

GRIFFON CORP

Form S-4

December 19, 2017

As filed with the Securities and Exchange Commission on December 19, 2017

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Griffon Corporation

(Exact name of registrant as specified in its charter)

Commission File Number: 001-06620

Delaware

**(State or other jurisdiction of
incorporation)**

3442

**(Primary Standard Industrial
Classification Code Number)**

11-1893410

**(IRS Employer
Identification
No.)**

712 Fifth Avenue, 18th Floor

New York, New York 10019

(212) 957-5000

(Address of principal executive offices, including zip code, and telephone number, including area code, of registrant's principal executive offices)

See Table of Additional Registrants Below

**Seth L. Kaplan
Senior Vice President, General Counsel and Secretary
Griffon Corporation
712 Fifth Avenue, 18th Floor
New York, New York 10019
(212) 957-5000**

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

**Martin Nussbaum
Dechert LLP
1095 Avenue of the Americas
New York, New York 10036
(212) 698-3500
(212) 698-3599—Facsimile**

Approximate date of commencement of proposed sale to public: As soon as practicable after this Registration Statement becomes effective.

Edgar Filing: GRIFFON CORP - Form S-4

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.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
 Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be Registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price(1)	Amount of registration fee (2)
5.25% Senior Notes due 2022	\$275,000,000	100%	\$275,000,000	\$34,238
	—	—	—	— (4)

Guarantees of 5.25%
Senior Notes due 2022(3)

- (1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) of the Securities Act.
- (2) The registration fee has been calculated pursuant to Rule 457(f) under the Securities Act.
- (3) See inside facing page for registrant guarantors.
- (4) No additional consideration is being received for the guarantees and, therefore, no additional fee is required pursuant to Rule 457(n) of the Securities Act.

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 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Additional Registrants

Exact Name of Additional Registrants (1)	Jurisdiction of Incorporation	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification Number
The AMES Companies, Inc.	Delaware	3442	22-2335400
ATT Southern, Inc.	Delaware	3442	45-3367997
Clopay Ames True Temper Holding Corp.	Delaware	3442	74-3261127
Clopay Building Products Company, Inc.	Delaware	3442	11-2808682
Clopay Plastic Products Company, Inc.	Delaware	3442	11-2808683
Telephonics Corporation	Delaware	3442	52-0897556
ClosetMaid LLC	Delaware	3442	59-1148072

(1) The address for service of each of the additional registrants is c/o Griffon Corporation, 712 Fifth Avenue, 18th Floor, New York, New York 10019, telephone (212) 957-5000.

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 preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED DECEMBER 19, 2017

PRELIMINARY PROSPECTUS

OFFER TO EXCHANGE

\$275,000,000 5.25% Senior Notes due 2022 and related Guarantees

for

\$275,000,000 5.25% Senior Notes due 2022 and related Guarantees

that have been registered under the Securities Act of 1933

Griffon Corporation is offering to exchange, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, up to \$275,000,000 aggregate principal amount of new 5.25% Senior Notes due 2022, which we refer to as the “exchange notes” and related guarantees in exchange for a like aggregate principal amount of outstanding 5.25% Senior Notes due 2022 that were issued on October 2, 2017, which we refer to as the “add-on notes” and related guarantees. The add-on notes were issued as additional notes in an offering, which we refer to as the “add-on offering,” under the indenture governing the Company’s \$725,000,000 aggregate principal amount of 5.25% Senior Notes due 2022 (exclusive of the \$275,000,000 of add-on notes issued in October 2017), \$600,000,000 of which were issued on February 27, 2014 and were subsequently exchanged on June 18, 2014 for a like principal amount of notes registered under the Securities Act of 1933, or the Securities Act, and \$125,000,000 of which were issued on May 18, 2016 and subsequently exchanged on June 28, 2016 for a like principal amount of notes registered under the Securities Act. We refer collectively to the \$600,000,000 of registered notes issued on June 18, 2014 and \$125,000,000 of registered notes issued on June 28, 2016 as the “existing exchange notes.” The exchange

notes are expected to have the same CUSIP and ISIN numbers as, and to trade fungibly with, the existing exchange notes. Unless the context otherwise requires, the term “notes” includes the add-on notes, the exchange notes and the existing exchange notes.

The form and terms of the exchange notes will be identical in all material respects to the form and terms of the add-on notes, except that the exchange notes:

- will have been registered under the Securities Act;
- will not bear restrictive legends restricting their transfer under the Securities Act;
- will not be entitled to the registration rights that apply to the add-on notes; and

will not contain provisions relating to increased interest rates in connection with the add-on notes under circumstances related to the timing of the exchange offer.

The Exchange Offer

The exchange offer expires at 5:00 p.m., New York City time, on _____, 2018, unless extended.

We will exchange all add-on notes that are validly tendered and not validly withdrawn prior to the expiration of the exchange offer for an equal principal amount of exchange notes which we have registered under the Securities Act.

You may withdraw tenders of add-on notes at any time prior to the expiration of the exchange offer.

We believe that the exchange of add-on notes will not be a taxable event for U.S. federal income tax purposes, but you should see “U.S. Federal Income Tax Considerations” on page 90 for more information.

We will not receive any proceeds from the exchange offer.

No public market currently exists for the exchange notes. We do not intend to apply for listing of the exchange notes on any securities exchange or to arrange for them to be quoted on any quotation system.

Interest on the exchange notes will be paid at the rate of 5.25% per annum and will be paid semi-annually in arrears on March 1 and September 1 of each year commencing on March 1, 2018.

The exchange notes are fully and unconditionally guaranteed by The AMES Companies, Inc., ATT Southern, Inc., Clopay Ames True Temper Holding Corp., Clopay Building Products Company, Inc., Clopay Plastic Products Company, Inc. (“PPC”), Telephonics Corporation and ClosetMaid LLC. The entities providing such guarantees are referred to collectively as the “guarantors.” On November 16, 2017, we entered into a definitive agreement to sell PPC to Berry Global Group, Inc. As such, PPC will be a guarantor of the exchange notes only until the sale of PPC is consummated.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for add-on notes where such add-on notes were acquired by such broker-dealer as a result of market-making activities or

other trading activities. We have agreed that we will make this prospectus available to any broker-dealer for use in connection with any such resale during the period ending on the earlier of (i) 180 days from the date on which the registration statement of which this prospectus forms a part becomes or is declared effective and (ii) the date on which a broker-dealer is no longer required to deliver a prospectus in connection with market-making or other trading activities. See “Plan of Distribution.”

