1142616**
(State or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

350 South Grand Avenue, Suite 5100
Los Angeles, California 90071
(213) 687-7700
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

David H. Hannah
Chief Executive Officer
Reliance Steel & Aluminum Co.
350 South Grand Avenue, Suite 5100
Los Angeles, California 90071
(213) 687-7700
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to:

Kay Rustand
Vice President and General Counsel
Reliance Steel & Aluminum Co.
350 South Grand Avenue, Suite 5100
Los Angeles, California 90071
(213) 687-7700

Alan F. Denenberg
Davis Polk & Wardwell
1600 El Camino Real
Menlo Park, California 94025
(650) 752-2000

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box: o

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
6.200% Senior Notes due 2016	$350,000,000	100%	$350,000,000	$37,450
Guarantees of 6.200% Senior Notes due 2016				(2)
6.850% Senior Notes due 2036	$250,000,000	100%	$250,000,000	$26,750
Guarantees of 6.850% Senior Notes due 2036				(2)

(1) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457 under the Securities Act of 1933.
(2) Pursuant to Rule 457(n) under the Securities Act of 1933, no registration fee is required with respect to the guarantees.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this

Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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TABLE OF ADDITIONAL REGISTRANT GUARANTORS

Exact Name of Registrant as Specified in its Charter(1)	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number	Industrial Classification Code Number
Allegheny Steel Distributors, Inc.	Pennsylvania	25-1248044	5051
Aluminum and Stainless, Inc.	Louisiana	72-0681494	5051
American Metals Corporation	California	68-0284528	5051
American Steel, L.L.C.	Oregon	93-1178411	5051
AMI Metals, Inc.	Tennessee	62-1191178	5051
CCC Steel, Inc.	Delaware	95-2504064	5051
Chapel Steel Corp.	Pennsylvania	23-1890801	5051
Chatham Steel Corporation	Georgia	58-0676215	5051
Crest Steel Corporation	California	95-2307217	5051
Durrett Sheppard Steel Co., Inc.	California	52-2074599	5051
Earle M. Jorgensen Company	Delaware	95-0886610	5051
Industrial Metals and Surplus, Inc.	Georgia	58-1318220	5051
LBT, Inc.	Illinois	36-3937176	5051
Liebovich Bros., Inc.	Illinois	36-2416641	5051
Lusk Metals	California	95-2097536	5051
Pacific Metal Company	Oregon	37-1433982	5051
PDM Steel Service Centers, Inc.	California	95-4769488	5051
Phoenix Corporation	Georgia	58-1455083	5051
Precision Strip, Inc.	Ohio	34-1207681	5051
Precision Strip Transport, Inc.	Ohio	34-1595224	5051
RSAC Management Corp.	California	95-4773660	8741
Service Steel Aerospace Corp.	Delaware	22-2998678	5051
Siskin Steel & Supply Company, Inc.	Tennessee	62-0470512	5051
Toma Metals, Inc.	Pennsylvania	25-1538276	5051
Viking Materials, Inc.	Minnesota	41-1226051	5051
Yarde Metals, Inc.	Connecticut	06-0970894	5051

(1) The address and telephone number of each co-registrant s principal executive offices is 350 South Grand Avenue, Suite 5100, Los Angeles, California 90071, (213) 687-7700.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JANUARY 3, 2007

PROSPECTUS

Reliance Steel & Aluminum Co.

Offer to Exchange
6.200% Senior Notes due 2016
6.850% Senior Notes due 2036

for

6.200% Senior Notes due 2016
6.850% Senior Notes due 2036

We are offering to exchange up to $350,000,000 of our new 6.200% Senior Notes due 2016 (the New 2016 Notes) for up to $350,000,000 of our existing 6.200% Senior Notes due 2016 (the Old 2016 Notes) and up to $250,000,000 of our new 6.850% Senior Notes due 2036 (the New 2036 Notes and, together with the New 2016 Notes, the New Notes) for up to $250,000,000 of our existing 6.850% Senior Notes due 2036 (the Old 2036 Notes and, together with the Old 2016 Notes, the Old Notes). The terms of the New Notes are identical in all material respects to the terms of the Old Notes, except that the New Notes will be issued in a transaction registered under the Securities Act of 1933, as amended (the Securities Act), and the transfer restrictions and registration rights relating to the Old Notes will not apply to the New Notes.

