

BEACON ROOFING SUPPLY INC  
Form 424B3  
March 22, 2016

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Registration No. 333-209548 and 333-209548-01

## Prospectus

### Beacon Roofing Supply, Inc.

### OFFER TO EXCHANGE

**\$300,000,000 aggregate principal amount of its 6.375% Senior Notes due 2023 that have been registered under the Securities Act of 1933 (which we refer to as the New Notes ) for any and all of its outstanding 6.375% Senior Notes due 2023 (which we refer to as the Old Notes )**

*This exchange offer will expire at 5:00 p.m., New York City time, on April 19, 2016, unless extended.*

Terms of the exchange offer:

We will exchange New Notes for all outstanding Old Notes that are validly tendered and not validly withdrawn prior to the expiration or termination of the exchange offer.

You may withdraw tenders of Old Notes at any time prior to the expiration or termination of the exchange offer. The terms of the New Notes are substantially identical to those of the outstanding Old Notes, except that the New Notes are registered under the Securities Act of 1933, as amended (the Securities Act ) and the transfer restrictions, registration rights and additional interest provisions applicable to the Old Notes do not apply to the New Notes. The New Notes will also have a separate CUSIP number from that of the Old Notes.

The New Notes will initially be jointly and severally and fully and unconditionally guaranteed by all of the Issuer's subsidiaries that guarantee the Term Loan B Facility (as defined herein). Subject to certain exceptions, future subsidiaries that guarantee the Term Loan B Facility or incur or guarantee certain other indebtedness will also guarantee the New Notes. The New Notes and the guarantees will be the Issuer's and the guarantors' senior unsecured obligations and will rank equally in right of payment with the Issuer's and the guarantors' existing and future senior obligations. The New Notes and the guarantees will be effectively subordinated to all of the Issuer's and the guarantors' secured indebtedness, including the Term Loan B Facility and the ABL Facility (as defined herein and, collectively with the Term Loan B Facility, the New Senior Secured Credit Facilities ) to the extent of the value of the collateral securing such indebtedness and will be structurally subordinated to all existing and future liabilities of each of the existing and future subsidiaries of the Issuer that do not guarantee New Notes.

\$300,000,000 aggregate principal amount of its 6.375% Senior Notes due 2023 that have been registered under the

The exchange of Old Notes for New Notes will not be a taxable transaction for U.S. federal income tax purposes. You should see the discussion under the caption "Certain United States Federal Income Tax Considerations" for more information.

We will not receive any proceeds from the exchange offer.

We issued the Old Notes in a transaction not requiring registration under the Securities Act, and as a result, their transfer is restricted. We are making the exchange offer to satisfy your registration rights as a holder of the Old Notes.

Neither the New Notes nor the Old Notes will be listed on any securities exchange.

Each broker-dealer that receives New 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 New 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 New Notes received in exchange for Old Notes where such Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, starting on the expiration date (as defined herein) and ending on the close of business 180 days after the expiration date, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

**Exchanging your outstanding Old Notes for New Notes involves risks. See the risk factors described under, and incorporated by reference into, "Risk Factors" beginning on page 19 of this prospectus.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is March 22, 2016.

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## ABOUT THIS PROSPECTUS

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized any other person to provide you with different information. If any person other than us provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell, nor are we soliciting an offer to buy, securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained or incorporated by reference in this prospectus is accurate only as of its respective date.

Our business, financial condition, results of operations and prospects may have changed since those dates.

**This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus (see *Where You Can Find More Information* ). We will provide this information to you at no charge upon written or oral request directed to: Beacon Roofing Supply, Inc., Chief Financial Officer, 505 Huntmar Park Drive, Suite 300, Herndon, Virginia 20170 Telephone: (877) 645-3939. In order to ensure timely delivery of the information, any request should be made no later than five (5) business days before the expiration date of the exchange offer.**

Neither the Old Notes nor the New Notes have been recommended by any federal, state or foreign securities authorities and they have not determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

We are not providing you with any legal, business, tax or other advice in this prospectus. You should consult with your own advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to exchange your outstanding Old Notes for New Notes in this exchange offer.

Unless stated otherwise or the context otherwise requires, references in this prospectus to the *Issuer* refer to Beacon Roofing Supply, Inc., a Delaware corporation; references to *Beacon* refer to the Issuer and its direct and indirect subsidiaries, with regard to the period before the RSG Acquisition (as defined below); references to *RSG* refer to Roofing Supply Group, LLC, a Delaware limited liability company, RSG Parent and their respective direct and indirect subsidiaries, with regard to the period before the RSG Acquisition; references to *RSG Parent* refer to CDRR Investors, Inc., a Delaware corporation and indirect parent of Roofing Supply Group, LLC; references to *Combined Company* refer to the combined businesses of Beacon and RSG in the period following the consummation of the RSG Acquisition; and references to the *Company*, *us*, *we* or *our* refer to Beacon, when used with regard to the period before the RSG Acquisition, or to the Combined Company, when used with regard to the period following the consummation of the RSG Acquisition.

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## FORWARD-LOOKING STATEMENTS

This prospectus contains certain forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 with respect to our business, financial condition, liquidity and results of operations. Words such as anticipates, expects, intends, plans, projects, predicts, believes, seeks, e would, will, may, can, continue, potential, should and the negative of these terms or other comparable te often identify forward-looking statements. Statements in this prospectus that are not historical facts are hereby identified as forward-looking statements for the purpose of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act ), and Section 27A of the Securities Act. These forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from the results contemplated by the forward-looking statements, including the risks discussed in this prospectus or incorporated by reference herein. Important assumptions and other important factors that could cause actual results to differ materially from those forward-looking statements with respect to the Combined Company include, but are not limited to, risks and uncertainties that are described in Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended September 30, 2015, in our Quarterly Reports on Form 10-Q and in other securities filings by the Company with the Securities and Exchange Commission (the Commission or SEC ). Factors, risks, and uncertainties that could cause actual outcomes and results to be materially different from those contemplated include, among others:

our ability to effectively integrate newly acquired business into our operations and achieve expected cost savings or profitability from our acquisitions;

our ability to complete acquisitions on acceptable terms;

product shortages, fluctuations in the prices of raw materials, loss of key suppliers, and our dependence on third-party suppliers and manufacturers;

dependence on key personnel;

fluctuation of pricing of and rebates on the products we distribute and our ability to pass on increased costs to customers;

dependence on the residential home building industry, as well as the economy, the credit markets and other important factors;

cyclical and seasonal nature of the building products supply industry;

disruptions at our facilities or in our information technology systems;

variability of our quarterly revenues and earnings;

our future capital needs and our ability to obtain additional financing on acceptable terms;

our level of indebtedness and our ability to meet our obligations under our debt instruments;

our incurrence of additional indebtedness and our inability to take certain actions because of restrictions in our debt agreements; and

our failure to obtain the anticipated benefits, synergies and costs savings from the RSG Acquisition.

Many of the important factors that will determine these results are beyond our ability to control or predict. You are cautioned not to put undue reliance on any forward-looking statements, which speak only as of the date of this prospectus. Except as otherwise required by law, we do not assume any obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events.

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## SUMMARY

*This summary highlights selected information contained or incorporated by reference in this prospectus and does not contain all of the information that may be important to you. You should read this entire prospectus carefully, including the matters discussed in the sections entitled *Risk Factors*, together with the documents incorporated by reference that are described under *Where You Can Find More Information* and the financial statements included or incorporated by reference herein. Unless otherwise indicated, references to *fiscal year* refer to the fiscal year of Beacon, which ends on September 30 of each year. RSG Parent's fiscal year ends on December 31 of each year.*

## Our Company

Beacon is the second largest (and largest publicly traded) distributor of residential and commercial roofing materials in the United States, with leading positions in key metropolitan markets in both the United States and Canada. Beacon also is a leading distributor of complementary building products, including siding, windows and waterproofing systems for residential and commercial building exteriors. Beacon purchases products from a large number of manufacturers and then distributes these goods to a customer base consisting of contractors and, to a lesser extent, general contractors, home builders, retailers, and building materials suppliers. As of September 30, 2015, Beacon operated 274 branches in 42 states throughout the United States and six provinces in Canada. Beacon stocks one of the most extensive assortments of high-quality branded products in the industry with approximately 2,000 to 11,000 SKUs per branch available in inventory, enabling it to deliver products to its nearly 53,000 customers on a timely basis. In fiscal year 2015, we generated net sales of approximately \$2.5 billion, approximately 84% of which was derived from roofing products and services. Approximately 93% of our fiscal 2015 net sales were in the United States. In addition, we also generated \$62.3 million in net income and Adjusted EBITDA of \$168.7 million during fiscal year 2015. See note 1 to the *Other Financial Data* table in *Summary Historical and Pro Forma Financial and Operating Information* *Beacon Historical Financial Information* below for a reconciliation of Adjusted EBITDA to net income.

On October 1, 2015, Beacon acquired Roofing Supply Group ( *RSG* ), a leading roofing products distributor owned by an investment partnership controlled by Clayton Dubilier & Rice, LLC ( *CD&R* ) and employee stockholders in a cash and stock transaction valued at approximately \$1.2 billion (the *RSG Acquisition* ), including repayment of outstanding *RSG* indebtedness. See *The RSG Acquisition Transactions*. After giving effect to the *RSG Acquisition*, Beacon accounted for approximately 16% of total 2014 sales in the U.S. roofing distribution market, an increase from approximately 5% of total sales in 2004, the year Beacon became a publicly traded company. Beacon pro forma net sales for fiscal year 2014 exceeded those of the next largest competitor by more than \$1 billion, according to data reported in ProSales, a multi-media source of news, information and expertise for building supply distributors in the United States.

Prior to the *RSG Acquisition*, *RSG* was the fifth largest roofing distributor in the United States, providing customers with a broad range of products with approximately 300 to 2,200 SKUs per branch. As of September 30, 2015, *RSG* operated 85 branches strategically located in 25 U.S. states throughout the West, Rocky Mountain, Northwest, Southwest, Southeast and Midwest regions of the United States. Similar to Beacon, *RSG* had a customer base of contractors, home builders, retail customers, building owners and other resellers, such as retailers and lumberyards. For the nine months ended September 30, 2015, *RSG* generated net sales of approximately \$0.9 billion.

# The RSG Acquisition Transactions

## Overview

On October 1, 2015, Beacon completed the RSG Acquisition pursuant to that certain Agreement and Plan of Merger, dated as of July 27, 2015 (the Merger Agreement ), by and among Beacon, two wholly owned subsidiaries of Beacon and RSG Parent. The aggregate consideration paid by Beacon to consummate the RSG Acquisition was approximately \$1.2 billion of cash and Beacon common stock.

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Concurrently with the closing of the RSG Acquisition, Beacon (i) completed its private offering of \$300.0 million aggregate principal amount of the Old Notes and (ii) entered into credit agreements governing the terms of a new \$450.0 million seven-year senior secured term loan B facility (the Term Loan B Facility ) and a new senior secured asset-based revolving credit facility of up to \$700.0 million, subject to a borrowing base (the ABL Facility ). The Company utilized the net proceeds from the offering of the Old Notes, together with borrowings under the New Senior Secured Credit Facilities, to pay the cash consideration for the RSG Acquisition, to refinance certain indebtedness of Beacon, to repay certain existing indebtedness of RSG and to pay related transaction premiums, fees and expenses.

As used in this prospectus, the term RSG Acquisition Transactions refers to the: (i) issuance of the Old Notes; (ii) closing of the RSG Acquisition; (iii) closing of and borrowings under the New Senior Secured Credit Facilities; (iv) repayment of certain existing indebtedness of Beacon and RSG, including the redemption of RSG's existing unsecured senior notes; and (v) payment of premiums, fees and expenses in connection with the foregoing transactions.

## Strategic Rationale

We expect to realize a number of benefits from the RSG Acquisition, including the following:

**Enhanced scale and national footprint.** Following the completion of the RSG Acquisition, we believe we are better-positioned to serve existing and new customers. We have a larger fleet for deliveries, greater scale in both our residential and commercial businesses, an expanded national footprint, more diversified product offerings across both our newly-acquired and existing branches and greater financial resources to develop and implement new customer service initiatives, such as e-commerce. We are poised to offer enhanced service, drawing on our combined engineering capabilities and best practices. As of December 31, 2015, the Combined Company operated 360 branches in 45 states and six provinces across Canada. The RSG Acquisition provides Beacon with an entry into the Pacific Northwest, as well as additional branches in highly attractive, dense markets such as California, Florida and Texas. In the fiscal year ended September 30, 2015, our pro forma net sales, pro forma net income, pro forma Adjusted EBITDA (before anticipated cost savings) and pro forma Adjusted EBITDA (after anticipated cost savings) were \$3.7 billion, \$35.8 million, \$255.3 million and \$305.3 million, respectively.

**Well-positioned in attractive roofing demand markets.** We believe that our national distribution platform is strategically positioned to benefit from a North American market recovery, and we expect that improving economic conditions and continued recovery in residential and non-residential construction activity will drive additional roofing demand. The addition of RSG's platform has substantially improved our presence in growing, sizable markets in the Southern and Western United States, including Texas, Florida and California, with 46%, 50% and 75% growth in the number of locations, respectively. According to the U.S. Census Bureau, during the first five months of 2015, more building permits were issued in each of those three states than any other state in the U.S., which we believe may help us grow in these locations. With the geographic scope of our combined platform, we believe we will also benefit from frequent and recurring storm activity in the Midwest, Southwest and Southeast regions. Storm activity drives demand uncorrelated to general economic activity and leads to a shorter re-roofing cycle. Over 35% of RSG's locations are located in states with high rates of severe weather disasters, such as hurricanes and tornadoes. Over 31% of the Combined Company's locations are located in such states, up from 30% prior to the RSG Acquisition. Net sales in the severe weather affected Southwest and South Central regions represented 12% and 25%, respectively, of fiscal year 2015 pro forma net sales, compared to 7% and 21%, respectively, of Beacon's fiscal year 2015 net sales.