See “Risk Factors” beginning on page 29 for a discussion of risks that should be considered by holders prior to tendering their add-on notes.

Neither the Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We may amend or supplement this prospectus from time to time by filing amendments or supplements as required. You should read this entire prospectus, the accompanying letter of transmittal and related documents, and any amendments or supplements to this prospectus carefully before deciding whether to participate in the exchange offer.

The date of this prospectus is _____, 2017.

TABLE OF CONTENTS

<u>ABOUT THIS PROSPECTUS</u>	ii
<u>MARKET AND INDUSTRY DATA AND FORECASTS</u>	iii
<u>PROSPECTUS SUMMARY</u>	1
<u>RISK FACTORS</u>	15
<u>FORWARD-LOOKING STATEMENTS</u>	29
<u>USE OF PROCEEDS</u>	31
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	32
<u>CAPITALIZATION</u>	33
<u>DESCRIPTION OF OTHER INDEBTEDNESS</u>	34
<u>THE EXCHANGE OFFER</u>	36
<u>DESCRIPTION OF NOTES</u>	45
<u>U.S. FEDERAL INCOME TAX CONSIDERATIONS</u>	90
<u>BOOK-ENTRY; DELIVERY AND FORM</u>	91
<u>PLAN OF DISTRIBUTION</u>	93
<u>LEGAL MATTERS</u>	94
<u>EXPERTS</u>	94
<u>INCORPORATION BY REFERENCE</u>	94
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	95

ABOUT THIS PROSPECTUS

Rather than repeat certain information in this prospectus that we have already included in reports filed with the Securities and Exchange Commission, this prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. We will provide this information to you at no charge upon written or oral request directed to: Griffon Corporation, 712 Fifth Avenue, 18th Floor, New York, New York 10019, telephone (212) 957-5000. In order to ensure timely delivery of the information, any request should be made no later than five business days before the expiration date of the exchange offer.

We have not authorized any person to give you any information or to make any representations about the exchange offer other than those contained in this prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information or representations that others may give you. This prospectus is not an offer to sell or a solicitation of an offer to buy any securities other than the securities to which it relates. In addition, this prospectus is not an offer to sell or the solicitation of an offer to buy those securities in any jurisdiction in which the offer or solicitation is not authorized, or in which the person making the offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation. The delivery of this prospectus and any exchange made under this prospectus do not, under any circumstances, mean that there has not been any change in the affairs of Griffon Corporation or its subsidiaries since the date of this prospectus or that information contained in this prospectus is correct as of any time subsequent to its date.

MARKET AND INDUSTRY DATA AND FORECASTS

This prospectus contains statistical data that we obtained from public industry publications. These publications generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. Although we believe that the publications are reliable, we do not represent that we have done a complete search for other industry data. In addition, we have not independently verified market industry data provided by third parties, and we take no further responsibility for this data. Market position used throughout this prospectus is based on management's knowledge of the industry and the good faith estimates of management. Data regarding the industries in which we compete and our market position and market share within these industries are inherently imprecise and are subject to significant business, economic and competitive uncertainties beyond our control, but we believe that they generally indicate size, position and market share within these industries. Our own estimates have been based on information obtained from our trade and business organizations, our customers and vendors and other contacts in the markets in which we operate. While we believe our management's estimates with respect to our industry are reliable, our estimates have not been verified by any independent sources, and we cannot assure you that they are accurate.

iii

PROSPECTUS SUMMARY

The following is a brief summary of the information contained elsewhere in this prospectus, but it is not complete and does not contain all of the information that you should consider before making your investment decision. You should read this prospectus completely, including the consolidated financial statements incorporated herein by reference and the related notes and the “Risk Factors” included elsewhere in this prospectus. For a more detailed description of the exchange notes, see the section entitled “Description of Notes.” Unless otherwise indicated or the context otherwise requires, references to (i) “Griffon” refer to solely to Griffon Corporation and not its subsidiaries; and (ii) “we,” “our,” and “us” refer to Griffon Corporation and its subsidiaries on a consolidated basis.

Our Company

Griffon Corporation (NYSE:GFF) is a publicly-held diversified management and holding company, which conducts business through wholly-owned subsidiaries with leading market shares across a variety of industries. We actively oversee the operations of these subsidiaries, providing them with a variety of services including the allocation of our resources and the management of their budgeting, liquidity and capital spending. Additionally, we provide direction and assistance in connection with operational initiatives, acquisitions, divestitures and other growth opportunities for each of our subsidiaries.

On September 5, 2017, we announced we will explore strategic alternatives for Clopay Plastic Products Company, Inc. (“PPC”) and on November 16, 2017, announced we entered into a definitive agreement to sell PPC to Berry Global Group, Inc. (NYSE:BERY) (“Berry”) for \$475 million in cash. The transaction is subject to regulatory approval and customary closing conditions, and is expected to close in the first quarter of calendar 2018. We now conduct our continuing operations through two reportable segments: Home & Building Products (“HBP”) and Telephonics Corporation (“Telephonics”).

As a result of entering into the agreement to sell PPC, we have classified PPC as a discontinued operation and all results and information presented excludes PPC unless otherwise noted. See Footnotes 4 and 5 to Summary Historical Consolidated Financial Data for the reconciliation to Adjusted EBITDA.

Griffon Corporation Business Overview

Home & Building Products

Telephonics

Description

Edgar Filing: GRIFFON CORP - Form S-4

	Leading North American manufacturer and marketer of residential and commercial garage doors	Leading U.S. manufacturer and global provider of long-handled tools and landscaping products for homeowners and professionals	Leading North American manufacturer and distributor of wood and wire home storage and organization products (closed on October 2, 2017)	Leading global provider of highly sophisticated intelligence, surveillance and communication solutions for defense, aerospace and commercial customers
Revenue for the year ended September 30, 2017	\$1.11 billion		\$299 million	\$412 million
% of total Griffon revenue	61%		16%	23%

Home & Building Products

HBP consists of three companies, The AMES Companies, Inc. (“AMES”), Clopay Building Products Company, Inc. (“CBP”) and ClosetMaid LLC (“ClosetMaid”). These businesses serve distinct sectors of the broader building products industry and are leaders in their respective core markets.

The AMES Companies, Inc.

AMES, founded in 1774, is the leading United States manufacturer and a global provider of long-handled tools and landscaping products that make work easier for homeowners and professionals. AMES manufactures and markets a broad portfolio of long-handled tools and landscaping products. This portfolio is anchored by four core product categories: long handle tools, wheelbarrows, snow tools, and decorative plastic and ceramic pots and planters. As a result of brand portfolio recognition, high product quality, industry leading service and strong customer relationships, AMES has earned market-leading positions in its four core product categories.