To exchange your Old Notes for New Notes:

- you are required to make the representations described on page 42 to us;
- you must complete and send the letter of transmittal that accompanies this prospectus to the exchange agent, Wells Fargo Bank, National Association by midnight, New York time, on , 2007; and
- you should read the section called The Exchange Offer for further information on how to exchange your Old Notes for New Notes.

See Risk Factors beginning on page 7 for a discussion of risk factors that should be considered by you prior to tendering your Old Notes in the exchange offer.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of the securities to be issued in the exchange offer or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offense.

, 2007

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The prospectus incorporates important business and financial information about the company that is not included in or delivered with the prospectus. This information is available without charge to security holders upon written or oral request to Reliance s Investor Relations department by calling (213) 687-7700, by writing to Investor Relations, Reliance Steel & Aluminum Co., 350 South Grand Avenue, Suite 5100, Los Angeles, California 90071. To obtain timely delivery, security holders must request the information no later than , 2007, which is five business days before the expiration date of the Exchange Offer.

In this prospectus, the term Reliance refers to Reliance Steel & Aluminum Co.; the term subsidiary guarantors refers to those wholly-owned domestic subsidiaries of Reliance that guarantee the Old Notes and will guarantee the New Notes; we, us and our refer to Reliance and its subsidiaries (including the subsidiary guarantors).

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements include the discussions of our business strategies and our expectations concerning future operations, margins, profitability, liquidity, and capital resources. In some cases, you can identify forward-looking statements by terminology such as may, will, should, expects, intends, plans, anticipates, believes, thinks, estimates, seeks, predicts, potential and simi These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from those in the future that are implied by these forward-looking statements. These risks and other factors include those described under Risk Factors and elsewhere in this prospectus and in the documents incorporated by reference. Those factors, among others, could cause our actual results and performance to differ materially from the results and performance projected in, or implied by, the forward-looking statements. As you read and consider this prospectus and the documents incorporated by reference, you should carefully understand that the forward-looking statements are not guarantees of performance or results.

All future written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. New risks and uncertainties arise from time to time, and we cannot predict those events or how they may affect us. We assume no obligation to update any forward-looking statements after the date of this prospectus as a result of new information, future events or developments, except as required by the federal securities laws.

Forward-looking statements involve known and unknown risks and uncertainties. Various factors, such as the factors listed below and further discussed in detail in Risk Factors, may cause our actual results, performance, or achievements to be materially different from those expressed or implied by any forward-looking statements. Among the factors that could cause our results to differ are the following:

The interest rates on our debt could change. The interest rates on our variable rate debt increased steadily during 2005 and 2006.

Foreign currency exchange rates could change, which could affect the price we pay for certain metals and the results of our foreign operations.

Our future operating results depend on a number of factors beyond our control, such as the prices for and the availability of metals, which could cause our results to fluctuate significantly over time. During periods of low customer demand it could be more difficult for us to pass through price increases to our customers, which could reduce our gross profit and net income. A significant or rapid increase or decrease in costs from current levels could also have a severe negative impact on our gross profit.

We service industries that are highly cyclical, and downturns in our customers industries could reduce our revenue and profitability.

The success of our business is affected by general economic conditions and, accordingly, our business was adversely impacted by the economic slowdown or recession in 2001, 2002 and 2003. This could occur in future periods.

We operate in a very competitive industry and increased competition could reduce our gross profit margins and net income.

As a decentralized business, we depend on both senior management and our operating employees; if we are unable to attract and retain these individuals, our results of operations may decline.

We may not be able to consummate future acquisitions, and those acquisitions that we do complete may be difficult to integrate into our business.

Our acquisitions might fail to perform as we anticipate. This could result in an impairment charge to write off some or all of the goodwill for that entity. Acquisitions may also result in our becoming responsible for unforeseen liabilities that may adversely affect our financial condition and liquidity.

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- We are subject to various environmental and other governmental regulations which may require us to expend significant capital and incur substantial costs.
- We may discover internal control deficiencies in our decentralized operations or in an acquisition that must be reported in our SEC filings, which may result in a negative impact on the ratings of our debt.

The foregoing factors are not exhaustive, and new factors may emerge or changes to the foregoing factors may occur that could impact our business. Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future performance or results. We are not obligated to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should consider these risks when reading any forward-looking statements and review carefully the section captioned Risk Factors in this prospectus for a more complete discussion of the risks of an investment in the New Notes.

SUMMARY

This summary highlights the more detailed information included or incorporated by reference in this prospectus and you should read the entire prospectus and the documents incorporated herein carefully.

Reliance Steel & Aluminum Co.