**Extensive product offering and strong supplier relationships.** The Combined Company carries one of the most extensive arrays of high-quality branded products in the industry. We believe that this product offering will continue to be a significant factor in attracting and retaining many of our customers. In addition to a broad product offering, we are able to fulfill the vast majority of our warehouse orders through the breadth and depth of the inventories at our branches. Because of our significant scale, product expertise and reputation in the markets that we serve, along with



our ability to

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hold and manage considerable inventory, we have established strong, long-term ties to the major roofing materials manufacturers and are able to achieve substantial volume discounts. With the RSG Acquisition, we will further expand our base of suppliers and strengthen our existing relationships.

***Significant opportunity for synergies.*** We believe the RSG Acquisition will provide us significant cost savings opportunities through improved scale and operating leverage. Specifically, we anticipate that the RSG Acquisition could result in approximately \$50 million in annual run-rate synergies within approximately two years following the closing of the acquisition, primarily driven by branch consolidation, along with an anticipated rationalization among corporate offices and anticipated procurement benefits from leveraging the long-term relationships that both Beacon and RSG maintain with their existing suppliers to generate more purchasing efficiency in the supply chain. One-time costs to achieve the cost savings are estimated to be \$25 million over the first two years following closing. As with previous acquisitions, we will look to leverage our established operational platform, take advantage of current supplier relationships and implement our procurement and distribution IT systems, which we believe are among the most advanced in the roofing distribution industry. We believe these initiatives will result in a substantial increase in free cash flow that we expect will be used to pay down debt, as well as reinvest in our business to drive future growth. Finally, we believe the RSG Acquisition will provide us with significant tax assets that will facilitate free cash flow generation. For a discussion of risks related to anticipated cost savings and synergies, see **Risk Factors** **Risks Related to the RSG Acquisition**. The integration of RSG by the Company may prove more difficult, costly or time-consuming than expected, and the anticipated synergies and benefits of the RSG Acquisition may not be realized in the timeframe we expect or at all.

For a discussion of various factors that could prohibit or limit us from realizing some or all of these benefits, see **Forward-Looking Statements** and **Risk Factors**.

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## Organizational Structure

The following chart summarizes our organizational structure, equity ownership and our principal indebtedness as of February 16, 2016. This chart is provided for illustrative purposes only and does not show all obligations of our legal entities. See The RSG Acquisition Transactions , The Exchange Offer , Description of New Notes and Description of Certain Other Indebtedness for more information regarding the terms of the New Notes offered hereby and our other indebtedness following the RSG Acquisition Transactions.

The New Notes will be guaranteed on a senior basis by certain of the Issuer's domestic subsidiaries. For further information, see Description of New Notes - Subsidiary Guarantees. The subsidiary guarantees will be subject to limitations under applicable laws and may be released under certain circumstances. For further information, see Description of New Notes - Subsidiary Guarantees , Risk Factors - Risks Related to Our Indebtedness and the New Notes - Claims of holders of the New Notes will be structurally subordinated to claims of creditors of certain of our subsidiaries that will not guarantee the New Notes and Risk Factors - Risks Related to Our Indebtedness and the New Notes. The lenders under the Term Loan B Facility can release guarantors of such credit facility under certain circumstances, which will result in the release of those guarantees of the New Notes. Following consummation of the

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RSG Acquisition, certain subsidiary guarantors of the Old Notes were merged with and into other subsidiary guarantors for tax planning purposes as permitted by the Indenture (as defined below). As of the date the New Notes are first issued, the only subsidiary guarantor of the New Notes will be Beacon Sales Acquisition, Inc.

In connection with the RSG Acquisition Transactions, the Issuer entered into the Term Loan B Facility, which provides for a seven-year senior secured term loan facility of \$450.0 million. Borrowings under the Term Loan B Facility are guaranteed by the same domestic subsidiaries of the Issuer that will guarantee the New Notes and the (2) ABL Facility, except that Beacon Canada, Inc. (a domestic subsidiary with no material assets other than stock in a foreign subsidiary) guarantees the borrowings under the ABL Facility by the Canadian subsidiaries of the Issuer but will not guarantee the New Notes or borrowings under the Term Loan B Facility. See Description of Certain Other Indebtedness New Senior Secured Credit Facilities.

In connection with the RSG Acquisition Transactions, the Issuer entered into the ABL Facility, which provides for a senior secured asset-based revolving credit facility of up to \$700.0 million, subject to a borrowing base. Borrowings under the ABL Facility are guaranteed by the Issuer and will be guaranteed by any future domestic subsidiaries that guarantee the New Notes and the Term Loan B Facility (except with respect to Beacon Canada, (3) Inc., as described in footnote (2) above). Borrowings under the ABL Facility by Canadian subsidiaries of the Issuer are guaranteed by the Issuer and Beacon Canada, Inc. and will be guaranteed by any future domestic subsidiaries that guarantee the New Notes and the Term Loan B Facility and by certain foreign subsidiaries (as defined in the Description of New Notes ) (and any such foreign subsidiary will not guarantee the New Notes or borrowings under the Term Loan B Facility). See Description of Certain Other Indebtedness New Senior Secured Credit Facilities.

## **Corporate Information**

The Issuer was incorporated in Delaware in 1997 and completed its initial public offering in September 2004. Its common stock trades on the Nasdaq Global Select Market under the symbol BECN. Our principal executive offices are located at 505 Huntmar Park Drive, Suite 300, Herndon, Virginia 20170, and our telephone number is (571) 323-3939. Our Internet website address is [www.becn.com](http://www.becn.com), and the information contained on, or accessible from, our website is not part of this prospectus by reference or otherwise.

## **Principal Stockholder**

Following the consummation of the RSG Acquisition, CD&R Roadhouse Holdings, L.P. (the CD&R Stockholder ), an entity affiliated with the CD&R private investment firm and the former controlling stockholder of RSG, beneficially owned approximately 15% of our outstanding common stock and became our largest stockholder. As of March 16, 2016, the CD&R Stockholder beneficially owned approximately 14.4% of our outstanding common stock. In connection with the RSG Acquisition, we entered into an investment agreement with the CD&R Stockholder, which, as amended, provides that the CD&R Stockholder (i) may designate two directors to the Beacon board of directors, for so long as the CD&R Stockholder and its affiliates hold at least 58.6% of the shares of our common stock received by the CD&R Stockholder at the closing of the RSG Acquisition and (ii) may designate one director to the Beacon board of directors for so long as the CD&R Stockholder and its affiliates hold less than 58.6%, but at least 3.0%, of such shares; provided that the CD&R Stockholder and its affiliates shall not be entitled to such one director designee pursuant to clause (ii) if they own less than 4.0% of the shares of our common stock then outstanding and the number of members of the Beacon board is at such time less than eight. Upon consummation of the RSG Acquisition, Philip W. Knisely, Chairman of RSG and an operating advisor to the CD&R funds, and Nathan K. Sleeper, a partner of CD&R, were appointed as the CD&R Stockholder s designees to the Beacon board of directors.

Upon consummation of the RSG Acquisition, we also entered into a registration rights agreement with the CD&R Stockholder, pursuant to which we agreed to file a resale shelf registration statement for the benefit of the CD&R

Stockholder and certain of its permitted transferees promptly upon the expiration of a 180-day post-closing lock-up period. The registration rights agreement also provides for customary demand and piggyback registration rights with respect to the shares of Beacon common stock received by the CD&R Stockholder in connection with the RSG Acquisition.

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## The Exchange Offer

*The following is a brief summary of the terms of this exchange offer. It does not contain all of the information that you need to consider in making your decision regarding whether to exchange your Old Notes for New Notes. 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 this exchange offer. To understand all of the terms of this exchange offer and the New Notes, you should carefully read this prospectus as well as the documents incorporated by reference that are described under *Where You Can Find More Information*.*

### **Background**

On October 1, 2015, we completed a private placement of \$300,000,000 aggregate principal amount of 6.375% Senior Notes due 2023. As part of that offering, we entered into a registration rights agreement with the initial purchasers of the Old Notes in which we agreed, among other things, to complete this exchange offer for the Old Notes.

### **Old Notes**

\$300,000,000 unregistered 6.375% Senior Notes due 2023, which were issued on October 1, 2015. The Old Notes were issued under the Indenture, dated as of October 1, 2015 (the *Indenture*). The Old Notes and the New Notes are herein collectively referred to as *Notes* under the Indenture.

### **New Notes**

\$300,000,000 6.375% Senior Notes due 2023, the issuance of which has been registered under the Securities Act. The form and terms of the New Notes are substantially identical in all material respects to those of the Old Notes, except that the transfer restrictions, registration rights and additional interest provisions applicable to the Old Notes do not apply to the New Notes.

### **Exchange Offer**

We are offering to issue up to \$300,000,000 aggregate principal amount of New Notes in exchange for a like principal amount of the Old Notes to satisfy our obligations under the registration rights agreement that was executed when the Old Notes were issued in a transaction in reliance upon the exemptions from registration provided by Rule 144A and Regulation S of the Securities Act. You may tender your Old Notes for exchange by following the procedures described below and in the section entitled *The Exchange Offer* in this prospectus.

### **Expiration Date; Tenders**

The exchange offer will expire at 5:00 p.m., New York City time, on April 19, 2016 (which is 20 business days following the date of this prospectus), unless extended in our sole and absolute discretion. By tendering your Old Notes, you represent to us that:

you are not our affiliate, as defined in Rule 405 under the Securities Act;

any New Notes you receive in the exchange offer are being acquired by you in the ordinary course of your business;

at the time of commencement of the exchange offer, neither you nor anyone receiving New Notes from you has any arrangement or understanding with any person to participate in the distribution, as defined in

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the Securities Act, of the New Notes in violation of the Securities Act; and

if you are a broker-dealer that will receive the New Notes for your own account in exchange for Old Notes that were acquired by you as a result of your market-making or other trading activities, then you will deliver a prospectus in connection with any resale of the New Notes you receive. For further information regarding resales of the New Notes by participating broker-dealers, see the discussion under the caption Plan of Distribution.

**Withdrawal; Non-Acceptance**

You may withdraw any Old Notes tendered in the exchange offer at any time prior to 5:00 p.m., New York City time, on April 19, 2016. If we decide for any reason not to accept any Old Notes tendered for exchange, the Old Notes will be returned to the registered holder at our expense promptly after the expiration or termination of the exchange offer. In the case of the Old Notes tendered by book-entry transfer into the exchange agent's account at The Depository Trust Company ( DTC ), any withdrawn or unaccepted Old Notes will be credited to the tendering holder's account at DTC. For further information regarding the withdrawal of tendered Old Notes, see The Exchange Offer Terms of the Exchange Offer; Period for Tendering Old Notes and the The Exchange Offer Withdrawal Rights.

**Conditions to the Exchange Offer**

The exchange offer is subject to customary conditions, which we may waive. See the discussion below under the caption The Exchange Offer Conditions to the Exchange Offer for more information regarding the conditions to the exchange offer.

**Procedures for Tendering the Old Notes**

If you wish to tender your Old Notes for New Notes pursuant to the exchange offer, you must transmit to U.S. Bank National Association, as the exchange agent for the exchange offer, on or before the expiration date, either:

a properly completed and duly executed letter of transmittal, which accompanies this prospectus, with any required signature guarantees, together with the certificates for your Old Notes, in proper form for transfer, and any other required documentation, to the exchange agent at its address listed in this prospectus and on the front cover of the letter of transmittal; or

a computer generated message transmitted through DTC's Automated Tender Offer Program ( ATOP ) system and received by the exchange agent and forming a part of a confirmation of book-entry transfer in which you acknowledge and agree to be bound by the terms of the letter of transmittal.

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**Special Procedures for Beneficial Owners**

If you are a beneficial owner whose Old Notes are registered in the name of the broker, dealer, commercial bank, trust company or other nominee and you wish to tender your Old Notes in the exchange offer, you should promptly contact the person in whose name the Old Notes are registered and instruct that person to tender on your behalf. If you wish to tender in the exchange offer on your own behalf, prior to completing and executing the letter of transmittal and delivering your Old Notes, you must either make appropriate arrangements to register ownership of the Old Notes in your name or obtain a properly completed bond power from the person in whose name the Old Notes are registered.

**Material Federal Income Tax Considerations**

The exchange of the Old Notes for New Notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes. See the discussion under the caption Certain United States Federal Income Tax Considerations for more information regarding the tax consequences to you of the exchange offer.

**Use of Proceeds**

We will not receive any proceeds from the exchange offer.

**Exchange Agent**

U.S. Bank National Association is the exchange agent for the exchange offer. You can find the address and telephone number of the exchange agent below under the caption The Exchange Offer Exchange Agent.

**Resales**

Based on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties, we believe that the New Notes you receive in the exchange offer may be offered for resale, resold or otherwise transferred without compliance with the registration and prospectus delivery provisions of the Securities Act. However, you will not be able to freely transfer the New Notes if:

you are our affiliate, as defined in Rule 405 under the Securities Act;

you are not acquiring the New Notes in the exchange offer in the ordinary course of your business;

you have an arrangement or understanding with any person to participate in the distribution, as defined in the Securities Act, of the New Notes, you will receive in the exchange offer; or

you are a participating broker-dealer that received New Notes for its own account in the exchange offer in exchange for Old Notes that were acquired as a result of market-making or other trading activities.



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If you fall within one of the exceptions listed above, you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction involving the New Notes. See the discussion below under the caption "The Exchange Offer Procedures for Tendering Old Notes" for more information.

### **Broker-Dealer**

Each broker-dealer that receives New Notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of New Notes. The letter of transmittal states that by so acknowledging and 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 New Notes received in exchange for Old Notes which were acquired by such broker-dealer as a result of market making activities or other trading activities. We have agreed that for a period of up to 180 days after the expiration date, as defined in this prospectus, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution" for more information.

### **Registration Rights Agreement**

When we issued the Old Notes, we entered into a registration rights agreement with the representatives of the initial purchasers obligating us to file an exchange offer registration statement or, under specified circumstances, a shelf registration statement, with the SEC with respect to New Notes. If we fail to satisfy these obligations, we have agreed to pay additional interest to holders of the Old Notes in specified circumstances. We are not obligated to consummate an exchange offer with respect to the Old Notes until 270 days after the issue date. See "The Exchange Offer Registration Rights Agreement."