AMES sells products throughout North America, Australia and Europe through (1) retail centers, including home centers and mass merchandisers, such as The Home Depot, Inc. (“Home Depot”), Lowe’s Companies Inc. (“Lowe’s”), Wal-Mart Stores Inc. (“Walmart”), Canadian Tire Corporation (“Canadian Tire”), Limited, Costco Wholesale Corporation (“Costco”), Rona Inc. (“Rona”), Bunnings Warehouse (“Bunnings”) and Woodies; (2) wholesale chains, including hardware stores and garden centers, such as Ace, Do-It-Best and True Value Company; and (3) industrial distributors, such as W.W. Grainger, Inc. (“Grainger”) and ORS Nasco.

Clopay Building Products Company, Inc.

Since 1964, CBP has grown, organically and through tuck-in acquisitions, to become the leading manufacturer and marketer of residential garage doors, and among the largest manufacturers of commercial sectional doors, in the U.S. In addition, CBP manufactures a complete line of entry door systems uniquely designed to complement its popular residential garage door styles. The majority of CBP’s sales come from home remodeling and renovation projects, with the balance from new residential housing construction and commercial building markets. Sales into the home remodeling market are driven by the aging of the housing stock, existing home sales activity, and the trends of improving both home appearance and energy efficiency.

CBP’s market-leading brands include Clopay®, America’s Favorite Garage Doors®, Holmes Garage Door Company® and IDEAL Door®. Clopay is the only residential garage door brand to hold the Good Housekeeping Seal of Approval. CBP distributes its products through a wide range of distribution channels. CBP operates a national network of 51 distribution centers. Additionally, products are sold to approximately 2,000 independent professional installing dealers and to major home center retail chains. CBP maintains strong relationships with its installing dealers and believes it is the largest supplier of residential garage doors to the retail and professional installing channels in North America.

ClosetMaid LLC

ClosetMaid, founded in 1865 and acquired by Griffon, on October 2, 2017, is a leading North American manufacturer and marketer of closet organization, home storage, and garage storage products, and sells to some of the largest home center retail chains, mass merchandisers, and direct-to-builder professional installers and e-commerce. ClosetMaid designs, manufactures and sells a comprehensive portfolio of wire and laminate shelving, containers, storage cabinets and other closet and home organization accessories under the highly recognized ClosetMaid brand name and other private label brands. ClosetMaid is headquartered in Ocala, Florida, and currently employs approximately 1,500 people.

ClosetMaid offers a diversified and well-balanced mix of wood and wire storage and organizational solutions. ClosetMaid's wood solutions include closet systems, cube storage, storage furniture and cabinets targeted at customers looking for functional storage with a strong aesthetic appeal and the look of quality furniture. Selected wood product brands include MasterSuite, Suite Symphony, Impressions, ExpressShelf, and SpaceCreations. ClosetMaid's wire solutions include wire shelving and hardware, wire accessories and kitchen storage products that provide affordable, customizable, versatile and durable solutions for single and multi-family homes. Selected wire product brands include Maximum Load, SuperSlide and ShelfTrack.

ClosetMaid has two manufacturing facilities in the United States; a 620,000 square foot facility in Ocala Florida used for manufacturing wire shelving, and a 155,000 square foot facility in Grantsville, Maryland used for wood manufacturing. ClosetMaid also has manufacturing facilities in two low-cost locations; a 102,000 square foot facility in Reynosa, Mexico used for wood manufacturing and a 157,000 square foot facility in Jiangmen, China used for small wire manufacturing. Finished goods are transported by truck and rail to ClosetMaid's distribution/warehousing centers, strategically located in Ocala, Florida, Chino, California, Belle Vernon, Pennsylvania and Pharr, Texas. ClosetMaid's diverse customer base throughout various industries includes Home Depot, Target, Lowes, Target and Walmart and building customers include D.R. Horton, KB Home, Lennar and NVR.

Telephonics Corporation

Telephonics, founded in 1933, is recognized globally as a leading provider of highly sophisticated intelligence, surveillance and communications solutions that are deployed across a wide range of land, sea and air applications. Telephonics designs, develops, manufactures and provides logistical support and lifecycle sustainment services to defense, aerospace and commercial customers worldwide.

Telephonics is organized into five primary business lines: Radar Systems, Communications and Surveillance, Systems Engineering, Commercial Products and TLSI. Radar Systems specializes in maritime surveillance, search and rescue, and weather surveillance solutions. Communications and Surveillance Systems provides intercommunication systems with wireless extensions that distribute voice and data on a variety of platforms, Identification Friend or Foe (IFF) interrogators, border surveillance systems and Air Traffic Management (ATM) products. Telephonics' Systems Engineering Group (SEG) provides highly technical threat and radar systems engineering as well as analytic support to a wide range of customers, including the United States Missile Defense Agency and Ballistic Missile Defense Program. Commercial Products specializes in commercial audio products. TLSI, or Telephonics Large Scale Integration, is a full-service designer and provider of high-voltage, high-temperature, low-power, mixed-signal System-on-Chip (SoC) and custom Application Specific Integrated Circuits (ASICs).

Based on long-established relationships supported by existing contractual arrangements, Telephonics is a first-tier supplier to prime contractors in the defense industry such as Lockheed Martin Corporation, The Boeing Company, Northrop Grumman Corporation, MacDonald Dettwiler and Associates Ltd., Airbus Military, Airbus Helicopters, Leonardo (Agusta Westland) Helicopters, and SAAB, and is at times a prime contractor to the U.S. Department of Defense.

Clopay Plastic Products

On September 5, 2017, Griffon announced it will explore strategic alternatives for PPC and on November 16, 2017, announced the entering into of a definitive agreement to sell PPC to Berry Global Group, Inc. (NYSE:BERY) ("Berry") for \$475 million in cash. The transaction is subject to regulatory approval and customary closing conditions, and is expected to close in the first quarter of calendar 2018. As a result of the agreement to sell PPC, Griffon has classified the results of the PPC business as discontinued operations in the Consolidated Statements of Operations for all periods presented and classified the related assets and liabilities associated with the discontinued operations as held for sale in the consolidated balance sheets. There can be no assurance that the sale of PPC will be completed on a timely basis, or at all.