We are one of the largest metals service center companies in the United States. Our network of 26 divisions, 23 operating subsidiaries and a 70%-owned company operates at more than 160 locations in 37 states, Belgium, Canada, China and South Korea. Through this network, we provide metals processing services and distribute a full line of more than 90,000 metal products, including alloy, aluminum, brass, copper, carbon steel, titanium, stainless steel and specialty steel products, to more than 95,000 customers in a broad range of industries. Many of our metals service centers process and distribute only specialty metals.

Our primary business strategy is to enhance our operating results through strategic acquisitions, expansion of our existing operations and improved operating performance at our locations. We believe that our geographic, customer and product diversification makes us less vulnerable to regional or industry-specific economic volatility. In 2005, we achieved our highest ever levels of net sales of $3.4 billion and net income of $205.4 million. With the strong business conditions and significant acquisitions that we have completed so far in 2006, we have already surpassed our 2005 results with net sales of $4.2 billion and net income of $280 million for the nine months ended September 30, 2006.

Recent Developments

Issuance of Old Notes

On November 15, 2006, we priced an offering of the Old Notes, the net proceeds of which we used to repay outstanding debt under our credit facility, including borrowings made to fund the repurchase by our subsidiary Earle M. Jorgensen Company (EMJ) of its 93/4% Senior Secured Notes due 2012 (the EMJ Notes). The Old Notes, which were offered only to qualified institutional buyers in reliance on Rule 144A under the Securities Act, and in offshore transactions pursuant to Regulation S under the Securities Act, were issued under an indenture dated November 20, 2006 among Reliance, the subsidiary guarantors and Wells Fargo Bank, National Association, as trustee.

Repurchase of EMJ Notes

On October 12, 2006, our subsidiary EMJ launched a cash tender offer to purchase any and all of its $250 million aggregate principal amount of the EMJ Notes and a related consent solicitation to amend the indenture governing the notes to eliminate substantially all of the restrictive covenants and security interests in EMJ s assets. The consent solicitation expired on October 25, 2006, with sufficient notes tendered to effect the requested amendments upon EMJ s acceptance of the tendered notes. The tender offer expired on November 8, 2006. EMJ accepted for payment all of the $249.7 million aggregate principal amount of EMJ Notes that were tendered in the tender offer. This transaction settled on November 9, 2006 for $277.8 million, which included consent payments and accrued and unpaid interest.

New Credit Facility

On November 9, 2006 we entered into a syndicated credit agreement providing for a $1.1 billion, five-year, unsecured revolving credit facility that replaced our previous $700 million revolving credit facility and our short-term $100 million credit facility. The credit agreement permits us to increase this facility by up to $500 million, subject to certain customary conditions. We have used funds borrowed under the new credit facility to fund the repurchase of the EMJ Notes described above and the repayment of amounts outstanding under our previous credit facilities, a portion of which was subsequently repaid with the proceeds from the issuance and sale of the Old Notes. We expect to use future borrowings under the new credit facility for working capital and general corporate purposes, including acquisitions, capital expenditures, debt repayments, dividend payments and stock repurchases.

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Pending Acquisitions

On November 1, 2006, we entered into an agreement to acquire Crest Steel Corporation, a metals service center company headquartered in Carson, California, with facilities in Riverside, California and Phoenix, Arizona. Crest specializes in the processing and distribution of carbon steel products including flat-rolled, plate, bars and structurals. Crest s net sales for the 2005 fiscal year were approximately $129 million. This transaction was completed on January 2, 2007.

On December 6, 2006, we entered into an agreement to acquire Industrial Metals and Surplus, Inc., a metals service center company headquartered in Atlanta, Georgia, and a related company, Athens Steel, Inc., located in Athens, Georgia. Industrial Metals was founded in 1978 and specializes in the processing and distribution of carbon steel products and ornamental iron products. Industrial Metals net sales for the 2005 fiscal year were approximately $72 million. This transaction was completed on January 2, 2007.

On December 28, 2006, we entered into an agreement to acquire the net assets and business of the Encore Group of metals service center companies (Encore Metals, Encore Metals (USA), Inc., Encore Coils, and Team Tube) headquartered in Edmonton, Alberta, Canada. Encore specializes in the processing and distribution of alloy and carbon bar and tube, as well as stainless steel sheet, plate and bar and carbon steel flat-rolled products, through its 17 facilities located mainly in Western Canada. Encore s net sales for the 2005 fiscal year were approximately C$254.8 million. We expect to close this transaction during the first quarter of 2007, subject to the completion of due diligence and regulatory approvals.