A copy of the registration rights agreement is incorporated by reference herein as an exhibit to the registration statement of which this prospectus forms a part and is available from us upon request (see "Where You Can Find More Information").

## **Consequences of Not Exchanging Old Notes**

If you do not exchange your Old Notes in the exchange offer, your Old Notes will continue to be subject to the restrictions on transfer described in the legend on the certificate for your Old Notes. In general, you may offer or sell your Old Notes only:

- if they are registered under the Securities Act and applicable state securities laws;
  - if they are offered or sold under an exemption from registration under the Securities Act and applicable state securities laws; or
  - if they are offered or sold in a transaction not subject to the Securities Act and applicable state securities laws.
- We do not currently intend to register the Old Notes under the Securities Act. Under some circumstances, however, holders of the Old Notes, may require us to file, and to cause to become effective, a shelf registration statement covering resales of Old Notes by these holders. For more information regarding the consequences of not tendering your Old Notes and our obligation to file a shelf registration statement, see "The Exchange Offer Consequences of Exchanging or Failing to Exchange Old Notes."

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## Summary Description of the New Notes

*The following is a brief summary of the terms of the New Notes. It does not contain all of the information that you need to consider in making your investment decision. The terms of the New Notes and those of the outstanding Old Notes are substantially identical, except that the transfer restrictions and rights under the registration rights agreement, including the right to earn additional interest under circumstances relating to our registration obligations, do not apply to the New Notes. To understand all of the terms of the New Notes, you should carefully read this prospectus as well as the documents incorporated by reference that are described under *Where You Can Find More Information*.*

**Issuer**

Beacon Roofing Supply, Inc.

**Notes Offered**

\$300,000,000 aggregate principal amount of 6.375% Senior Notes due 2023.

**Issue Date**

The New Notes will be issued on or about April 20, 2016 assuming no extension of the expiration date.

**Maturity Date**

October 1, 2023.

**Interest Rate**

6.375% per annum.

**Interest Payment Dates**

Interest on the New Notes will be payable semi-annually on April 1 and October 1 of each year, beginning on October 1, 2016, and on the maturity date, and will be deemed to have accrued from April 1, 2016, the most recent date to which interest has been paid.

**Ranking**

The New Notes will be our unsecured senior indebtedness and will rank:

equal in right of payment with all of our existing and future senior indebtedness;

senior in right of payment to all of our existing and future subordinated obligations;

effectively subordinated to all of our secured indebtedness, including indebtedness under our \$450.0 million Term Loan B Facility and obligations under our new ABL Facility of up to \$700.0 million, to the extent of the value of the assets securing such indebtedness; and

structurally subordinated to all existing and future indebtedness and other liabilities of our non-guarantor subsidiaries.

**Guarantors**

The New Notes will be guaranteed, on an unsecured senior basis, by each of our domestic subsidiaries that is a borrower under or that guarantees our obligations under our Term Loan B Facility (and any refinancing indebtedness) and any other capital market indebtedness that we may incur in the future. These guarantees are subject to limitations under applicable laws and may be released under specified circumstances. See *Description of New Notes* *Subsidiary Guarantees*. The guarantee of each subsidiary guarantor will be an unsecured senior

obligation of that subsidiary guarantor and will rank:

equal in right of payment with all existing and future senior indebtedness of that subsidiary guarantor;

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senior in right of payment to all existing and future subordinated obligations of that subsidiary guarantor;

effectively subordinated to all secured indebtedness of that subsidiary guarantor to the extent of the value of the assets securing such indebtedness, including any such subsidiary guarantor's guarantee of indebtedness under our new \$450.0 million Term Loan B Facility and obligations under our new ABL Facility of up to \$700.0 million; and

structurally subordinated to all existing and future indebtedness and other liabilities of our non-guarantor subsidiaries.

For the fiscal year ended September 30, 2015, after giving pro forma effect to the RSG Acquisition Transactions, the two subsidiaries of the Issuer that will not be subsidiary guarantors on the date the New Notes are first issued represented \$3.0 million, or approximately 8.4%, of pro forma net income. For the three months ended December 31, 2015, the two subsidiaries of the Issuer that will not be subsidiary guarantors on the date the New Notes are first issued represented \$0.5 million, or approximately 7.6%, of net income. As of December 31, 2015, these two non-guarantor subsidiaries represented \$97.4 million, or approximately 3.3%, of total assets and \$58.5 million, or approximately 3.3%, of total liabilities, \$7.2 million of which was indebtedness.

**Optional Redemption**

We may redeem the New Notes, in whole or in part, at any time (1) prior to October 1, 2018, at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, plus the make-whole premium described under Description of New Notes Optional Redemption, and (2) on and after October 1, 2018, at the redemption prices described under Description of New Notes Optional Redemption. In addition, prior to October 1, 2018, we may redeem on one or more occasions up to 35% of the original aggregate principal amount of the New Notes in an amount not exceeding the net proceeds of one or more equity offerings at a redemption price equal to 106.375% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, as described under Description of New Notes Optional Redemption.

**Offer to Repurchase**

If we experience a change of control, we must offer to repurchase all of the New Notes (unless otherwise redeemed) at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the repurchase date. See Description of New Notes Change of Control.

If we sell assets under certain circumstances, we must use the proceeds to make an offer to purchase New Notes at a price equal to 100% of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase. See

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Description of New Notes    Certain Covenants    Limitation on Sales of Assets and Subsidiary Stock.

**Certain Covenants**

The Indenture contains covenants that generally restrict our ability and the ability of our restricted subsidiaries to:

incur more indebtedness or issue certain preferred shares;

pay dividends, redeem stock or make other distributions;

make investments;

create restrictions on the ability of our restricted subsidiaries to pay dividends to us or make other intercompany transfers;

create liens;

transfer or sell assets;

merge or consolidate;

enter into certain transactions with our affiliates; and

designate subsidiaries as unrestricted subsidiaries.

Most of these covenants will be suspended for so long as the New Notes have investment grade ratings from both Moody's Investors Service, Inc. ( Moody's ) and Standard & Poor's Investors Ratings Service ( S&P ). These covenants are subject to important exceptions and qualifications, which are described under Description of New Notes    Certain Covenants and Description of New Notes    Merger and Consolidation.

**Further Issuances**

We may, from time to time, without notice to or consent of the holders of the New Notes, create and issue additional notes ranking equally and ratably with the New Notes in all respects, including the same terms as to status, redemption or otherwise.

**Form and Denomination**

The New Notes will be issued in the form of one or more fully registered global securities, without coupons, in denominations of \$2,000 in principal amount and integral multiples of \$1,000 in excess thereof. These global securities will be deposited with the trustee as custodian for, and registered in the name of, DTC or its nominee. Except as described under Description of the New Notes    Transfer and Exchange or as we may otherwise agree, notes in certificated form will not be issued or exchanged for interests in global securities.

**No Prior Market**

The New Notes are a new issue of securities, and there is currently no established trading market for the New Notes. We do not intend to apply for listing of the New Notes on any securities exchange and cannot assure you that any

active or liquid market will develop for the New Notes.

**Trustee**

U.S. Bank National Association

**Risk Factors**

Investing in the New Notes involves a high degree of risk, you should carefully consider all of the information included or incorporated by reference in this prospectus, including the information under **Risk Factors** beginning on page 19 of this prospectus.

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## Summary Historical and Pro Forma Financial and Operating Information

The following tables set forth summary consolidated historical and unaudited pro forma condensed combined financial information for Beacon and RSG Parent for the periods ended and as of the dates indicated. Beacon's fiscal year ends on September 30, while RSG Parent's fiscal year ends on December 31.

Beacon's financial information for the fiscal years ended September 30, 2015, 2014 and 2013 and as of September 30, 2015 and 2014 has been derived from Beacon's audited consolidated financial statements and the notes related thereto included elsewhere in this prospectus. Beacon's financial information for the three months ended December 31, 2015 and 2014 and as of December 31, 2015 and 2014 has been derived from Beacon's unaudited consolidated financial statements and the notes related thereto included elsewhere in this prospectus. Such unaudited interim financial information has been prepared on a basis consistent with the audited consolidated financial statements.

RSG Parent's financial information for the fiscal year ended December 31, 2014 has been derived from RSG Parent's audited consolidated financial statements and the notes related thereto incorporated by reference into this prospectus. RSG Parent's financial information for the nine months ended September 30, 2015 and 2014 and as of September 30, 2015 has been derived from RSG Parent's unaudited consolidated interim financial statements and the notes related thereto incorporated by reference into this prospectus. Such unaudited interim financial information has been prepared on a basis consistent with the audited consolidated financial statements.

The unaudited pro forma condensed combined statement of operations information for the fiscal year ended September 30, 2015 gives effect to the RSG Acquisition Transactions as if they had been consummated on October 1, 2014 and combines Beacon's historical results for the fiscal year ended September 30, 2015 with RSG Parent's historical results for the twelve-month period ended September 30, 2015, which was derived by adding RSG Parent's audited statement of operations information for the fiscal year ended December 31, 2014 to the unaudited statement of operations information for the nine months ended September 30, 2015 and subtracting the corresponding unaudited statement of operations information for the nine months ended September 30, 2014. See Unaudited Pro Forma Condensed Combined Financial Information and the accompanying notes.

The unaudited pro forma condensed combined statement of operations data reflects adjustments to Beacon's and RSG Parent's historical consolidated financial information that are (i) directly attributable to the RSG Acquisition Transactions, (ii) factually supportable and (iii) expected to have a continuing impact on the combined results. The final purchase price allocation for the RSG Acquisition Transactions will be completed promptly following the end of the second quarter of the current fiscal year. Any final adjustments may change the allocation of purchase price, which could result in a change to the unaudited pro forma condensed combined financial information, including goodwill. The result of the final purchase price allocation could be materially different from the preliminary allocation set forth herein. Except where indicated with respect to pro forma Adjusted EBITDA for the fiscal year ended September 30, 2015, the unaudited pro forma condensed combined financial information does not reflect any cost savings, including the anticipated \$50 million in annual run-rate synergies described elsewhere in this prospectus (or associated costs to achieve such savings), utilization of RSG Parent's net operating loss carryforwards or other restructuring that may result from the RSG Acquisition Transactions. Synergies and integration costs have been excluded from consideration because they do not meet the criteria for unaudited pro forma adjustments.

The unaudited pro forma condensed combined financial information is provided for informational and illustrative purposes only and is not intended to represent or be indicative of the consolidated results of operations or financial

position of Beacon that would have been reported had the RSG Acquisition Transactions been completed as of the dates presented, and should not be taken as representative of the future consolidated results of operations or financial position of Beacon following the consummation of the RSG Acquisition Transactions. We therefore caution you not to place undue reliance on the unaudited pro forma condensed combined financial information.

The following summary historical and pro forma financial and operating information should be read in conjunction with Unaudited Pro Forma Condensed Combined Financial Information and the accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations and the



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consolidated financial statements and related notes of Beacon and RSG Parent included elsewhere in this prospectus or incorporated by reference herein.

**Beacon Historical Financial Information**

	Year Ended September 30,			Three Months Ended December 31,	
	2015	2014	2013	2015	2014
	(in thousands)				
Statement of Operations Data:					
Net sales	\$2,515,169	\$2,326,905	\$2,240,723	\$976,480	\$596,042
Cost of products sold	1,919,804	1,799,065	1,709,326	743,292	458,477
Gross profit	595,365	527,840	531,397	233,188	137,565
Operating expenses	478,284	428,977	401,676	206,344	113,745
Income from operations	117,081	98,863	129,721	26,844	23,820
Interest expense, financing costs and other	11,037	10,095	8,247	16,256	2,655
Income before provision for income taxes	106,044	88,768	121,474	10,588	21,165
Provision for income taxes	43,767	34,922	48,867	3,470	8,258
Net income	\$62,277	\$53,846	\$72,607	\$7,118	\$12,907

	September 30,		December 31,	
	2015	2014	2015	2014
	(in thousands)			
Balance Sheet Data:				
ASSETS				
Current assets:				
Cash and cash equivalents	\$45,661	\$54,472	\$32,210	\$23,337
Accounts receivable, net	399,732	360,802	489,172	269,383
Inventories, net	320,999	301,626	466,063	314,670
Prepaid expenses and other current assets	97,928	66,828	150,384	76,975
Deferred income taxes	2,309	14,610	31,938	14,629
Total current assets	866,629	798,338	1,169,767	698,994
Property and equipment, net	90,405	88,565	145,607	88,303
Goodwill	496,415	466,206	1,162,111	489,325
Intangibles, net	87,055	72,266	487,477	97,273
Other assets, net	1,233	6,027	1,270	10,916
TOTAL ASSETS	\$1,541,737	\$1,431,402	\$2,966,232	\$1,384,811
LIABILITIES AND STOCKHOLDERS EQUITY				
Current liabilities:				
Accounts payable	\$244,891	\$220,834	\$347,205	\$163,367
Accrued expenses	124,794	80,285	151,547	72,738
Borrowings under revolver lines of credit	11,240	18,514		23,289
Current portion of long-term obligations	16,320	16,602	14,287	16,689
Total current liabilities	397,245	336,235	513,039	276,083
Long-term debt, net of current portion	170,200	183,131	722,888	180,657

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Borrowings under revolver lines of credit			343,225	
Deferred income taxes	68,809	64,100	132,605	64,165
Long-term obligations under equipment financing and other, net of current portion	\$22,367	\$30,835	\$43,322	\$34,112
Total liabilities	658,621	614,301	1,755,079	555,017
Total stockholders' equity	883,116	817,101	1,211,153	829,794
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$1,541,737</b>	<b>\$1,431,402</b>	<b>\$2,966,232</b>	<b>\$1,384,811</b>