PPC traces its history to the 1860s as a paper wholesaler, and was incorporated under the Clopay name in 1934 when it was primarily a manufacturer of paper products. In the 1950s, PPC expanded its product line to include extruded plastic products, and today PPC is a global leader in the development and production of embossed, laminated and printed specialty plastic films for hygienic, health-care and industrial products. Products include thin gauge embossed

and printed films, breathable films, elastomeric films and laminates, laminates of film and non-woven fabrics, and perforated films and non-wovens. These products are used as moisture barriers in disposable infant diapers, adult incontinence products and feminine hygiene products, protective barriers in single-use surgical and industrial gowns, drapes and equipment covers, fluid transfer/distribution layers in absorbent products, components to enhance comfort and fit in infant diaper and adult incontinence products, packaging for hygienic products, house wrap and other products. PPC products are sold primarily through a direct sales force, mainly to multinational consumer and medical products companies.

PPC's largest customer is The Procter & Gamble Company. PPC sells its products primarily in North America, Europe, and South and Central America with additional sales in Asia Pacific, the Middle East and Africa. PPC primarily utilizes an internal direct sales force, with senior management actively participating in developing and maintaining close contacts with customers.

Organizational Chart

The following chart summarizes our organizational structure and our principal indebtedness as of September 30, 2017, after giving effect to the add-on offering, the consummation of the ClosetMaid Acquisition and the addition of ClosetMaid as a guarantor to the add-on notes. This chart is provided for illustrative purposes only and does not show all of our or our subsidiaries' obligations.

* Clopay Plastic Products Company is now classified as a discontinued operation.

Corporate Information

We were incorporated in New York in 1959 and were reincorporated in Delaware in 1970. We changed our name to Griffon Corporation in 1995. Our principal executive offices are located at 712 Fifth Avenue, New York, New York 10019, and our telephone number is (212) 957-5000. Our website is located at <http://www.griffon.com>. We have not incorporated by reference into this prospectus the information included on, or linked from, our website, and you should not consider it to be part of this prospectus.

THE EXCHANGE OFFER

The summary below describes the principal terms of the exchange offer and is not intended to be complete. Certain of the terms and conditions described below are subject to important limitations and exceptions. The section of this prospectus entitled “The Exchange Offer” contains a more detailed description of the terms and conditions of the exchange offer.

On October 2, 2017, we issued and sold \$275,000,000 5.25% Senior Notes due 2022 to Deutsche Bank Securities Inc. as representative of the other initial purchasers (the “initial purchasers”) which we refer to as the “add-on notes.” The add-on notes were issued as additional notes in an offering (the “add-on offering”) under the indenture governing the Company’s \$725,000,000 aggregate principal amount of 5.25% Senior Notes due 2022 (the “Indenture”), \$600,000,000 of which were issued on February 27, 2014 and \$125,000,000 of which were issued on May 18, 2016. In connection with the sale of the add-on notes, we entered into a registration rights agreement with the initial purchasers in which we agreed, among other things, to deliver this prospectus to you and to use all commercially reasonable efforts to complete an exchange offer for the add-on notes.

\$275,000,000 5.25% Senior Notes due 2022.

Notes Offered

The issuance of the exchange notes will be registered under the Securities Act. The terms of the exchange notes and add-on notes are identical in all material respects, except for transfer restrictions, registration rights relating to the add-on notes and certain provisions relating to increased interest rates in connection with the add-on notes under circumstances related to the timing of the exchange offer. You are urged to read the discussions under the heading “The exchange notes” in this Summary for further information regarding the exchange notes.

We are offering to exchange the exchange notes for up to \$275 million aggregate principal amount of the add-on notes.

The Exchange Offer

Add-on notes may be exchanged only in denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof. In this prospectus, the term “exchange offer” means this offer to exchange the exchange notes for add-on notes in accordance with the terms set forth in this prospectus and the accompanying letter of transmittal. You are entitled to exchange your add-on notes for exchange notes.

Expiration Date; Withdrawal of Tender

The exchange offer will expire at 5:00 p.m., New York City time, on _____, 2018, or such later date and time to which it may be extended by us. The tender of add-on notes pursuant to the exchange offer may be withdrawn at any time prior to the expiration date of the exchange offer. Any add-on notes not accepted for exchange for any reason will be returned without expense to the tendering holder thereof promptly after the expiration or termination of the exchange offer.

Edgar Filing: GRIFFON CORP - Form S-4

Conditions to the Exchange Offer Our obligation to accept for exchange, or to issue exchange notes in exchange for, any add-on notes is subject to customary conditions relating to compliance with any applicable law or any applicable interpretation by the staff of the SEC, the receipt of any applicable governmental approvals and the absence of any actions or proceedings of any governmental agency or court which could materially impair our ability to consummate the exchange offer. See “The Exchange Offer—Conditions to the Exchange Offer.”

Procedures for Tendering Add-on notes If you wish to accept the exchange offer and tender your add-on notes, you must either:

Add-on notes

6

- complete, sign and date the Letter of Transmittal, or a facsimile of the Letter of Transmittal, in accordance with its instructions and the instructions in this prospectus, and mail or otherwise deliver such Letter of Transmittal, or the facsimile, together with the add-on notes and any other required documentation, to the exchange agent at the address set forth herein; or
- if add-on notes are tendered pursuant to book-entry procedures, the tendering holder must arrange with the Depository Trust Company (“DTC”) to cause an agent’s message to be transmitted through DTC’s Automated Tender Offer Program System with the required information (including a book-entry confirmation) to the exchange agent

Broker-Dealers	Each broker-dealer that receives exchange notes for its own account in exchange for add-on notes, where such add-on notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See “Plan of Distribution.”
Use of Proceeds	We will not receive any proceeds from the exchange offer. See “Use of Proceeds.”
Exchange Agent	Wells Fargo Bank, National Association is serving as the exchange agent in connection with the exchange offer.
U.S. Federal Income Tax Consequences	The exchange of add-on notes for exchange notes pursuant to the exchange offer will not be a taxable event for U.S. federal income tax purposes. See “U.S. Federal Income Tax Considerations.”

CONSEQUENCES OF EXCHANGING ADD-ON NOTES PURSUANT TO THE EXCHANGE OFFER

Based on certain interpretive letters issued by the staff of the SEC to third parties in unrelated transactions, we are of the view that holders of add-on notes (other than any holder who is an “affiliate” of us within the meaning of Rule 405 under the Securities Act) who exchange their add-on notes for exchange notes pursuant to the exchange offer generally may offer the exchange notes for resale, resell such exchange notes and otherwise transfer the exchange notes without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that:

- the exchange notes are acquired in the ordinary course of the holders’ business;

the holders have no arrangement or understanding with any person to participate in a distribution of the exchange notes; and

neither the holder nor any other person is engaging in or intends to engage in a distribution of the exchange notes.

