

Metal Bulletin

(AMM) Crucible service centers sold to SBI Trading [UPDATE]

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The final piece of the Crucible Materials Corp. bankruptcy puzzle has fallen into place, with its remaining service center facilities sold to a Dallas-based trading company.

SBI Trading Co., the stalking horse bidder, landed the assets of the Syracuse, N.Y.-based company, which filed for Chapter 11 protection in May but was unable to reorganize and proceeded to sell off its divisions piecemeal.

SBI had submitted an offer of \$13.2 million for Crucible's dozen service center locations in November (AMM, Nov. 18). According to court documents, it was the only bidder at Thursday's bankruptcy court auction.

Judge Mary F. Walrath said in her sale order that SBI's bid "constitutes the highest and best offer for the purchased assets and will provide a greater recovery for the debtors' estates than would be provided by any other available alternative."

Satish Gupta, SBI's president and chief executive officer, said the company will be renaming the service centers SB Crucible Specialty Steel Inc. and will put a leadership team in place within the next few weeks.

"We are very excited to have the service centers as part of SBI," he said in a statement. "We believe we have a strong and committed work force here, and our intent is to grow the service centers' strong position in the tool and specialty steel industry. We are also building strong supply partnership agreements within North American and global mills to aggressively pursue our growth strategy."

SBI concentrates on distributing tubulars for the energy industry, primarily oil country tubular goods and line pipe, but the company has been involved in trading a wider variety of metal products for 29 years, it has said previously.

Crucible Materials' other assets were sold at other auctions earlier this year. Crucible Industries, through its Cleveland-based parent company, J.P. Industries, purchased Crucible Materials' Syracuse specialty steel mill for \$8 million and has restarted the operations; Erasteel Inc., Boonton, N.J., purchased the company's Romeoville, Ill., service center for \$2 million; and Allegheny Technologies Inc., Pittsburgh, purchased the compaction and research and development facilities near Pittsburgh for nearly \$41 million

In its initial Chapter 11 bankruptcy filing, Crucible said it owed between 1,000 and 5,000 creditors between \$100 million and \$500 million and listed its assets at between \$100 million and \$500 million.

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