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	Year Ended September 30,			Three Months Ended December 31,	
	2015	2014	2013	2015	2014
	(in thousands)				
<b>Cash Flow Data:</b>					
Net cash provided by operating activities	\$109,340	\$55,497	\$78,493	\$44,675	\$40,189
Net cash used in investing activities	(104,714)	(37,316)	(89,491)	(943,080)	(72,769)
Net cash provided by (used in) financing activities	(12,707 )	(9,798 )	18,013	885,305	1,558
Effect of exchange rate changes on cash	(730 )	(938 )	(193 )	(351 )	(113 )
Net increase (decrease) in cash and cash equivalents	(8,811 )	7,445	6,822	(13,451 )	(31,135)
Cash and cash equivalents at end of period	45,661	54,472	47,027	32,210	23,337

	Year Ended September 30,			Three Months Ended December 31,	
	2015	2014	2013	2015	2014
	(in thousands)				
<b>Other Financial Data:</b>					
EBITDA <sup>(1)</sup>	\$151,746	\$129,398	\$161,297	\$50,515	\$32,077
Adjusted EBITDA <sup>(1)</sup>	168,660	136,820	170,563	73,396	34,425
Total debt	218,178	243,861	262,272	1,120,807	244,825
Net debt <sup>(2)</sup>	172,517	189,389	215,245	1,088,597	221,488
Depreciation & amortization	34,862	30,294	30,415	23,671	8,257
Capital expenditures	20,802	37,239	26,120	2,153	3,138
Cash interest expense	8,276	9,312	12,012	10,827	2,624
Ratio of earnings to fixed charges <sup>(3)</sup>	6.69	6.07	8.62	1.56	5.48
Number of branches at end of period	274	264	236	360	268

Beacon defines EBITDA as net income plus income tax expense, interest expense, net and depreciation and amortization. Beacon defines Adjusted EBITDA as EBITDA plus stock-based compensation and RSG acquisition costs. EBITDA is a measure commonly used in the distribution industry, and we present EBITDA and Adjusted EBITDA to enhance your understanding of our operating performance. An Adjusted EBITDA-based metric is used in our financing covenants and we use EBITDA and Adjusted EBITDA as an internal performance measurement and as one criterion for evaluating our performance relative to that of our peers. We believe that the presentation of (1)EBITDA and Adjusted EBITDA provides investors and analysts with a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. Further, we believe that EBITDA and Adjusted EBITDA are useful measures because they improve comparability of results of operations, since purchase accounting used for acquisitions can render depreciation and amortization non-comparable between periods. Management of Beacon uses EBITDA and Adjusted EBITDA to evaluate performance period over period, to analyze the underlying trends in its business and to establish operational goals and forecasts that are used in allocating resources.

While we believe these are useful measures for investors, they are not presented in accordance with GAAP. You should not consider non-GAAP measures in isolation or as a substitute for net income, cash flows from operations, or any other items calculated in accordance with GAAP. In addition, each of EBITDA and Adjusted EBITDA has inherent material limitations as a performance measure because it adds back certain expenses to net income, resulting

in those expenses not being taken into account in the applicable financial measure. For instance, each of EBITDA and Adjusted EBITDA does not include interest expense. Because we have borrowed money, interest expense is a necessary element of our costs. In addition, each of EBITDA and Adjusted EBITDA does not include depreciation and amortization expense. Because we have capital and intangible assets, depreciation and amortization expense is a necessary element of our costs. Adjusted EBITDA also does not include stock-based compensation, which is a necessary element of our costs since we make stock awards to key members of management as an important incentive to maximize overall company performance and as a benefit. Adjusted EBITDA also

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does not include acquisition costs because these are non-recurring costs that we paid or incurred to finance and consummate the RSG Acquisition. Moreover, each of EBITDA and Adjusted EBITDA does not include taxes, and payment of taxes is a necessary element of our operations. Because not all companies use identical calculations, our presentation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. The following table is a reconciliation of our net income to EBITDA and Adjusted EBITDA:

	Year Ended September 30,			Three Months Ended December 31,	
	2015	2014	2013	2015	2014
	(in thousands)				
Net income	\$ 62,277	\$ 53,846	\$ 72,607	\$ 7,118	\$ 12,907
Income tax expense	44,046	34,922	48,867	3,470	8,258
Interest expense, net	10,561	10,336	9,211	16,256	2,655
Depreciation and amortization	34,862	30,294	30,612	23,671	8,257
EBITDA	\$ 151,746	\$ 129,398	\$ 161,297	\$ 50,515	\$ 32,077
Adjustments:					
Stock-based compensation	9,936	7,422	9,266	7,179	2,348
RSG Acquisition costs <sup>(a)</sup>	6,978			15,702	
Adjusted EBITDA	\$ 168,660	\$ 136,820	\$ 170,563	\$ 73,396	\$ 34,425

RSG Acquisition costs reflect all non-recurring charges related to the acquisition (excluding the impact of tax) that (a) are not embedded in other balances of the table. Additional RSG Acquisition costs are included in interest expense, income taxes, depreciation and amortization, and stock-based compensation in the table above.

(2) Beacon defines net debt as total debt less cash and cash equivalents. While management believes net debt is a useful measure of financial position for investors, it is not presented in accordance with GAAP.

For purposes of calculating the ratio of earnings to fixed charges, earnings consist of earnings before provision for income taxes plus fixed charges. Fixed charges consist of interest expense, amortization of deferred financing fees (3) and approximately 20% of rental expense that Beacon management believes is representative of the interest component of rental expense.

## Pro Forma Condensed Combined Financial Information

### Pro Forma, Combined and Adjusted Financial Information (Unaudited)

	Year Ended September 30, 2015 (in thousands)
Statement of Operations Data:	
Net sales	\$ 3,707,629
Cost of products sold	2,851,404
Gross profit	856,225
Operating expenses	722,807
Income from operations	133,418

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Interest expense, financing costs and other	50,028
Income before provision for income taxes	83,390
Provision for income taxes	47,567
Net income	\$ 35,823

Year Ended  
September 30,  
2015  
(in thousands)

Unaudited Pro Forma Financial Data:

Pro Forma EBITDA <sup>(1)</sup>	\$ 225,862
Pro Forma Adjusted EBITDA, before cost savings <sup>(1)</sup>	255,348
Pro Forma Adjusted EBITDA, after cost savings <sup>(1)</sup>	305,348

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Beacon defines pro forma EBITDA as pro forma net income (loss) plus pro forma income tax expense (benefit), pro forma interest expense, net, and pro forma depreciation and amortization. Beacon defines pro forma Adjusted EBITDA as pro forma EBITDA plus stock-based compensation, sponsor and director fees, minority interest, acquisition costs and other adjustments. EBITDA is a measure commonly used in the distribution industry, and we present EBITDA and Adjusted EBITDA to enhance your understanding of our operating performance. An Adjusted EBITDA-based metric is used in our financing covenants, and we use EBITDA and Adjusted EBITDA as an internal performance measurement and as one criterion for evaluating our performance relative to that of our peers. We believe that the presentation of EBITDA and Adjusted EBITDA provides investors and analysts with a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. Further, we believe that EBITDA and Adjusted EBITDA are useful measures because they improve comparability of results of operations, since purchase accounting used for acquisitions can render depreciation and amortization non-comparable between periods. Management uses EBITDA and Adjusted EBITDA to evaluate performance period over period, to analyze the underlying trends in our business and to establish operational goals and forecasts that are used in allocating resources.

While we believe these are useful measures for investors, they are not presented in accordance with GAAP. You should not consider non-GAAP measures in isolation or as a substitute for net income, cash flows from operations, or any other items calculated in accordance with GAAP. In addition, each of EBITDA and Adjusted EBITDA has inherent material limitations as a performance measure because it adds back certain expenses to net income, resulting in those expenses not being taken into account in the applicable financial measure. For instance, each of EBITDA and

Adjusted EBITDA does not include interest expense. Because we have borrowed money, interest expense is a necessary element of our costs. In addition, each of EBITDA and Adjusted EBITDA does not include depreciation and amortization expense. Because we have capital and intangible assets, depreciation and amortization expense is a necessary element of our costs. Adjusted EBITDA also does not include stock-based compensation, which is a necessary element of our costs since we make stock awards to key members of management as an important incentive to maximize overall company performance and as a benefit. Adjusted EBITDA also does not include minority interest, which is a necessary element of RSG Parent's costs since RSG Parent has non-controlling interests. Adjusted

EBITDA also does not include sponsor & director fees and acquisition costs because these are non-recurring costs that RSG Parent paid to its private equity sponsor and non-employee directors or incurred to finance, consummate and integrate prior acquisitions, as applicable. Moreover, each of EBITDA and Adjusted EBITDA does not include taxes, and payment of taxes is a necessary element of our operations. Accordingly, since EBITDA and Adjusted EBITDA exclude these items, they have material limitations as a performance measure. Management separately monitors capital expenditures, which impacts depreciation expense, as well as amortization expense, interest expense, and income tax expense. Because not all companies use identical calculations, our presentation of EBITDA and Adjusted

EBITDA may not be comparable to other similarly titled measures of other companies. The following table is a reconciliation of Beacon and RSG Parent net income (loss) to pro forma EBITDA and pro forma Adjusted EBITDA:

	Year Ended September 30, 2015			
	Beacon	RSG Parent	Pro Forma Adjustments	Pro Forma Combined
	(in thousands)			
Net income (loss)	\$62,277	\$(23,581)	\$ (2,873 )	\$ 35,823
Income tax expense (benefit)	44,046	5,637	(1,837 )	47,846
Interest expense, net	10,561	42,920	(3,039 )	50,442
Depreciation and amortization	34,862	45,158	11,731	91,751
EBITDA	\$ 151,746	\$ 70,134	\$ 3,982	\$ 225,862
Adjustments:				

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Stock-based compensation	\$9,936	\$2,068	\$ 3,731	\$ 15,735
RSG Acquisition one-time transaction costs	6,978	1,705		8,683
Sponsor & director fees		2,497		2,497

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	Year Ended September 30, 2015			
	Beacon	RSG Parent	Pro Forma Adjustments	Pro Forma Combined
	(in thousands)			
Minority interest		229		229
Acquisition costs <sup>(a)</sup>		118		118
Other adjustments <sup>(b)</sup>		2,224		2,224
Total Adjustments	16,914	8,841	3,731	29,486
Adjusted EBITDA, before cost savings	\$ 168,660	\$ 78,975	\$ 7,713	\$ 255,348
Estimated cost savings <sup>(c)</sup>	\$	\$	\$ 50,000	\$ 50,000
Adjusted EBITDA, after cost savings	\$ 168,660	\$ 78,975	\$ 57,713	\$ 305,348

(a) Acquisition costs primarily relate to the costs incurred by RSG Parent to integrate prior acquisitions.

(b) Other adjustments primarily relate to (i) severance compensation paid to terminated employees, (ii) consulting fees paid in connection with certain accounting, financial reporting, corporate development and tax projects, and (iii) a sales and use tax audit reserve related to periods prior to the May 2012 acquisition of RSG by its prior owner that was resolved during 2015.

Represents Beacon management's estimated projected annual cost savings from the RSG Acquisition through branch consolidation, general and administrative cost reductions and procurement benefits totaling approximately \$50 million, which are expected to be fully implemented beginning with the third year following consummation of the RSG Acquisition. During the first year following closing, we anticipate realizing approximately \$30 million of the anticipated \$50 million of annual cost savings. During the second year following closing, we anticipate realizing an additional \$17 million, or \$47 million total, of the anticipated \$50 million of annual cost savings.

(c) Excludes estimated one-time costs of \$25 million over the first two years required to achieve the anticipated annual savings. Anticipated branch consolidation cost savings relate to potential savings achieved through the planned consolidation of branch facilities in overlapping Beacon and RSG regions. Anticipated general and administrative cost savings relate to potential savings achieved through the planned consolidation of corporate support functions and planned consolidation of benefit plans and insurance policies. Anticipated procurement cost savings relate to potential savings achieved through optimized pricing and rebates with existing contractual relationships with suppliers.

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## **RISK FACTORS**

*Exchanging your Old Notes for New Notes involves risks. Before making an investment decision, you should carefully consider all of the information included or incorporated by reference in this prospectus, including the risks described below, and under Risk Factors in our Annual Report on Form 10-K for the fiscal year ended September 30, 2015, which are incorporated by reference in this prospectus. See Where You Can Find More Information. The risks and uncertainties described are not the only ones that we face. Additional risks and uncertainties not known to us or that we deem immaterial may also adversely affect our business, operating results, cash flows and financial condition.*

### **Risks Related to the Exchange Offer**

**If you choose not to exchange your Old Notes in the exchange offer, the transfer restrictions currently applicable to your Old Notes will remain in force, and the market price of your Old Notes could decline.**

If you do not exchange your Old Notes for New Notes in the exchange offer, then you will continue to be subject to the transfer restrictions on the Old Notes as set forth in the offering memorandum distributed in connection with the private offering of the Old Notes. In general, the Old Notes may not be offered or sold unless they are registered or exempt from registration under the Securities Act and applicable state securities laws. We do not intend to register resales of the Old Notes under the Securities Act. You should refer to Summary The Exchange Offer and The Exchange Offer for information about how to tender your Old Notes.

The tender of Old Notes under the exchange offer will reduce the principal amount of the Old Notes outstanding, which may have an adverse effect upon, and increase the volatility of, the market price of the Old Notes due to reduction in liquidity.

**You must follow the exchange offer procedures carefully in order to receive the New Notes.**

If you do not follow the procedures described herein, you will not receive any New Notes. The New Notes will be issued to you in exchange for Old Notes only if you properly tender the Old Notes to the exchange agent prior to the expiration of the exchange offer. If you want to tender your Old Notes in exchange for New Notes, you should allow sufficient time to ensure timely delivery. No one is under any obligation to give you notification of defects or irregularities with respect to tenders of Old Notes for exchange. If you are the beneficial holder of Old Notes that are held through your broker, dealer, commercial bank, trust company or other nominee, and you wish to tender such Old Notes in the exchange offer, you should promptly contact the person through whom your Old Notes are held and instruct that person to tender on your behalf. For additional information, see the section captioned The Exchange Offer in this prospectus.