Each broker-dealer that receives exchange notes for its own account in exchange for add-on notes that were acquired as a result of market-making or other trading activity must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. See “Plan of Distribution.” If a holder of add-on notes does not exchange the add-on notes for exchange notes according to the terms of the exchange offer, the add-on notes will continue to be subject to the restrictions on transfer contained in the legend printed on the add-on notes. In general, the add-on notes may not be offered or sold, unless registered under the Securities Act, except under an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Holders of add-on notes do not have any appraisal or dissenters’ rights in connection with the exchange offer.

Additionally, if you do not participate in the exchange offer, you will not be able to require us to register your add-on notes under the Securities Act except in limited circumstances. These circumstances are:

- the exchange offer is not permitted by applicable law or SEC policy,
- the exchange offer is not consummated by August 28, 2018,
- with respect to any holder of add-on notes:
- such holder is prohibited by law or SEC policy from participating in the exchange offer; or

such holder may not resell the exchange notes acquired by it in the exchange offer to the public without delivering a prospectus and this prospectus is not appropriate or available for such resales by such holder; or

- such holder is a broker-dealer and holds add-on notes acquired directly from Griffon or an affiliate of Griffon.

In these cases, the registration rights agreement requires us to file a registration statement for a continuous offering in accordance with Rule 415 under the Securities Act for the benefit of the holders of the add-on notes. We do not currently anticipate that we will register under the Securities Act any add-on notes that remain outstanding after completion of the exchange offer.

THE EXCHANGE NOTES

The summary below describes the principal terms of the exchange notes and is not intended to be complete. Certain of the terms and conditions described below are subject to important limitations and exceptions. The “Description of Notes” section of this prospectus contains a more detailed description of the terms and conditions of the exchange notes.

Issuer Griffon Corporation

Securities Offered \$275,000,000 principal amount of 5.25% senior notes due 2022.

Maturity March 1, 2022.

Interest Rate 5.25% per year (calculated using a 360-day year).

Interest Payment Dates March 1 and September 1, beginning on March 1, 2018. Interest will accrue from September 1, 2017.

Guarantees The exchange notes will be initially unconditionally guaranteed on a joint and several and senior unsecured basis by The AMES Companies, Inc., ATT Southern, Inc., Clopay Ames True Temper Holding Corp., Clopay Building Products Company, Inc., Clopay Plastic Products Company, Inc., Telephonics Corporation and ClosetMaid LLC. Clopay Plastic Products Company, Inc. will be a guarantor until the sale of this entity is consummated, at which time Clopay Plastic Products Company, Inc. will be released from its obligations.

If we or any of our restricted subsidiaries organize, acquire, transfer assets to or otherwise invest in any newly created or acquired domestic restricted subsidiary (other than a domestic restricted subsidiary if the Net Book Value (as defined herein) of such domestic restricted subsidiary’s assets, when taken together with the aggregate Net Book Value of the assets of all other domestic restricted subsidiaries that are not guarantors, as of such date, does not exceed in the aggregate \$50.0 million), then such domestic restricted subsidiary shall unconditionally guarantee the exchange notes.

In addition, to the extent that the collective Net Book Value of the assets of our non-guarantor domestic restricted subsidiaries, as of the date of the organization, acquisition, transfer of assets to or investment in a non-guarantor domestic restricted subsidiary, exceeds \$50.0 million, then one or more of such non-guarantor domestic restricted subsidiaries shall guarantee the exchange notes, such that the collective Net Book Value of the assets of all remaining non-guarantor domestic restricted subsidiaries does not exceed \$50.0 million.

Notwithstanding the foregoing, from and after the issue date, we will not permit any of our restricted subsidiaries, directly or indirectly, by way of pledge, intercompany note or otherwise, to assume, guarantee or in any other manner become liable with respect to any indebtedness (other than the exchange notes) of us or any of our domestic restricted subsidiaries, unless, in any such case, such restricted subsidiary guarantees the exchange notes, *provided* that a restricted subsidiary will not be required to guarantee the exchange notes to the extent it is prohibited by law.

See “Description of Notes—Certain Covenants—Subsidiary

9

Guarantees.”

The exchange notes and guarantees will be senior unsecured obligations of Griffon and the guarantors and will be:

- equal in right of payment to all of Griffon’s and the guarantors’ existing and future unsecured indebtedness and other obligations that are not, by their terms, expressly subordinated in right of payment to the exchange notes;
- effectively subordinated to all of Griffon’s and the guarantors’ existing and future secured indebtedness and other obligations to the extent of the value of the collateral securing that indebtedness and other obligations;
- structurally subordinated to all existing and future indebtedness and other obligations of any of Griffon’s or the guarantors’ subsidiaries that do not guarantee the exchange notes; and
- senior in right of payment to any of Griffon’s and the guarantors’ existing and future subordinated indebtedness.

As of September 30, 2017, after giving effect to the add-on offering and the application of the net proceeds therefrom, we and our subsidiaries had approximately \$1.2 billion of indebtedness, \$188.4 million of which was secured indebtedness, and additional availability of \$263.1 million under our revolving credit facility (net of \$73.0 million drawn and \$13.9 million of outstanding letters of credit).

Not all of our subsidiaries will guarantee the exchange notes. In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor subsidiaries, the non-guarantor subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to us. For the fiscal year ended September 30, 2017, our non-guarantor subsidiaries generated 23.1% of our consolidated total revenue, and 14.5% of our consolidated EBITDA. In addition, at September 30, 2017, after giving effect to the add-on offering and the application of the net proceeds therefrom, our non-guarantor subsidiaries held 25.6% of our total consolidated assets and 15.5% of our total consolidated liabilities and had approximately \$65.2 million of indebtedness.

Optional Redemption We may redeem the exchange notes, in whole or in part, at any time at the redemption prices listed under “Description of Notes—Optional Redemption,” plus accrued and unpaid interest to the redemption date.

Change of Control Offer If a change in control of Griffon occurs, we must give holders of the exchange notes the opportunity to sell us their notes at 101% of the principal amount thereof, plus accrued and unpaid interest to the date of repurchase.

See “Risk Factors—Risks Related to the Exchange Notes—We may not be able to repurchase the exchange notes upon a change of control.”