Long-Term Debt Rating

Moody s Investors Service Inc. and Standard & Poor s rate the Old Notes Baa3 (stable outlook) and BBB- (stable outlook), respectively, as of the date of the prospectus. A rating reflects only the views of a rating agency and is not a recommendation to buy, sell or hold the notes. Any rating can be revised upward or downward or withdrawn at any time by a rating agency if it decides the circumstances warrant that change. Each rating should be evaluated independently of any other rating.

Reliance is a California corporation. The principal executive offices of Reliance are located at 350 South Grand Avenue, Suite 5100, Los Angeles, California 90071, and the telephone number is (213) 687-7700. Reliance maintains a website at www.rsac.com where general information about the company is available. The contents of the website are not incorporated into this prospectus or the registration statement of which it forms a part.

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The Exchange Offer

Securities Offered	We are offering up to $350,000,000 aggregate principal amount of New 2016 Notes and up to $250,000,000 aggregate principal amount of New 2036 Notes, all of which will be registered under the Securities Act and which will be guaranteed by the subsidiary guarantors.
The Exchange Offer	We are offering to issue the New Notes in exchange for a like principal amount of your Old Notes. We are offering to issue the New Notes to satisfy our obligations contained in the registration rights agreement entered into when the Old Notes were sold in transactions permitted by Rule 144A and Regulation S under the Securities Act and therefore not registered with the SEC. For procedures for tendering, see The Exchange Offer.
Tenders, Expiration Date, Withdrawal	The exchange offer will expire at midnight New York City time on , 2007 unless it is extended. If you decide to exchange your Old Notes for New Notes, you must acknowledge that you are not engaging in, and do not intend to engage in, a distribution of the New Notes. If you decide to tender your Old Notes in the exchange offer, you may withdraw them at any time prior to , 2007. If we decide for any reason not to accept any Old Notes for exchange, your Old Notes will be returned to you without expense to you promptly after the exchange offer expires.
Material U.S. Federal Income Tax Consequences	Your exchange of Old Notes for New Notes in the exchange offer will not result in any income, gain or loss to you for U.S. federal income tax purposes. See Material U.S. Federal Income Tax Consequences of the Exchange Offer.
Use of Proceeds	We will not receive any proceeds from the issuance of the New Notes in the exchange offer.
Exchange Agent	Wells Fargo Bank, National Association is the exchange agent for the exchange offer.
Failure to Tender Your Old Notes	If you fail to tender your Old Notes in the exchange offer, you will not have any further rights under the registration rights agreement, including any right to require us to register your Old Notes or to pay you additional interest.

You will be able to resell the New Notes without registering them with the SEC if you meet the requirements described below:

Based on interpretations by the SEC s staff in no-action letters issued to third parties, we believe that New Notes issued in exchange for Old Notes in the exchange offer may be offered for resale, resold or otherwise transferred by you without registering the New Notes under the Securities Act or delivering a prospectus, unless you are a broker-dealer receiving securities for your own account, so long as:

you are not one of our affiliates, which is defined in Rule 405 of the Securities Act;

you acquired the Old Notes to be exchanged for New Notes in the exchange offer in the ordinary course of your business;

you do not have any arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of the Old Notes or the New Notes; and

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- you are not engaged in, and do not intend to engage in, a distribution (within the meaning of the Securities Act) of the Old Notes or the New Notes.

If you are an affiliate of Reliance or you are engaged in, intend to engage in or have any arrangement or understanding with respect to, the distribution of New Notes acquired in the exchange offer, you (1) should not rely on our interpretations of the position of the SEC s staff and (2) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

If you are a broker-dealer and receive New Notes for your own account in the exchange offer:

- you must represent that you do not have any arrangement with us or any of our affiliates to distribute the New Notes;

- you must acknowledge that you will deliver a prospectus in connection with any resale of the New Notes you receive from us in the exchange offer; the letter of transmittal states that by so acknowledging and by delivering a prospectus, you will not be deemed to admit that you are an underwriter within the meaning of the Securities Act; and

- you may use this prospectus, as it may be amended or supplemented from time to time, for a period of 180 days from the latest date that tendered Old Notes are accepted for exchange pursuant to the exchange offer, in connection with the resale of New Notes received in exchange for Old Notes acquired by you as a result of market-making or other trading activities.

For a period of 90 days after the consummation of the exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any resale described above.

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Summary Description of the Notes

The terms of the New Notes and the Old Notes are identical in all material respects, except that the New Notes will be issued in a transaction registered under the Securities Act, and the transfer restrictions and registrations rights relating to the Old Notes will not apply to the New Notes.