**There are state securities law restrictions on the resale of the New Notes.**

In order to comply with the securities laws of certain jurisdictions, the New Notes may not be offered or resold by any holder, unless they have been registered or qualified for sale in such jurisdictions or an exemption from registration or qualification is available and the requirements of such exemption have been satisfied. We currently do not intend to register or qualify the resale of the New Notes in any such jurisdictions. However, generally an exemption is available

for sales to registered broker-dealers and certain institutional buyers. Other exemptions under applicable state securities laws also may be available.

**Certain persons who participate in the exchange offer must deliver a prospectus in connection with resales of the New 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*, SEC no-action letter (July 2, 1983), we believe that you may offer for resale, resell or otherwise transfer the New 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, certain holders of New Notes will remain obligated to comply with the registration and prospectus delivery requirements of the Securities Act to transfer the New Notes. If such a holder transfers

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any New Notes without delivering a prospectus meeting the requirements of the Securities Act or without an applicable exemption from registration under the Securities Act, such a holder may incur liability under the Securities Act. We do not and will not assume, or indemnify such a holder against, this liability.

### **Risks Related to Our Indebtedness and the New Notes**

#### **The New Notes are unsecured and effectively junior to our secured indebtedness, including borrowings under the New Senior Secured Credit Facilities, to the extent of the value of the collateral securing such secured indebtedness.**

Our obligations under the New Notes will be unsecured and will be effectively junior to our secured indebtedness to the extent of the value of the collateral securing such secured indebtedness. Borrowings under the New Senior Secured Credit Facilities will be secured by substantially all of the assets of the Issuer and the guarantors (including any future guarantors), including all of the capital stock of the domestic guarantors. In addition, we may incur additional secured indebtedness in the future.

The New Notes are or will be effectively subordinated to all such secured indebtedness to the extent of the value of that collateral. If an event of default occurs under the ABL Facility or the Term Loan B Facility, the holders of such senior secured indebtedness will have a prior right to our assets, to the exclusion of the holders of the New Notes, even if we are in default with respect to the New Notes. In that event, our assets would first be used to repay in full all indebtedness and other obligations secured by them (including all amounts outstanding under the New Senior Secured Credit Facilities), resulting in all or a portion of our assets being unavailable to satisfy the claims of the holders of the New Notes and other unsecured indebtedness. Other secured indebtedness would have similar priorities in similar circumstances. Therefore, in the event of any distribution or payment of our assets in any foreclosure, dissolution, winding-up, liquidation, reorganization, or other bankruptcy proceeding, holders of the New Notes will participate in our remaining assets ratably with each other and with all holders of our unsecured indebtedness that is deemed to be of the same class as such notes, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor. As a result, holders of such New Notes may receive less, ratably, than holders of secured indebtedness. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the New Notes.

As of December 31, 2015, we had approximately \$800 million of senior secured indebtedness outstanding, consisting of \$449 million of borrowings under the Term Loan B Facility and \$351 million drawn under the ABL Facility (subject to availability under a borrowing base and excluding approximately \$11 million of letters of credit expected to be issued, replaced or cash collateralized, which were outstanding as of December 31, 2015).

The New Notes and the related guarantees would have ranked effectively junior to such outstanding secured indebtedness. The New Senior Secured Credit Facilities permit us to add incremental facilities, subject to certain conditions being satisfied. The Indenture will also permit us, subject to certain limitations, to incur additional secured indebtedness, which could be substantial.

#### **Our level and terms of indebtedness could adversely affect our ability to raise additional capital to fund our operations, take advantage of new business opportunities, and prevent us from meeting our obligations under our debt**

## **instruments, including the New Notes.**

As of December 31, 2015, we had \$300 million in aggregate principal amount of the Old Notes outstanding, \$449 million incurred under the Term Loan B Facility, \$351 million drawn under the ABL Facility, and \$19 million of total other indebtedness.

Our substantial debt could have important consequences to us, including:

increasing our vulnerability to general economic and industry conditions;  
requiring a substantial portion of our cash flow used in operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our liquidity and our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;

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exposing us to the risk of increased interest rates, and corresponding increased interest expense, because future borrowings under the ABL Facility and/or the Term Loan B Facility would be at variable rates of interest;  
reducing funds available for working capital, capital expenditures, acquisitions and other general corporate purposes, due to the costs and expenses associated with such debt;  
limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions, and general corporate or other purposes; and  
limiting our ability to adjust to changing marketplace conditions and placing us at a competitive disadvantage compared to our competitors who may have less debt.

In addition, the credit agreements that govern our New Senior Secured Credit Facilities and the Indenture governing the New Notes impose significant operating and financial restrictions on us, including limitations on our ability to, among other things, pay dividends and make other distributions on, or redeem or repurchase, capital stock; make certain investments; incur certain liens; enter into transactions with affiliates; merge or consolidate; enter into agreements that restrict the ability of the Issuer's subsidiaries to make dividends or other payments to the Issuer; and transfer or sell assets. As a result of these restrictions, we will be limited as to how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to capitalize on available business opportunities.

The amount of cash required to pay interest on our increased indebtedness levels and, thus, the demands on our cash resources, will be substantially greater than the amount of cash flows required to service our historical indebtedness prior to the RSG Acquisition Transactions. Our liquidity at December 31, 2015 included \$280 million in net borrowing availability under the ABL Facility (subject to availability under a borrowing base and after giving effect to approximately \$11 million of letters of credit expected to be issued, replaced or cash collateralized, which were outstanding as of December 31, 2015 and \$32 million of cash on hand. There are no assurances that we will maintain a level of liquidity sufficient to permit us to pay the principal, premium 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, seek additional capital, or restructure or refinance our indebtedness.

These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations, which could cause us to default on our debt obligations and impair our liquidity. In the event of a default under any of our indebtedness, including the New Notes, the holders of the defaulted debt could elect to declare all the funds borrowed to be due and payable, together with accrued and unpaid interest, which in turn could result in cross-defaults under our other indebtedness. The lenders under our New Senior Secured Credit Facilities could also elect to terminate their commitments thereunder and cease making further loans, and such lenders could institute foreclosure proceedings against their collateral, and we could be forced into bankruptcy or liquidation.

**Despite our current level of indebtedness, we may be able to incur substantially more debt and enter into other transactions which could further exacerbate the risks to our financial condition described above.**

We may be able to incur significant additional indebtedness in the future. Although the Indenture, the agreements that govern the New Senior Secured Credit Facilities and the applicable agreements governing our other debt instruments contain restrictions on the incurrence of additional indebtedness and entering into certain types of other transactions, these restrictions are subject to a number of qualifications and exceptions. Additional indebtedness incurred in compliance with these restrictions could be substantial. These restrictions also do not prevent us from incurring obligations, such as trade payables, that do not constitute indebtedness as defined under our debt instruments. To the extent we incur additional indebtedness or other obligations, the risks described in the immediately preceding risk factor and others described herein may increase.

Despite our current level of indebtedness, we may be able to incur substantially more debt and enter into other tran

**Repayment of our debt, including required principal and interest payments on the New Notes, is dependent on cash flow generated by our subsidiaries.**

The Issuer is a holding company that derives all of its operating income from its subsidiaries. Substantially all of the Issuer's assets are held by its direct and indirect subsidiaries. The Issuer relies on the

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earnings and cash flows of its subsidiaries, which are paid to it by its subsidiaries in the form of dividends and other payments or distributions, to meet its debt service obligations. Unless they are guarantors of the New Notes, the Issuer's subsidiaries do not have any obligation to pay amounts due on the New Notes or to make funds available to the Issuer for that purpose. In the event that the Issuer is unable to receive distributions from subsidiaries, it may be unable to make required principal and interest payments on our indebtedness, including the New Notes.

**Claims of holders of the New Notes will be structurally subordinated to claims of creditors of certain of our subsidiaries that will not guarantee the New Notes.**

Each of the Issuer's domestic subsidiaries that guarantees the New Senior Secured Credit Facilities will initially guarantee the New Notes, except that Beacon Canada, Inc. (a domestic subsidiary with no material assets other than stock in a foreign subsidiary) will guarantee the borrowings under the ABL Facility by the Canadian subsidiaries of the Issuer but will not guarantee the New Notes or borrowings under the Term Loan B Facility. The Indenture does not require all subsidiaries to guarantee the New Notes. For example, Beacon Canada, Inc. and the Issuer's Canadian subsidiaries guarantee Canadian borrowings under the ABL Facility but will not guarantee the New Notes or the Term Loan B Facility. Claims of holders of the New Notes will be structurally subordinated to the claims of creditors of these non-guarantor subsidiaries, including trade creditors, and will not be satisfied from the assets of these non-guarantor subsidiaries until their creditors are paid in full. In addition, the guarantee of a subsidiary guarantor will be released in connection with the sale of such subsidiary guarantor in a transaction not prohibited by the Indenture or upon certain other events described in Description of New Notes Subsidiary Guarantees.

For the fiscal year ended September 30, 2015 after giving pro forma effect to the RSG Acquisition Transactions, the two subsidiaries of the Issuer that will not be subsidiary guarantors on the date the New Notes are first issued represented \$3.0 million, or approximately 8.4%, of pro forma net income. As of December 31, 2015, these two non-guarantor subsidiaries represented \$97.4 million, or approximately 3.3%, of total assets and \$58.5 million, or approximately 3.3%, of pro forma total liabilities, \$7.2 million of which was indebtedness. The Indenture, subject to certain limitations, permits these non-guarantor subsidiaries to incur additional debt and does not limit their ability to incur other liabilities that are not considered indebtedness under the Indenture, such as trade payables.

**The lenders under the Term Loan B Facility can release guarantors of such credit facility under certain circumstances, which will result in the release of those guarantees of the New Notes.**

While any obligations under the Term Loan B Facility remain outstanding, any guarantee of the New Notes may be released without action by, or consent of, any holder of the New Notes or the trustee under the Indenture that will govern the New Notes if the related guarantor is no longer a guarantor of the Term Loan B Facility. See Description of New Notes Subsidiary Guarantees. You will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the New Notes, and the indebtedness and other liabilities, including trade payables, of those subsidiaries will effectively be senior to claims of any holders of the New Notes. See Claims of holders of the New Notes will be structurally subordinated to claims of creditors of certain of our subsidiaries that will not guarantee the New Notes.



**Federal and state statutes allow courts, under specific circumstances, to void notes and subsidiary guarantees and require note holders to return payments received.**

If we become a debtor in a case under the Bankruptcy Code or encounter other financial difficulty under federal or state fraudulent transfer law, a court may void or otherwise decline to enforce the New Notes or the subsidiary guarantees. A court might do so if it found that when we issued the New Notes, or in some states when payments became due under the New Notes, we received less than reasonably equivalent value or fair consideration and:

were insolvent or rendered insolvent by reason of such incurrence;  
were left with inadequate capital to conduct our business;

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believed or reasonably should have believed that we would incur debts beyond our ability to pay; or were a defendant in an action for money damages or had a judgment for money damages docketed against us if, in either case, the judgment is unsatisfied after final judgment.

A court would likely find that we did not receive reasonably equivalent value or fair consideration for the New Notes if we did not substantially benefit directly or indirectly from the issuance of the New Notes. If a court were to void the issuance of the New Notes or a subsidiary guarantee, you would no longer have any claim against the Issuer or the subsidiary guarantor, as applicable. Sufficient funds to repay the New Notes may not be available from other sources, including the remaining guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from us. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the New Notes. Further, the avoidance of the New Notes could result in an event of default with respect to our and our subsidiaries' other debt, which could result in acceleration of that debt. The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, we would be considered insolvent if:

the sum of our debts, including contingent liabilities, was greater than the fair saleable value of all of our assets; if the present fair saleable value of our assets was less than the amount that would be required to pay our probable liability on our existing debts, including contingent liabilities, as they become absolute and mature; or we could not pay our debts as they become due.

On the basis of historical financial information, recent operating history and other factors, we believe that we, after giving effect to these New Notes, will not be insolvent, will not have unreasonably small capital for the business in which we are engaged and will not have incurred debts beyond our ability to pay such debts as they mature. We cannot assure you, however, as to what standard a court would apply in making these determinations or that a court would agree with our conclusions.

Finally, as a court of equity, the bankruptcy court may subordinate the claims in respect of the New Notes to other claims against us under the principle of equitable subordination if the court determines that (a) the holder of New Notes engaged in some type of inequitable conduct, (b) the inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holders of New Notes and (c) equitable subordination is not inconsistent with the provisions of the Bankruptcy Code.

**We may not be able to finance a change of control offer required by the Indenture.**

Upon a change of control, as defined under the Indenture, you will have the right to require us to offer to purchase all of the New Notes then outstanding at a price equal to 101% of the principal amount of the New Notes, plus accrued interest. In order to obtain sufficient funds to pay the purchase price of the outstanding New Notes, we expect that we would have to refinance the New Notes. We cannot assure you that we would be able to refinance the New Notes on reasonable terms, if at all. Our failure to offer to purchase all outstanding notes or to purchase all validly tendered New Notes would be an event of default under the Indenture.

The occurrence of a change of control would also constitute a default under the credit agreements governing the New Senior Secured Credit Facilities. These agreements prohibit, and future debt agreements may also prohibit, us from repurchasing the New Notes upon a change of control unless our indebtedness under such agreements has been repurchased or repaid and/or other specified requirements have been met. Moreover, the exercise by holders of their right to require us to repurchase the New Notes could cause a default under future debt agreements, even if the change of control itself does not, due to the financial effect of such repurchase on us.



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**We can enter into transactions like recapitalizations, reorganizations and other highly leveraged transactions that do not constitute a change of control but that could adversely affect the holders of the New Notes.**

Certain important corporate events, such as leveraged recapitalizations, may not, under the Indenture, constitute a change of control that would require us to repurchase the New Notes, notwithstanding the fact that such corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings or the value of the New Notes. Therefore, we could, in the future, enter into certain transactions, including acquisitions, reorganizations, refinancings or other recapitalizations, which would not constitute a change of control under the Indenture, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings.