Asset Sale Proceeds If we, or our restricted subsidiaries, sell certain assets and do not reinvest the net proceeds in compliance with the indenture, we will be required to make an offer to use such proceeds to repurchase the exchange notes at a price equal to 100% of the principal amount thereof, plus accrued and unpaid

interest to the date of repurchase. See “Description of Notes—Repurchase at the

Option of Holders—Asset Sales.”

The indenture governing the exchange notes contains covenants limiting our ability and the ability of our restricted subsidiaries to:

- incur additional debt, issue preferred stock or enter into sale and leaseback transactions;
- pay dividends or distributions on our capital stock or repurchase our capital stock or make other restricted payments;
- issue preferred stock of subsidiaries;
- make certain investments;
- create liens on our assets;
- enter into transactions with affiliates;
- merge, consolidate or sell substantially all of our assets;
- transfer and sell assets;
- create restrictions on dividends or other payments by our restricted subsidiaries; and
- create guarantees of indebtedness by restricted subsidiaries.

Certain
Indenture
Provisions

These covenants are subject to a number of important limitations and exceptions. See “Description of Notes—Certain Covenants.” Many of these covenants will cease to apply to the exchange notes during any period that such exchange notes have investment grade ratings from both Moody’s Investors Service, Inc. and Standard & Poor’s and no default has occurred and is continuing under the indenture governing the exchange notes. See “Description of Notes—Suspension of Covenants.”

No prior
market

The exchange notes are a new issue of securities for which there is currently no market. Accordingly, we cannot assure you that a liquid market for the exchange notes will develop or be maintained. See “Risk Factors—Risks Related to the Exchange Offer—If an active trading market for the exchange notes does not develop, the liquidity and value of the exchange notes could be harmed.”

Use of
Proceeds

We will not receive any proceeds from the issuance of the exchange notes in exchange for the outstanding add-on notes. We are making this exchange solely to satisfy our obligations under the registration rights agreement entered into in connection with the offering of the add-on notes. See “Use of Proceeds.”

Risk Factors An investment in the exchange notes and participation in the exchange offer involve risk. You should carefully consider all of the information in this prospectus. In particular, you should evaluate the specific risk factors set forth under the caption “Risk Factors” in this prospectus.

11

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table presents our summary historical consolidated financial data as of and for the periods presented. This information should only be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the notes related thereto, which are incorporated herein by reference. The summary historical financial data for the years ended September 30, 2015, 2016 and 2017 have been derived from our audited consolidated financial statements, which are incorporated herein by reference.

	For the Years Ended September 30,		
	2015 ⁽¹⁾	2016 ⁽²⁾	2017 ⁽³⁾
	(Dollars in thousands)		
Operating Results Data:			
Revenue	\$1,483,291	\$1,477,035	\$1,524,997
Cost of goods and services	1,090,944	1,076,342	1,116,881
Gross profit	392,347	400,693	408,116
Selling, general and administrative expenses	325,435	318,353	339,089
Income from continuing operations	66,912	82,340	69,027
Other income (expense)			
Interest expense	(47,776)	(49,943)	(51,513)
Interest income	261	66	64
Other, net	(331)	(250)	(880)
Total other income (expense)	(47,846)	(50,127)	(52,329)
Income before taxes from continuing operations	19,066	32,213	16,698
Provision (benefit) for income taxes	6,772	12,432	(1,085)
Income from continuing operations	\$12,294	\$19,781	\$17,783
Discontinued operations:			
Income from operations of discontinued businesses	34,570	20,952	22,276
Provision from income taxes	12,575	10,723	25,147
Loss from discontinued operations	21,995	10,229	(2,871)
Net income (loss)	\$34,289	\$30,010	\$14,912
Cash Flow Data:			
Net cash provided by (used in) continuing operations			
Operating activities	\$31,856	\$80,118	\$49,151
Investing activities	\$(39,439)	\$(62,261)	\$(71,337)
Financing activities	\$(74,341)	\$15,414	\$(700)
Net cash provided by (used in) discontinued operations	\$45,672	\$(13,605)	\$(2,150)
Balance Sheet Data:			
Cash and equivalents	\$52,001	\$72,553	\$47,681
Property, plant and equipment, net	\$228,405	\$236,905	\$232,135
Total assets	\$1,712,813	\$1,782,096	\$1,873,541
Total debt, net	\$811,787	\$910,878	\$979,158
Total liabilities	\$1,282,288	\$1,371,149	\$1,474,733
Total shareholder’s equity	\$430,525	\$410,947	\$398,808

Other Financial Data:

Capital expenditures	\$46,308	\$59,276	\$34,937
Depreciation and amortization	\$45,834	\$46,342	\$47,878
EBITDA ⁽⁴⁾	\$171,309	\$174,484	\$165,833
Adjusted EBITDA ⁽⁵⁾	\$182,419	\$190,520	\$194,377

Financial Ratios (Pro Forma):

Cash and equivalents ⁽⁶⁾	\$120,131,
Total debt ⁽⁶⁾	1,255,465
Total net debt ⁽⁶⁾	1,135,334
Total leverage ratio	5.8x
Total net leverage ratio	5.3x

⁽¹⁾ Income from continuing operations includes discrete tax benefits, net, of \$219.

Net income includes discrete tax benefits, net, of \$62.

⁽²⁾ Income from continuing operations includes a discrete tax benefit, net, of \$857.

Net income includes the following:

–	Restructuring charges of \$5,900 (\$4,247, net of tax)
–	Discrete tax provisions, net, of \$2,658

⁽³⁾ Income from continuing operations includes the following:

–	Acquisition costs of \$9,617 (\$6,145, net of tax).
–	Contract settlement charges of \$5,137 (\$3,330, net of tax).
–	Discrete and certain other tax benefits, net, of \$8,274.

Net income includes the following:

–	Acquisition costs of \$9,617 (\$6,145, net of tax).
–	Contract settlement charges of \$5,137 (\$3,330, net of tax).
–	Discrete and certain other tax provisions, net, of \$9,385.