Issuer	Reliance Steel & Aluminum Co.
Subsidiary Guarantors	The Notes will be unconditionally guaranteed by the subsidiary guarantors, consisting of each wholly-owned domestic subsidiary of Reliance that is a borrower under or guarantees the obligations under our credit agreement and our outstanding private notes. Additional wholly-owned domestic subsidiaries will be required to guarantee the notes, and the guarantees of the subsidiary guarantors with respect to the Notes will terminate or be released, in each case in the circumstances set forth under Description of Notes Guarantees. As of September 30, 2006, Reliance and the subsidiary guarantors accounted for approximately $3.6 billion, or 97%, of our total consolidated assets. Reliance and the subsidiary guarantors also accounted for approximately $4.0 billion, or 97%, of our total consolidated revenue for the nine months ended September 30, 2006.
Maturity Date	The New 2016 Notes will mature on November 15, 2016 and the New 2036 Notes will mature on November 15, 2036, in each case unless earlier redeemed or repurchased.
Interest Rates	The New 2016 Notes will bear interest at the rate of 6.200% per annum and the 2036 notes will bear interest at the rate of 6.850% per annum, each from the most recent interest payment date for which interest has been paid.
Interest Payment Dates	May 15 and November 15 of each year, on the interest payment date next occurring after the initial issuance of the New 2016 Notes and the New 2036 Notes, respectively.
Ranking of Notes and Guarantees	The Notes will be our senior unsecured obligations and will rank equally with all of our existing and future unsubordinated and unsecured obligations. So long as the guarantees are in effect, each subsidiary guarantor s guarantee will be the senior unsecured obligation of such subsidiary guarantor and will rank equally with its existing and future unsubordinated and unsecured obligations. The Notes and the guarantees will be effectively junior to all existing and future secured indebtedness of Reliance and, so long as they are in effect, the guarantees of any subsidiary guarantors will be effectively junior to all secured indebtedness of those subsidiaries, in each case, to the extent of the assets securing such indebtedness. As of September 30, 2006, Reliance and the subsidiary guarantors had secured indebtedness of approximately $2.1 million and $4.1 million, respectively (excluding the repurchased

	EMJ Notes).
Sinking Fund	None.
Optional Redemption	We may redeem the Notes of either series, in whole or in part, at any time at redemption prices determined as set forth under the heading Description of Notes Optional Redemption.

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Change of Control Repurchase Event	Upon the occurrence of a change of control repurchase event, as defined under Description of Notes Purchase of Notes upon a Change of Control Repurchase Event, we will be required to make an offer to purchase the Notes at a price equal to 101% of their principal amounts, plus accrued and unpaid interest to, but not including, the date of repurchase.
Certain Covenants	The indenture governing the Notes contains covenants limiting our ability and our subsidiaries ability to: create certain liens; enter into sale and leaseback transactions; and consolidate or merge with, or convey, transfer or lease all or substantially all our assets to, another person. However, each of these covenants is subject to a number of significant exceptions. You should read Description of Notes Covenants for a description of these covenants.
Form and Denominations	We will issue the Notes in fully registered form in denominations of $2,000 and integral multiples of $1,000 in excess thereof. Each of the Notes will be represented by one or more global securities registered in the name of a nominee of The Depository Trust Company, or DTC. You will hold beneficial interests in the Notes through DTC, and DTC and its direct and indirect participants will record your beneficial interest in their books. Except under limited circumstances, we will not issue certificated Notes.
Further Issuances	We may create and issue additional notes ranking equally with the Notes of each series initially offered in this offering and otherwise similar in all respects (other than the issue date and public offering price or the first payment of interest following the issue date of such further notes). These additional notes would be guaranteed by the subsidiary guarantors on the same basis as the Notes. These additional notes and related guarantees would be consolidated and form a single series with the Notes and related guarantees of the relevant series.
Use of Proceeds	We will not receive any proceeds from the exchange of New Notes for Old Notes.
Governing Law	New York

RISK FACTORS

In considering whether to exchange your Old Notes for the New Notes, you should carefully consider all the information that has been included or incorporated by reference in this prospectus. In particular, you should carefully consider the risk factors described below. Our business, results of operations and financial condition may be materially adversely affected due to any of the following risks. The risks described below are not the only ones we face. Additional risks of which we are not presently aware or that we currently believe are immaterial may also harm our business.