**Holders of New Notes may not be able to determine when a change of control giving rise to their right to have the New Notes repurchased has occurred following a sale of substantially all of our assets.**

The definition of change of control in the Indenture includes a phrase relating to the sale of all or substantially all of the assets of the Issuer and its restricted subsidiaries. Although there is a developing body of case law interpreting the phrase substantially all, there is no precise definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty in ascertaining whether a particular transaction would involve a disposition of all or substantially all of the assets of the Issuer and its restricted subsidiaries and therefore it may be unclear as to whether a change of control has occurred and whether the holders of the New Notes have the right to require us to repurchase such notes. See Description of New Notes Change of Control.

**There may not be an active trading market for the New Notes, and their price may be volatile. Holders may be unable to sell their New Notes at the price desired or at all.**

There is no existing trading market for the New Notes. As a result, there can be no assurance that a liquid market will develop or be maintained for the New Notes, that holders will be able to sell any of the New Notes at a particular time (if at all) or that the prices holders receive if or when they sell the New Notes will be above their initial offering price.

If the New Notes are traded after their initial issuance, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, the price and volatility in the price of our common stock, our performance and other factors. We do not intend to list the New Notes on any national securities exchange. The liquidity of any market for the New Notes will depend on a number of factors, including:

- changes in the overall market for securities similar to the New Notes;
- changes in our financial performance or prospects;
- the prospects for companies in our industry generally;
- the number of holders of the New Notes;
- the conditions of the financial markets;
- the interest of securities dealers in making a market in the New Notes; and
- prevailing interest rates.

An active market for the New Notes may not develop and, if it develops, may not continue.

**A lowering or withdrawal of the ratings assigned to our debt securities by rating agencies may adversely affect the market price or liquidity of the New Notes.**

The New Notes offered hereby will have a non-investment grade rating on the closing date. In the future, the rating of the New Notes could be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Credit ratings are not recommendations to purchase, hold or sell the New Notes, and may be revised or withdrawn at any time. Additionally, credit ratings may not reflect the potential effect of risks relating to the structure or marketing of the New Notes. If the credit rating of the New Notes is subsequently lowered or withdrawn for any reason, you may not be able to resell your New Notes without a substantial discount.

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**During any period in which the New Notes are rated investment grade, certain covenants contained in the Indenture will not be applicable; however, there is no assurance that the New Notes will be rated investment grade.**

The Indenture provides that certain covenants will be suspended if the New Notes are rated investment grade by both S&P and Moody's, and no default or event of default has otherwise occurred and is continuing under the Indenture. If the New Notes are subsequently downgraded below investment grade, such covenants will be reinstated. The covenants that would be suspended include, among others, limitations on our and our restricted subsidiaries' ability to pay dividends, make restricted payments, incur indebtedness, sell certain assets and enter into certain other transactions. Any actions that we take while these covenants are not in force will be permitted even if the covenants are subsequently reinstated. There can be no assurance that the New Notes will ever be rated investment grade, or that if they are rated investment grade, the New Notes will maintain such ratings. See Description of New Notes Suspension of Covenants.

## **Risks Related to the RSG Acquisition**

**The integration of RSG by the Company may prove more difficult, costly or time-consuming than expected, and the anticipated synergies and benefits of the RSG Acquisition may not be realized in the timeframe we expect or at all.**

On October 1, 2015, we completed the RSG Acquisition, the largest acquisition in our company's history (as measured by purchase price, total revenue, and number of branches of acquired business). The integration of RSG is a complex, costly and time-consuming process, and the significant size and scale of RSG increases the risks to which we are subject relative to other acquired businesses. Such risks include the following:

While we anticipate that the RSG Acquisition could result in approximately \$50 million in annual run-rate synergies within approximately two years following the closing of the acquisition, realization of these synergies depends on our ability to successfully integrate RSG's business with our current operations. If we experience difficulties or delays with the RSG integration process, these anticipated synergies and other financial and operational benefits may not be realized fully or at all, or may take longer to realize than expected.

The integration process could result in the loss of key employees, diversion of management attention or disruption of either company's ongoing business that adversely affect the Combined Company's ability to maintain relationships with customers, suppliers, vendors and employees or to achieve the anticipated benefits and cost savings of the RSG Acquisition, any of which may adversely affect our business, financial condition and results of operations.

Our Combined Company has incurred and will continue to incur a number of significant non-recurring costs associated with the RSG Acquisition and the related integration process. One-time costs to achieve the anticipated cost savings are estimated to be \$25 million over the first two years following closing. If additional unanticipated costs are incurred during the RSG integration, such costs may offset or negate anticipated efficiencies related to the RSG Acquisition.

**Our actual financial position and results of operations may differ materially from the unaudited pro forma condensed combined financial information included in this prospectus.**

The unaudited pro forma condensed combined financial information included in this prospectus is presented for illustrative purposes only and is not necessarily indicative of what our actual financial position or results of operations

would have been had the RSG Acquisition been completed on the dates indicated. This information reflects adjustments, which are based upon preliminary estimates, to allocate the consideration paid in connection with the RSG Acquisition to RSG's identifiable net assets. Following the completion of the purchase price allocation promptly after the end of the second quarter of the current fiscal year, there may be further refinements of the allocation as additional information becomes available. Accordingly, the final accounting adjustments related to the consideration paid in connection with the RSG Acquisition may differ materially from the pro forma adjustments reflected herein.

See Unaudited Pro Forma Condensed Combined Financial Information and the accompanying notes.

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**Our largest stockholder's interests may conflict with the interests of our other equity investors and the holders of the New Notes, and sales by our largest stockholder of a significant number of its shares may adversely affect the market price of Beacon common stock.**

Following the consummation of the RSG Acquisition, CD&R Roadhouse Holdings, L.P. (the CD&R Stockholder), an entity affiliated with the Clayton Dubilier & Rice, LLC private investment firm and the former controlling stockholder of RSG, became our largest stockholder. As of March 16, 2016, the CD&R Stockholder beneficially owns approximately 14.4% of our outstanding common stock. The CD&R Stockholder (together with its permitted transferees) may sell its shares (which are restricted) under certain circumstances, including pursuant to a registered underwritten public offering under the Securities Act or in accordance with Rule 144 under the Securities Act. We have entered into a registration rights agreement with the CD&R Stockholder, which will give this holder (together with its permitted transferees) the right to require us to register all or a portion of its shares at certain times, subject to certain conditions and restrictions. The sale of a substantial number of our shares by these or other significant stockholders within a short period of time could cause our stock price to decrease.



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We will not receive any proceeds from the exchange offer. Any Old Notes that are properly tendered and exchanged pursuant to the exchange offer will be retired and cancelled.

**RATIO OF EARNINGS TO FIXED CHARGES**

The following table contains our ratio of earnings to fixed charges for the periods indicated. For purposes of computing the ratio of earnings to fixed charges for the periods set forth below, earnings consist of earnings before provision for income taxes plus fixed charges. Fixed charges consist of interest expense, amortization of deferred financing fees and approximately 20% of rental expense that Beacon management believes is representative of the interest component of rental expense

	For the fiscal year ended September 30,					For the three months ended December 31, 2015	
	2015	2014	2013	2012	2011	2015	2014
Ratio of earnings to fixed charges	6.69x	6.07x	8.62x	6.47x	5.83x	1.56x	5.48x

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## **UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

The accompanying unaudited pro forma condensed combined statement of operations for the fiscal year ended September 30, 2015 and the related notes thereto have been derived by the application of pro forma adjustments based upon the historical financial statements of Beacon and RSG Parent, giving effect to the RSG Acquisition Transactions and related adjustments described in the accompanying notes.

The unaudited pro forma condensed combined statement of operations for the fiscal year ended September 30, 2015 gives effect to the RSG Acquisition Transactions as if they had been consummated on October 1, 2014 and combines Beacon's historical results for the fiscal year ended September 30, 2015 with RSG Parent's historical results for the twelve-month period ended September 30, 2015, which was derived by adding RSG Parent's audited statement of operations information for the fiscal year ended December 31, 2014 to the unaudited statement of operations information for the nine months ended September 30, 2015 and subtracting the corresponding unaudited statement of operations information for the nine months ended September 30, 2014. Beacon's fiscal year ends on September 30, while RSG Parent's fiscal year ends on December 31.

The unaudited pro forma condensed combined statement of operations reflects adjustments to Beacon's and RSG Parent's historical consolidated financial information that are (i) directly attributable to the RSG Acquisition Transactions, (ii) factually supportable and (iii) expected to have a continuing impact on the combined results. The final purchase price allocation for the RSG Acquisition Transactions will be completed promptly following the end of the second quarter of the current fiscal year. Any final adjustments may change the allocation of purchase price, which could result in a change to the unaudited pro forma condensed combined financial information, including goodwill. The result of the final purchase price allocation could be materially different from the preliminary allocation set forth herein. The unaudited pro forma condensed combined statement of operations data does not reflect any cost savings, including the anticipated \$50 million in annual run-rate synergies described elsewhere in this prospectus (or associated costs to achieve such savings), utilization of RSG Parent's net operating loss carryforwards or other restructuring that may result from the RSG Acquisition Transactions. Synergies and integration costs have been excluded from consideration because they do not meet the criteria for unaudited pro forma adjustments.

The unaudited pro forma condensed combined statement of operations is provided for informational and illustrative purposes only and should be read in conjunction with (i) the audited consolidated financial statements and the notes related thereto for Beacon for the fiscal years ended September 30, 2015, 2014 and 2013 and as of September 30, 2015 and 2014, and the unaudited consolidated financial statements and the notes related thereto for Beacon as of and for the three months ended December 31, 2015 and 2014, each of which is included elsewhere in this prospectus, and (ii) the audited consolidated financial statements and the notes related thereto for RSG Parent for the year ended December 31, 2014 and as of December 31, 2014, and the unaudited consolidated financial statements and the notes related thereto for RSG Parent for the nine months ended September 30, 2015 and 2014 and as of September 30, 2015, each of which is incorporated by reference into this prospectus. The unaudited pro forma condensed combined statement of operations is not intended to represent or be indicative of the consolidated results of operations or financial position of Beacon that would have been reported had the RSG Acquisition Transactions been completed as of the dates presented, and should not be taken as representative of the future consolidated results of operations or financial position of Beacon following the consummation of the RSG Acquisition Transactions. We therefore caution you not to place undue reliance on the unaudited pro forma condensed combined statement of operations.

The following unaudited pro forma condensed combined financial information was prepared using the acquisition method of accounting for business combinations under the guidance in Accounting Standards Codification ( ASC ) Topic 805, Business Combinations.

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	Historical Beacon	RSG Parent	Pro Forma Adjustments	Note Ref	Pro Forma Combined
(in thousands, other than share and per share amounts)					
Statement of Operations Data:					
Net sales	\$2,515,169	\$1,192,460	\$		\$3,707,629
Cost of products sold	1,919,804	931,600			2,851,404
Gross profit	595,365	260,860			856,225
Operating expenses	478,284	236,774	7,749	3(a), 3(b), 3(c)	722,807
Income (loss) from operations	117,081	24,086	(7,749 )		133,418
Interest expense, financing costs and other	11,037	42,030	(3,039 )	3(d)	50,028
Income (loss) before provision for income taxes	106,044	(17,944 )	(4,710 )		83,390
Provision (benefit) for income taxes	43,767	5,637	(1,837 )	3(e)	47,567
Net income (loss)	\$62,277	\$(23,581 )	\$(2,873 )		\$35,823
Net income per share:					
Basic	\$1.26				\$0.61
Diluted	\$1.24				\$0.60
Weighted average shares used in computing net income per share:					
Basic	49,578,130		9,037,789	3(f)	58,615,919
Diluted	50,173,478		9,416,075	3(f)	59,589,553

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On October 1, 2015, Beacon completed the acquisition of RSG Parent for approximately \$1.2 billion in total consideration, consisting of cash, Beacon stock, Beacon stock options, and the assumption of RSG Parent's long-term debt.

**2. Basis of Presentation**

The Unaudited Pro Forma Condensed Combined Financial Information has been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and certain footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations.

**3. Unaudited Pro Forma Condensed Combined Statement of Operations Adjustments**

In accordance with ASC 805, the estimated purchase price of RSG Parent has been allocated on a preliminary basis to the fair value of its assets and liabilities. The preliminarily determined fair value for definite-lived intangible assets (customer relationships) is approximately \$318.7 million. The preliminarily determined fair value for (a) property and equipment is \$58.0 million. This adjustment primarily increases operating expenses for incremental amortization and depreciation expense based on the fair value of definite-lived intangible assets and property and equipment acquired as follows:

(in thousands)	Year Ended September 30, 2015
Estimated pro forma amortization and depreciation	\$ 56,889
Historical amortization and depreciation	(45,158 )
<b>Incremental amortization</b>	<b>\$ 11,731</b>

Definite lived intangible assets consisting of amounts assigned to customer relationships of approximately \$318.7 million are expected to be amortized over their estimated life of 20 years on an accelerated basis. Estimated future amortization for the five year period following the closing date of the RSG Acquisition is \$48.1 million, \$57.1 million, \$46.7 million, \$37.6 million, and \$30.0 million for the years ending September 30, 2016, 2017, 2018, 2019, and 2020, respectively.

(b)

As part of the RSG Acquisition, Beacon issued unvested non-qualified stock options exercisable into 661,349 shares of Beacon common stock (as replacements for unvested stock options in RSG Parent that were cancelled upon closing of the RSG Acquisition). The net adjustment records the effects of share based compensation expense of approximately \$3.7 million for the fiscal year ended September 30, 2015, as if the replacement awards were issued as of October 1, 2014.

As part of the RSG Acquisition, Beacon and RSG Parent incurred certain transaction costs that have been expensed (c) in the historical condensed statements of operations for the year ended September 30, 2015. This adjustment reflects the reversal of approximately \$7.7 million of such costs.