⁽⁴⁾ EBITDA is a non-GAAP measurement that consists of net income plus the sum of the following amounts from both continuing and discontinued operations: provision (benefit) for income taxes, interest expense (net of interest income) and depreciation and amortization. The reconciliation from net income to EBITDA is as follows:

For the Years Ended
 September 30,
 2015 2016 2017
 (Dollars in thousands)

Net income (loss)	\$34,289	\$30,010	\$14,912
Add / (deduct):			
Provision from income taxes, continuing operations	6,772	12,432	(1,085)
Provision from income taxes, discontinued operations	12,575	10,723	25,147
Interest expense, net, continuing operations	47,515	49,877	51,449
Interest expense, net, discontinued operations	358	1,234	63
Depreciation and amortization expense, continuing operations	45,834	46,342	47,878

13

Depreciation and amortization expense, discontinued operations	23,966	23,866	27,469
EBITDA	\$ 171,309	\$ 174,484	\$ 165,833

- (5) Adjusted EBITDA is a non-GAAP measurement that consists of EBITDA plus the sum of acquisition related costs, contract settlement charges, certain environmental and warranty reserves recorded in discontinued operations and restructuring and other related charges. The reconciliation from EBITDA to Adjusted EBITDA is as follows:

	For the Years Ended		
	September 30,		
	2015	2016	2017
	(Dollars in thousands)		
EBITDA	\$ 171,309	\$ 174,484	\$ 165,833
Add / (deduct):			
Acquisition related costs	-	-	9,617
Contract settlement charges	-	-	5,137
Environmental and warranty reserves	-	-	5,700
Restructuring charges ^(a)	-	5,900	-
Stock-based compensation	11,110	10,136	8,090
Adjusted EBITDA	\$ 182,419	\$ 190,520	\$ 194,377

- ^(a) Restructuring charges primarily related to headcount reductions at PPC's Dombuhl, Germany facility, other headcount reductions and the shutdown of PPC's Turkey facility.

EBITDA and Adjusted EBITDA are provided for illustrative and informational purposes only and do not purport to represent, and should not be viewed as indicative of, our actual or future financial condition or results of operations. EBITDA and Adjusted EBITDA do not represent and should not be considered as alternatives to net income (loss), operating income (loss), net cash provided by (used in) operating activities or any other measure of operating performance or liquidity that is calculated in accordance with U.S. generally accepted accounting principles. EBITDA and Adjusted EBITDA information has been included in this prospectus because we believe that certain analysts, rating agencies and investors may use it as supplemental information to evaluate a company's ability to service its indebtedness and overall operating performance over time. However, EBITDA and Adjusted EBITDA have material limitations as analytical tools and should not be considered in isolation, or as substitutes for analysis of our results as reported under U.S. generally accepted accounting principles. A limitation associated with EBITDA and Adjusted EBITDA is that they do not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenue in our business. Any measure that eliminates components of our capital structure and costs associated with carrying significant amounts of assets on its balance sheet has material limitations as a performance measure. Management evaluates the costs of such tangible and intangible assets through other financial measures such as capital expenditures. In addition, in evaluating EBITDA and Adjusted EBITDA, you should be aware that the

adjustments may vary from period to period and in the future we will incur expenses such as those used in calculating these measures. Furthermore, EBITDA and Adjusted EBITDA, as calculated by us, may not be comparable to calculations of similarly titled measures by other companies. In light of the foregoing limitations, we do not rely solely on EBITDA and Adjusted EBITDA as performance measures but also consider its results as calculated in accordance with U.S. generally accepted accounting principles.

Pro forma amounts shown total debt and total net debt as of September 30, 2017 are presented after giving effect to the add-on offering and the application of the net proceeds therefrom. Total debt consists of (i) \$275 million outstanding under the exchange notes offered hereby, (ii) \$725 million outstanding under the existing exchange (6)notes, (iii) \$73.0 million drawn under our revolving credit facility, (iv) other secured debt of \$115.4 million, consisting of outstanding amounts under our ESOP loan, capital leases, real estate mortgages and non-U.S. lines of credit and term loan, and (v) \$29.8 million non-U.S. term loan and unsecured portion of ESOP loan. Total net debt includes total debt less pro forma cash and equivalents.

14

RISK FACTORS

You should consider carefully the following risks involved in investing in the exchange notes, as well as the other information contained in this prospectus, before deciding whether to participate in the exchange offer. The actual occurrence of any of these risks could materially adversely affect our business, financial condition and results of operations. In that case, the value of the exchange notes could decline substantially, and you may lose part or all of your investment. Unless the context otherwise requires, the term “notes” includes the add-on notes and the exchange notes.

Risks Related to the Exchange Offer

If you fail to exchange your add-on notes for exchange notes, your add-on notes will continue to be subject to restrictions on transfer and may become less liquid.

We did not register the add-on notes under the Securities Act or any state securities laws, nor do we intend to after the exchange offer. In general, you may only offer or sell the add-on notes if they are registered under the Securities Act and applicable state securities laws, or offered and sold under an exemption from these requirements. If you do not exchange your add-on notes in the exchange offer, you will lose your right to have the add-on notes registered under the Securities Act, subject to certain exceptions. If you continue to hold add-on notes after the exchange offer, you may be unable to sell the add-on notes.

Because we anticipate that most holders of add-on notes will elect to exchange their add-on notes, we expect that the liquidity of the market for any add-on notes remaining after the completion of the exchange offer will be substantially limited. Any add-on notes tendered and exchanged in the exchange offer will reduce the aggregate principal amount of the add-on notes outstanding. Following the exchange offer, if you do not tender your add-on notes you generally will not have any further registration rights, and your add-on notes will continue to be subject to certain transfer restrictions. Accordingly, the liquidity of the market for the add-on notes could be adversely affected.

If an active trading market for the exchange notes does not develop, the liquidity and value of the exchange notes could be harmed.

Prior to this exchange offer, there is no existing market for the exchange notes and there is only a limited market for the existing exchange notes. An active public market for the exchange notes may not develop or, if developed, may not continue. If an active public market does not develop or is not maintained, you may not be able to sell your exchange notes at their fair market value or at all.

The initial purchasers currently make a market for the add-on notes, and we have been advised by the initial purchasers that they presently intend to make a market in the exchange notes, after the exchange offer is completed. However, the initial purchasers are not obligated to make a market in the exchange notes and the initial purchasers may cease their market-making activities in the add-on notes at any time. In addition, even if a public market for the exchange notes develops, trading prices will depend on many factors, including prevailing interest rates, our operating results and the market for similar securities. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the exchange notes. A decline in the market for debt securities generally may also materially and adversely affect the liquidity of the exchange notes, independent of our financial performance.

You must comply with the exchange offer procedures in order to receive exchange notes.