Risks Related to Our Business and Industry

Our indebtedness could impair our financial condition and reduce the funds available to us for other purposes and our failure to comply with the covenants contained in our debt instruments could result in an event of default that could adversely affect our operating results.

We have substantial debt service obligations. As of September 30, 2006, we had aggregate outstanding indebtedness of approximately $1.26 billion. This indebtedness could adversely affect us in the following ways:

- our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes may be impaired;

- a significant portion of our cash flow from operations must be dedicated to the payment of interest and principal on our debt, which reduces the funds available to us for our operations or other purposes;

- some of the interest on debt is, and will continue to be, accrued at variable rates, which may result in higher interest expense in the event of increases in interest rates;

- because we may be more leveraged than some of our competitors, our debt may place us at a competitive disadvantage;

- our leverage may increase our vulnerability to economic downturns and limit our ability to withstand adverse events in our business by limiting our financial alternatives; and

- our ability to capitalize on significant business opportunities, including potential acquisitions, and to plan for, or respond to, competition and changes in our business may be limited.

Our existing debt agreements contain, and our future debt agreements may contain, financial and restrictive covenants that limit our ability to incur additional debt, including to finance future operations or other capital needs, and to engage in other activities that we may believe are in our long-term best interests, including to dispose of or acquire assets or other companies or to pay dividends to our shareholders. Our failure to comply with these covenants may result in an event of default which, if not cured or waived, could accelerate the maturity of our indebtedness or prevent us from accessing availability under our credit facility. If our indebtedness is accelerated, we may not have sufficient cash resources to satisfy our debt obligations, and we may not be able to continue our operations as planned.

We may not be able to generate sufficient cash flow to meet our existing debt service obligations.

Our annual debt service obligations until November 8, 2011, when our revolving credit facility is scheduled to mature, will be primarily limited to interest and principal payments on multiple series of privately placed senior notes with an aggregate principal amount of $298 million, which we refer to in this prospectus as the private notes and interest on the Old Notes or, to the extent exchanged, the New Notes offered hereby and on borrowings under our $1.1 billion credit facility. Our ability to generate sufficient cash flow from operations to make scheduled payments on our debt obligations, including the Old Notes or, to the extent exchanged, the New Notes offered hereby, will depend on our future financial performance, which will be affected by a range of economic, competitive and business factors, many of which are outside of our control. For example, we may not generate sufficient cash flow from operations to repay amounts drawn under our credit facility when it matures in 2011, our private notes when they mature on various dates between 2007 and 2013 or our industrial revenue bonds when they mature in 2009 and 2014. If we do not generate sufficient cash flow from operations to satisfy our debt obligations, we expect

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to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. We may not be able to consummate any such transaction at all or on a timely basis or on terms, or for proceeds, that are acceptable to us. Furthermore, these transactions may not be permitted under the terms of our various debt instruments then in effect. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to timely refinance our obligations on acceptable terms, could adversely affect our ability to serve our customers and could cause us to reduce or discontinue our planned operations.

The costs that we pay for metals fluctuate due to a number of factors beyond our control, and such fluctuations could adversely affect our operating results, particularly if we cannot pass on higher metal prices to our customers.

We purchase large quantities of carbon, alloy, stainless steel, aluminum and other metals, which we sell to a variety of end-users. In 2004 the costs for carbon steel increased significantly and rapidly from historic low levels. Although these costs declined somewhat through mid-2005, the costs increased in the fourth quarter of 2005, with moderate increases in 2006. Overall carbon steel costs remain at historically high levels. Costs for aluminum products, excluding aerospace-related products, rose steadily in 2004, with continued increases in 2005 and 2006. Costs for stainless steel products rose steadily in 2004 and increased more rapidly in 2005 and 2006. Stainless steel costs are currently at unprecedented high levels, primarily due to the high nickel surcharges resulting from low global nickel supply. Costs for aerospace-related products increased significantly beginning in late 2004 and continued to increase through all of 2005 and into 2006, although at a slower rate than in 2005. We attempt to pass these cost increases on to our customers with higher selling prices but we may not always be able to do so. The costs to us for these metals and the prices that we charge customers for our products may change depending on many factors outside of our control, including general economic conditions (both domestic and international), competition, production levels, customer demand levels, import duties and other trade restrictions, currency fluctuations and surcharges imposed by our suppliers.

We maintain substantial inventories of metal to accommodate the short lead times and delivery requirements of our customers. Our customers typically purchase products from us pursuant to purchase orders and typically do not enter into long-term purchase agreements or arrangements with