To consummate the RSG Acquisition, Beacon entered into a \$700.0 million ABL Facility, of which \$350.0 million was drawn on the closing date. Beacon also entered into a \$450.0 million Term Loan B Facility and issued \$300.0 (d) million of aggregate principal amount of senior unsecured notes, the proceeds of which were used to effect the RSG Acquisition and repay and refinance outstanding borrowings of Beacon and RSG Parent. Based on the interest rates on these debt financings in

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TABLE OF CONTENTS**Beacon Roofing Supply, Inc.****Notes to Unaudited Pro Forma Condensed Combined Financial Information****3. Unaudited Pro Forma Condensed Combined Statement of Operations Adjustments (continued)**

connection with the RSG Acquisition Transactions and the fees and costs related thereto, the pro forma adjustment to interest expense is as follows:

(in thousands)	Year Ended September 30, 2015
Interest expense on financing incurred in connection with the RSG Transaction	\$ 43,513
Amortization of deferred financing costs recorded in connection with the RSG Transaction	4,779
Reverse interest expense recorded in RSG Parent's historical results, net of deferred financing fees and capital lease interest	(37,399 )
Reverse interest expense recorded in RSG Parent's historical results related to deferred financing costs	(5,539 )
Reverse interest expense recorded in Beacon's historical results related to interest expense, net of deferred financing fees	(7,307 )
Reverse interest expense recorded in Beacon's historical results related to deferred financing costs	(1,086 )
<b>Total pro forma adjustment to interest expense</b>	<b>\$ (3,039 )</b>

This adjustment is based on an assumed weighted average interest rate on the new indebtedness of approximately 4.0%. A hypothetical 1/8% increase or decrease in the expected weighted average interest rate, including from an increase in LIBOR, would increase or decrease interest expense on Beacon's financing by approximately \$1.0 million annually.

For purposes of the Unaudited Pro Forma Condensed Combined Statement of Operations, the combined United States federal and state statutory tax rate of approximately 39% has been applied to the net pro forma adjustments (e) for the year ended September 30, 2015. This does not reflect Beacon's effective tax rate, which includes other tax items such as tax charges or benefits, and does not take into account any historical or possible future tax events that may impact Beacon in the future.

As a result of the RSG Acquisition, Beacon issued 9,037,789 shares of Beacon common stock to the former shareholders of RSG Parent and issued 661,349 stock options in exchange for unvested stock options in RSG (f) Parent. The effect of those issuances have been included in the computation of basic and diluted net income per share as if such shares had been issued as October 1, 2014.





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## **THE EXCHANGE OFFER**

### **Purpose of the Exchange Offer**

On October 1, 2015, we privately placed \$300,000,000 aggregate principal amount of Old Notes in a transaction exempt from registration under the Securities Act. Accordingly, the Old Notes may not be reoffered, resold or otherwise transferred in the United States unless so registered or unless an exemption from the Securities Act registration requirements is available. In the registration rights agreement, we agreed to file a registration statement with the SEC relating to the exchange offer and upon effectiveness of the exchange offer registration statement, promptly commence an exchange offer. In addition, we have agreed to keep the exchange offer open for at least twenty (20) business days after the date on which we mail or send notice of the exchange offer to holders of the Old Notes. The New Notes are being offered under this prospectus to satisfy our obligations under the registration rights agreement.

### **Terms of the Exchange Offer; Period for Tendering Old Notes**

Subject to terms and conditions detailed in this prospectus, we will accept for exchange Old Notes which are properly tendered on or prior to the expiration date and not withdrawn as permitted below. As used herein, the term expiration date means 5:00 p.m., New York City time, on April 19, 2016, the twentieth (20) business day following the date of this prospectus. We may, however, in our sole discretion, extend the period of time during which the exchange offer is open. If extended, the term expiration date means the latest time and date to which the exchange offer is extended.

As of the date of this prospectus, \$300,000,000 aggregate principal amount of Old Notes are outstanding. This prospectus, together with the letter of transmittal and related documentation, is first being sent on or about the date hereof, to all holders of Old Notes known to us.

We expressly reserve the right, at any time, to extend the period of time during which the exchange offer is open, and delay acceptance for exchange of any Old Notes, by giving written notice of such extension to the holders thereof as described below. During any such extension, all Old Notes previously tendered will remain subject to the exchange offer and may be accepted for exchange by us. Any Old Notes not accepted for exchange for any reason will be returned without expense to the tendering holder promptly after the expiration or termination of the exchange offer.

Old Notes tendered in the exchange offer must be in denominations of principal amount of \$2,000 or larger integral multiples of \$1,000.

We expressly reserve the right to amend or terminate the exchange offer, and not to accept for exchange any Old Notes, upon the occurrence of any of the conditions of the exchange offer specified under Conditions to the Exchange Offer. We will give written notice of any extension, amendment, non-acceptance or termination to the holders of the Old Notes as promptly as practicable. Such notice, in the case of any extension, will be issued by means of a press release or other public announcement no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

### **Procedures for Tendering Old Notes**

The tender to us of Old Notes by you as set forth below and our acceptance of the Old Notes will constitute a binding agreement between us and you upon the terms and subject to the conditions set forth in this prospectus and in the accompanying letter of transmittal and related documentation. A holder need not submit a letter of transmittal if the holder tenders Old Notes in accordance with the procedures mandated by DTC's ATOP. To tender Old Notes without submitting a letter of transmittal, the electronic instructions sent to DTC and transmitted to the exchange agent must contain your acknowledgment of receipt of and your agreement to be bound by and to make all of the representations contained in the letter of transmittal. In all other cases, a letter of transmittal must be manually executed and delivered as described in this prospectus.

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Only a holder of record of Old Notes may tender Old Notes in the exchange offer. To tender in the exchange offer, a holder must either:

complete, sign and date the letter of transmittal, or a facsimile of the letter of transmittal, have the signature on the letter of transmittal guaranteed if the letter of transmittal so requires and deliver the letter of transmittal or facsimile, together with the certificates representing the Old Notes specified therein, to the exchange agent on or prior to the expiration date; or

in lieu of delivering a letter of transmittal, instruct DTC to transmit on behalf of the holder a computer-generated message to the exchange agent in which the holder of the Old Notes acknowledges and agrees to be bound by the terms of the letter of transmittal, which computer-generated message (an agent's message) must be received by the exchange agent prior to 5:00 p.m., New York City time, on the expiration date, and comply with DTC's procedures for book entry transfer described below on or prior to the expiration date.

To be tendered effectively, the exchange agent must receive any physical delivery of the letter of transmittal and other required documents at the address set forth below under Exchange Agent before expiration of the exchange offer. To receive confirmation of valid tender of Old Notes, a holder should contact the exchange agent at the telephone number listed under Exchange Agent.

The tender by a holder that is not withdrawn before expiration of the exchange offer will constitute an agreement between that holder and us in accordance with the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal. Only a registered holder of Old Notes may tender the Old Notes in the exchange offer. If a holder completing a letter of transmittal tenders less than all of the Old Notes held by this holder, this tendering holder should fill in the applicable box of the letter of transmittal. The amount of Old Notes delivered to the exchange agent will be deemed to have been tendered unless otherwise indicated.

The method of delivery of Old Notes, letters of transmittal and all other required documents is at your election and risk. If such delivery is by mail, it is recommended that you use registered mail, properly insured, with return receipt requested. In all cases, you should allow sufficient time to assure timely delivery. You may request your broker, dealer, commercial bank, trust company or nominee to effect these transactions for you. No letter of transmittal or Old Notes should be sent to us.

Signatures on a letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed unless the Old Notes surrendered for exchange are tendered:

by a holder of the Old Notes who has not completed the box entitled Special Issuance Instructions or Special Delivery Instructions on the letter of transmittal, or

for the account of an eligible institution (as defined herein).

In the event that signatures on a letter of transmittal or a notice of withdrawal are required to be guaranteed, such guarantees must be by a firm which is a member of the Securities Transfer Agent Medallion Program, the Stock Exchanges Medallion Program or the New York Stock Exchange Medallion Program (each such entity being hereinafter referred to as an eligible institution). If Old Notes are registered in the name of a person other than the signer of the letter of transmittal, the Old Notes surrendered for exchange must be endorsed by, or be accompanied by a written instrument or instruments of transfer or exchange, in satisfactory form as we or the exchange agent determine in our sole discretion, duly executed by the registered holders with the signature thereon guaranteed by an eligible institution.

We in our sole discretion will make a final and binding determination on all questions as to the validity, form, eligibility (including time of receipt) and acceptance of Old Notes tendered for exchange. We reserve the absolute

right to reject any and all tenders of any particular Old Note not properly tendered or to not accept any particular Old Note which acceptance might, in our judgment or our counsel's, be unlawful. We also reserve the absolute right to waive any defects or irregularities or conditions of the exchange offer as to any particular Old Note either before or after the expiration date (including the right to waive the ineligibility of any holder who seeks to tender Old Notes in the exchange offer). Our interpretation of the terms and conditions of the exchange offer as to any particular Old Note either before or after the expiration date

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(including the letter of transmittal and the instructions thereto) will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Old Notes for exchange must be cured within a reasonable period of time, as we determine. We are not, nor is the exchange agent or any other person, under any duty to notify you of any defect or irregularity with respect to your tender of Old Notes for exchange, and no one will be liable for failing to provide such notification.

If the letter of transmittal or any Old Notes or powers of attorney are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing. Unless waived by us or the exchange agent, proper evidence satisfactory to us of their authority to so act must be submitted with the letter of transmittal.

By tendering Old Notes, you represent to us that, among other things, (i) the New Notes acquired pursuant to the exchange offer are being obtained in the ordinary course of business of the person receiving such New Notes, whether or not such person is the holder, (ii) neither the holder nor such other person has any arrangement or understanding with any person to participate in the distribution of the New Notes, (iii) neither you nor, to your knowledge, any other person receive New Notes from you is an affiliate (as defined under Rule 405 of the Securities Act), and (iv) if you are not a broker-dealer, neither you nor, to your knowledge, any other person receiving New Notes from you is engaging or intends to engage in a distribution of the New Notes.

If you are our affiliate, as defined under Rule 405 under the Securities Act, and engage in or intend to engage in or have an arrangement or understanding with any person to participate in a distribution of such New Notes to be acquired pursuant to the exchange offer, you or any such other person:

may not rely on the applicable interpretations of the staff of the SEC; and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Each broker-dealer that receives New Notes for its own account in exchange for Old Notes, where such Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will comply with the applicable provisions of the Securities Act (including, but not limited to, delivery of a prospectus in connection with any resale of such New Notes). See Plan of Distribution. 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.

## **Acceptance of Old Notes for Exchange; Delivery of New Notes**

Upon satisfaction or waiver of all of the conditions to the exchange offer, we will accept, promptly after the expiration date, all Old Notes properly tendered and not validly withdrawn and will issue the New Notes promptly after acceptance of the Old Notes. See Conditions to the Exchange Offer. For purposes of the exchange offer, we will be deemed to have accepted properly tendered Old Notes for exchange if and when we give oral (confirmed in writing) or written notice to the exchange agent.

The holder of each Old Note accepted for exchange will receive a New Note in the amount equal to the surrendered Old Note. Holders of New Notes on the relevant record date for the first interest payment date following the consummation of the exchange offer will receive interest accruing from the most recent date to which interest has been paid on the Old Notes. Holders of New Notes will not receive any payment in respect of accrued interest on Old Notes otherwise payable on any interest payment date, the record date for which occurs on or after the consummation of the exchange offer.

In all cases, issuance of New Notes for Old Notes that are accepted for exchange will be made only after timely receipt by the exchange agent of:

certificates for such Old Notes or a timely book-entry confirmation of such Old Notes into the exchange agent's account at DTC,

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a properly completed and duly executed letter of transmittal or an agent's message in lieu thereof, and all other required documents.

If any tendered Old Notes are not accepted for any reason set forth in the terms and conditions of the exchange offer or if Old Notes are submitted for a greater principal amount than the holder desires to exchange, such unaccepted or non-exchanged Old Notes will be returned without expense to the tendering holder or, in the case of Old Notes tendered by book entry transfer, such non-exchanged Old Notes will be credited to an account maintained with DTC promptly after the expiration or termination of the exchange offer.

## **Book-Entry Transfers**

For purposes of the exchange offer, the exchange agent will request that an account be established with respect to the Old Notes at DTC, unless the exchange agent has already established an account with DTC suitable for the exchange offer. Any financial institution that is a participant in DTC may make book-entry delivery of Old Notes by causing DTC to transfer such Old Notes into the exchange agent's account at DTC in accordance with DTC's procedures for transfer.

Such participant should transmit its acceptance to DTC on or prior to the expiration date. DTC will verify such acceptance, execute a book-entry transfer of the tendered old notes into the exchange agent's account at DTC and then send to the exchange agent confirmation of such book-entry transfer. The confirmation of such book-entry transfer will include an Agent's Message confirming that DTC has received an express acknowledgment from such participant that such participant has received and agrees to be bound by the Letter of Transmittal and that we may enforce the Letter of Transmittal against such participant. Notwithstanding the foregoing, the Letter of Transmittal or facsimile thereof or an Agent's Message, with any required signature guarantees and any other required documents, must be transmitted to and received by the exchange agent at the address set forth below under the heading "The Exchange Agent" on or prior to the expiration date.

## **Withdrawal Rights**

You may withdraw your tender of Old Notes at any time prior to 5:00 p.m., New York City time, on the expiration date. To be effective, the exchange agent must receive a computer-generated notice of withdrawal transmitted by DTC on behalf of the holder in accordance with the standard operating procedures of DTC, or a written or facsimile notice of withdrawal at one of the addresses set forth below under "Exchange Agent." This notice must:

specify the name of the person having tendered the Old Notes to be withdrawn, identify the Old Notes to be withdrawn (including the certificate number(s) of the outstanding Old Notes physically delivered) and aggregate principal amount of such Old Notes, or, in the case of Old Notes transferred by book-entry transfer, the name of the account at DTC,

be signed by the holder of those Old Notes in the same manner as the original letter of transmittal, including any signature guarantees, or be accompanied by evidence satisfactory to us that the person withdrawing the tender has succeeded to the beneficial ownership of the Old Notes,

contain a statement that the holder is withdrawing his election to have the Old Notes exchanged, and specify where certificates for Old Notes have been transmitted (if physically delivered), and the name in which such Old Notes are registered, if different from that of the withdrawing holder.