The exchange notes will be issued in exchange for the add-on notes only after timely receipt by the exchange agent of the add-on notes or a book-entry confirmation related thereto, a properly completed and executed letter of transmittal or an agent's message and all other required documentation. If you want to tender your add-on notes in exchange for exchange notes, you should allow sufficient time to ensure timely delivery. Neither we nor the exchange agent are under any duty to give you notification of defects or irregularities with respect to tenders of add-on notes for exchange. Add-on notes that are not tendered or are tendered but not accepted will, following the exchange offer, continue to be subject to the existing transfer restrictions. In addition, if you tender the add-on notes in the exchange offer to participate in a distribution of the exchange notes, you will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. For additional information, please refer to the sections entitled "The Exchange Offer" and "Plan of Distribution" later in this prospectus.

Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes.

Based on interpretations of the staff of the SEC contained in Exxon Capital Holdings Corp., SEC no-action letter (April 13, 1988), Morgan Stanley & Co. Inc., SEC no-action letter (June 5, 1991) and Shearman & Sterling LLP, SEC no-action letter (July 2, 1983), we believe that you may offer for resale, resell or otherwise transfer the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act. However, in some instances described in this prospectus under

“Plan of Distribution,” you will remain obligated to comply with the registration and prospectus delivery requirements of the Securities Act to transfer your exchange notes. In these cases, if you transfer any exchange notes without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from registration of your exchange under the Securities Act, you may incur liability under the Securities Act. We do not and will not assume, or indemnify you against, this liability.

Risks Related to the Exchange Notes

While subsumed within the Risks Related to Our Business, the following risk factors may have particular applicability to the exchange notes and should be considered in connection with a decision to participate in the exchange offer.

Our substantial indebtedness could adversely affect our financial condition.

We have a significant amount of indebtedness. As of September 30, 2017, after giving effect to the add-on offering and the application of the net proceeds therefrom, we would have had approximately \$1.2 billion of indebtedness (including \$275 million of senior unsecured debt under the exchange notes offered hereby, \$725 million of senior unsecured debt under the existing exchange notes, \$188.4 million of secured debt consisting of \$73.0 million drawn under our revolving credit facility and \$115.4 million of other secured debt, and \$29.8 million of other unsecured debt), and we would have had availability of \$263.1 million under our revolving credit facility (net of \$73.0 million drawn and \$13.9 million of outstanding letters of credit) subject to certain covenants.

Our substantial indebtedness could have important consequences to you. For example, it could:

- increase our vulnerability to general adverse economic and industry conditions;

require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;

- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

- place us at a competitive disadvantage compared to our competitors that have less debt; and

limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes.

We expect to use cash flow from operations and borrowings under our revolving credit facility to meet our current and future financial obligations, including funding our operations, debt service and capital expenditures. Our ability to make these payments depends on our future performance, which will be affected by financial, business, economic and other factors, many of which we cannot control. Our business may not generate sufficient cash flow from operations in the future, which could result in our being unable to repay indebtedness, or to fund other liquidity needs. If we do not have enough capital, we may be forced to reduce or delay our business activities and capital expenditures, sell assets, obtain additional debt or equity capital or restructure or refinance all or a portion of our debt, including the exchange notes, the existing exchange notes and our revolving credit facility, on or before maturity. We cannot make any assurances that we will be able to accomplish any of these alternatives on terms acceptable to us, or at all. In addition, the terms of existing or future indebtedness, including the agreements governing the exchange notes, the existing exchange notes and our revolving credit facility, respectively, may limit our ability to pursue any of these alternatives.

We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments or to refinance our debt obligations depends on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We cannot assure you that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance our indebtedness, including the exchange notes. We cannot assure you that we would be able to take any of these actions, that these actions would be successful and permit us to meet our scheduled debt service obligations or that these actions would be permitted under the terms of our existing or future debt agreements, including the indenture governing the notes or our revolving credit facility. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The indenture governing the notes and our revolving credit facility restrict our ability to dispose of assets and use the proceeds from the disposition. We may not be able to consummate those dispositions or to obtain the proceeds which we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due. See “Description of Other Indebtedness” and “Description of Notes.”

If we cannot make scheduled payments on our debt, we will be in default and, as a result, our debt holders could declare all outstanding principal and interest to be due and payable and we could be forced into bankruptcy or liquidation, which could result in your losing some or all of your investment in the notes.

We are a holding company and may not have access to sufficient cash to make payments on the notes.

We are a holding company with no direct operations. Our principal assets are the equity interests we hold in our operating subsidiaries. As a result, we are dependent upon dividends and other payments from our subsidiaries to generate the funds necessary to meet our outstanding debt service and other obligations. Our subsidiaries may not generate sufficient cash from operations to enable us to make principal and interest payments on our indebtedness, including the notes. In addition, any payment of dividends, distributions, loans or advances to us from our subsidiaries could be subject to restrictions on dividends or repatriation of earnings under applicable local law and monetary transfer restrictions in the jurisdictions in which our subsidiaries operate. In addition, payments to us from our subsidiaries will be contingent upon our subsidiaries' earnings. Our subsidiaries are separate and distinct legal entities and, except for our existing subsidiaries that are guarantors of the notes and any future subsidiaries that will become guarantors of the notes, they have no obligation, contingent or otherwise, to pay amounts due under the notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment.

Despite current indebtedness levels, we may still be able to incur more indebtedness, which could further exacerbate the risks described herein.

We may be able to incur substantial additional indebtedness in the future. The terms of the agreements governing our indebtedness, including the notes and our revolving credit facility, will not prohibit us from doing so. If we incur any additional indebtedness that ranks equally with the notes, the holders of that debt will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of us. This may have the effect of reducing the amount of proceeds paid to you.

Additionally, our revolving credit facility provides commitments of up to \$350 million, approximately \$191.1 million of which was available for borrowing, subject to certain covenants, at September 30, 2017. If new debt is added to our current debt levels, the risks that we now face relating to our substantial indebtedness could intensify. All of the borrowings under our revolving credit facility will be secured indebtedness. The subsidiaries that guarantee the notes are also the guarantors under our revolving credit facility. See "Description of Other Indebtedness" and "Description of Notes."

The agreements governing our indebtedness, including the notes and our revolving credit facility, restrict our ability to engage in some business and financial transactions.

Edgar Filing: GRIFFON CORP - Form S-4

The agreements governing our indebtedness, including the notes and our revolving credit facility, among other things, restrict our ability, and the ability of our restricted subsidiaries, to:

- incur additional debt or issue preferred stock;
- pay dividends or distributions on our capital stock or repurchase our capital stock or make other restricted payments;
- make certain investments;
 - create liens on our assets;
 - enter into transactions with affiliates;
 - merge, consolidate or sell substantially all of our assets;
 - transfer and sell assets or enter into sale and leaseback transactions;
 - create restrictions on dividends or other payments by our restricted subsidiaries; and