If certificates for Old Notes have been delivered or otherwise identified to the exchange agent, then, prior to the release of such certificates, the withdrawing holder must also submit the serial numbers of the particular certificates to be withdrawn and a signed notice of withdrawal with signatures guaranteed by an eligible institution, unless such holder is an eligible institution. If Old Notes have been tendered pursuant to the procedure for book-entry transfer

described above, any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn Old Notes and otherwise comply with the procedures of DTC.



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We will make a final and binding determination on all questions as to the validity, form and eligibility (including time of receipt) of such notices. Any Old Notes so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the exchange offer. Any Old Notes tendered for exchange but not exchanged for any reason will be returned to the holder without cost to such holder (or, in the case of Old Notes tendered by book-entry transfer into the exchange agent's account at DTC pursuant to the book-entry transfer procedures described above, such Old Notes will be credited to an account maintained with DTC for the Old Notes promptly after withdrawal, rejection of tender or termination of the exchange offer). Properly withdrawn Old Notes may be retendered by following one of the procedures described under Procedures for Tendering Old Notes above at any time on or prior to the expiration date.

## Conditions to the Exchange Offer

Notwithstanding any other term of the exchange offer, we will not be required to accept for exchange, or issue any New Notes for, any Old Notes, and may terminate or amend the exchange offer before the acceptance of the Old Notes, if:

- (a) we determine that the exchange offer violates any applicable law or applicable interpretation of the staff of the SEC;
- (b) an action or proceeding has been instituted or threatened in any court or by any governmental agency which might materially impair our ability to proceed with the exchange offer, or a material adverse development has occurred in any existing action or proceeding with respect to the Issuer; or
- (c) we determine that we have not obtained all governmental approvals that we deem necessary for the consummation of the exchange offer.

The foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any condition or may be waived by us in whole or in part at any time in our reasonable discretion. Our failure at any time to exercise any of the foregoing rights will not be deemed a waiver of any such right and each such right will be deemed an ongoing right which may be asserted at any time.

In addition, we will not accept for exchange any Old Notes tendered, and no New Notes will be issued in exchange for any such Old Notes, if at such time any stop order is threatened or in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the Indenture under the Trust Indenture Act of 1939. In any such event, we must use commercially reasonable efforts to obtain the withdrawal of any stop order as soon as practicable.

## Exchange Agent

We have appointed U.S. Bank National Association as the exchange agent for the exchange offer. All executed letters of transmittal should be directed to the exchange agent at the address set forth below. Questions, requests for assistance, requests for additional copies of this prospectus or of the letter of transmittal and requests for the notice of guarantee delivery or the notice of withdrawal should be directed to the exchange agent addressed as follows:

## U.S. BANK NATIONAL ASSOCIATION

By Hand, Overnight Delivery or Mail  
(Registered or Certified Mail Recommended):

*By Facsimile Transmission  
(for eligible institutions only):*

U.S. Bank National Association  
60 Livingston Avenue  
St. Paul, MN 55107  
Attention: Specialized Finance

(651) 466-7372  
Attention: Specialized Finance

Fax cover sheets should provide a call-back  
number and request a call back, upon receipt.  
*Confirm receipt by calling:*  
(800) 934-6802

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### **DELIVERY OF THE LETTER OF TRANSMITTAL OR A NOTICE OF WITHDRAWAL TO AN ADDRESS OTHER THAN AS SHOWN ABOVE OR TRANSMISSION VIA FACSIMILE OTHER THAN AS SET FORTH ABOVE DOES NOT CONSTITUTE A VALID DELIVERY OF THE LETTER OF TRANSMITTAL OR A NOTICE OF WITHDRAWAL.**

## **Fees and Expenses**

We will pay the exchange agent customary fees for its services, reimburse the exchange agent for its reasonable out-of-pocket expenses incurred in connection with the provision of these services and pay other registration expenses, including fees and expenses of the trustee under the Indenture relating to the New Notes, filing fees, blue sky fees and printing and distribution expenses. We will not make any payment to brokers, dealers or others soliciting acceptances of the exchange offer.

Additional solicitation may be made by telephone, facsimile or in person by our and our affiliates' officers and regular employees and by persons so engaged by us.

## **Accounting Treatment**

We will record the New Notes at the same carrying value as the Old Notes, as reflected in our accounting records on the date of the exchange. Accordingly, we will not recognize any gain or loss for accounting purposes. The expenses of the exchange offer will be amortized over the term of the New Notes.

## **Consequences of Exchanging or Failing to Exchange Old Notes**

If you do not exchange your Old Notes for New Notes in the exchange offer, your Old Notes will continue to be subject to the provisions of the Indenture relating to the New Notes regarding transfer and exchange of the Old Notes and the restrictions on transfer of the Old Notes described in the legend on your Old Notes. These transfer restrictions are required because the Old Notes were issued under an exemption from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, the Old 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. We do not plan to register the Old Notes under the Securities Act. Based on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties, we believe that the New Notes you receive in the exchange offer may be offered for resale, resold or otherwise transferred without compliance with the registration and prospectus delivery provisions of the Securities Act.

However, you will not be able to freely transfer the New Notes if:

- you are our affiliate, as defined in Rule 405 under the Securities Act;
- you are not acquiring the New Notes in the exchange offer in the ordinary course of your business;
- at the time of commencement of the exchange offer, you or anyone receiving New Notes from you, has any arrangement or understanding with any person to participate in the distribution, as defined in the Securities Act, of the New Notes in violation of the Securities Act; or
- if you are a broker-dealer that will receive the New Notes for your own account in exchange for Old Notes that were acquired by you as a result of your market-making or other trading activities. For further information regarding resales of the New Notes by participating broker-dealers, see the discussion under the caption Plan of Distribution.

We do not intend to request the SEC to consider, and the SEC has not considered, the exchange offer in the context of a similar no-action letter. As a result, we cannot guarantee that the staff of the SEC would make a similar

determination with respect to the exchange offer as in the circumstances described in the no action letters discussed above. Each holder, other than a broker-dealer, must acknowledge that it is not engaged in, and does not intend to engage in, a distribution of New Notes and has no arrangement or understanding to participate in a distribution of New Notes. If you are our affiliate, are engaged in or intend to engage in a distribution of the New Notes or have any arrangement or understanding with respect to the distribution of the New Notes you will receive in the exchange offer, you may not rely on the applicable interpretations of the staff of the SEC and you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction involving the New Notes. If you are a participating

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broker-dealer, you must acknowledge that you will deliver a prospectus in connection with any resale of the New Notes. In addition, to comply with state securities laws, you may not offer or sell the New Notes in any state unless they have been registered or qualified for sale in that state or an exemption from registration or qualification is available and is complied with. The offer and sale of the New Notes to qualified institutional buyers (as defined in Rule 144A of the Securities Act) is generally exempt from registration or qualification under state securities laws. We do not plan to register or qualify the sale of the New Notes in any state where an exemption from registration or qualification is required and not available.

## **Registration Rights Agreement**

When the Old Notes were issued, we entered into a registration rights agreement with the initial purchaser of the Old Notes. In such agreement, we and the subsidiary guarantor agreed for the benefit of the holders of the Old Notes to (1) use our reasonable best efforts to file a registration statement on an appropriate registration form with respect to a registered offer to exchange the Old Notes for New Notes that are guaranteed by the subsidiary guarantor with terms substantially identical in all material respects to the Old Notes (except that the New Notes will not contain terms with respect to transfer restrictions or any increase in annual interest rate), and (2) use our commercially reasonable efforts to cause the registration statement to be declared effective under the Securities Act and complete the exchange offer within 270 days after the issue date of the Old Notes with holders that have elected to exchange their Old Notes for New Notes.

A holder of registrable securities (as defined below) that participates in the exchange offer will be required to make certain representations to us. We will use our commercially reasonable efforts to complete the exchange offer for the Old Notes not later than 60 days after the exchange offer registration statement of which this prospectus forms a part becomes effective with holders that have elected to exchange Old Notes for New Notes. Under existing interpretations of the SEC contained in several no-action letters to third parties, the New Notes will generally be freely transferable after the exchange offer without further registration under the Securities Act, except that any broker-dealer that participates in the exchange must deliver a prospectus meeting the requirements of the Securities Act when it resells the exchange notes. In addition, under applicable interpretations of the staff of the SEC, our affiliates will not be permitted to exchange Old Notes for registered New Notes in the exchange offer.

If we determine that a registered exchange offer is not available or may not be completed as soon as practicable after the last date for acceptance of notes for exchange because it would violate any applicable law or applicable interpretations of the staff of the SEC or, if for any reason the exchange offer is not completed by June 27, 2016, which is 270 days after the issue date of the Old Notes, or, under certain other circumstances, any initial purchaser so requests, we and the subsidiary guarantor will use our reasonable best efforts to file and commercially reasonable efforts to have become effective a shelf registration statement relating to resales of the Old Notes and to keep that shelf registration statement effective until the date that the Old Notes cease to be registrable securities. We and the subsidiary guarantor will, in the event of such a shelf registration, provide to each participating holder of notes copies of a prospectus, notify each participating holder of Old Notes when the shelf registration statement has become effective and take certain other actions to permit resales of the Old Notes. A holder of registrable securities that sells notes under the shelf registration statement generally will be (i) required to make certain representations to us, (ii) required to be named as a selling security holder in the related prospectus and to deliver a prospectus to purchasers, (iii) subject to certain of the civil liability provisions under the Securities Act in connection with those sales and (iv) bound by the provisions of the registration rights agreement that are applicable to such a holder of registrable securities (including certain indemnification obligations). Holders of registrable securities will also be required to suspend their use of the prospectus included in the shelf registration statement under specified circumstances upon receipt of notice from us.

If a registration default occurs with respect to registrable securities, then additional interest shall accrue on the principal amount of the Old Notes that are registrable securities at a rate of 0.25% per annum for the first 90-day period beginning on the day immediately following such registration default (which rate will be increased by an additional 0.25% per annum for each subsequent 90-day period until and including the date such registration default ends, up to a maximum increase of 1.00% per annum). The additional interest will cease to accrue when the registration default is cured. A registration default occurs if (1) we have not exchanged New Notes for all Old Notes validly tendered in accordance with the terms of the exchange offer

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on or prior to June 27, 2016, which is the 270<sup>th</sup> day after the issuance of the Old Notes; (2) a shelf registration statement is required because an exchange offer registration statement on Form S-4 is not available or the exchange offer may not be completed under applicable law or interpretations of the staff of the SEC and such shelf registration statement is not declared effective prior to June 27, 2016; (3) a shelf registration statement is requested by an initial purchaser pursuant to the terms of the registration rights agreement and such shelf registration statement is not declared effective, on or prior to the later of (a) June 27, 2016 and (b) the 90<sup>th</sup> day after delivery of such shelf registration request; (4) if applicable, a shelf registration statement covering resales of the Old Notes has been declared effective and such shelf registration statement ceases to be effective or the prospectus contained therein ceases to be usable for resales of the Old Notes at any time during the required effectiveness period, and such failure to remain effective or be usable exists for more than 30 days (whether or not consecutive) in any 12-month period; or (5) if applicable, a shelf registration statement covering resales of the Old Notes has been declared effective and such shelf registration statement ceases to be effective or the prospectus contained therein ceases to be usable for resales of the Old Notes on more than two occasions in any 12-month period during the required effectiveness period.

The registration rights agreement defines registrable securities initially to mean the Old Notes. The Old Notes will cease to be registrable securities upon the earliest to occur of (1) when a registration statement with respect to such Old Notes has become effective under the Securities Act and such Old Notes have been exchanged or disposed of pursuant to such registration statement; (2) when such Old Notes cease to be outstanding; or (3) when such Old Notes are sold pursuant to Rule 144 under the Securities Act.

The foregoing description is a summary of material provisions of the registration rights agreement. It does not restate that agreement in its entirety. We urge you to read the registration rights agreement in its entirety because it, and not this description, defines your registration rights as holders of the Old Notes. A copy of the registration rights agreement is incorporated by reference herein as an exhibit to the registration statement of which this prospectus forms a part and is available from us upon request (see Where You Can Find More Information ).

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## DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

*The following is a summary of certain provisions of the instruments evidencing our material indebtedness. This summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of the agreements, including the definitions of certain terms therein that are not otherwise defined in this prospectus.*

### **New Senior Secured Credit Facilities**

Concurrently with the issuance of the Old Notes, we entered into new credit agreements governing the terms of our New Senior Secured Credit Facilities, consisting of (i) the ABL Facility, a new senior secured asset-based revolving credit facility, with certain subsidiaries of the Issuer as borrowers, the Issuer as guarantor, Wells Fargo Bank, National Association, as administrative agent and collateral agent, and the lenders and financial institutions party thereto from time to time, and (ii) the Term Loan B Facility, a new senior secured term loan B facility, with the Issuer as borrower, certain subsidiaries of the Issuer as guarantors, Citibank, N.A. as administrative agent and collateral agent, and the lenders party thereto from time to time. The following is a summary description of certain terms of the New Senior Secured Credit Facilities, and is qualified in its entirety by reference to the credit agreements governing the terms of the New Senior Secured Credit Facilities, each of which is incorporated by reference herein as an exhibit to the registration statement of which this prospectus forms a part. See [Where You Can Find More Information](#).

The ABL Facility had an initial commitment of \$700 million and the Term Loan B Facility had an initial commitment of up to \$450 million. The proceeds from the New Senior Secured Credit Facilities were used to (i) provide working capital and funds for other general corporate purposes of the Combined Company, (ii) refinance or otherwise extinguish all third-party indebtedness for borrowed money under Beacon's and RSG's existing senior secured credit facilities and RSG's unsecured senior notes due 2020, (iii) pay all of the cash consideration to RSG Parent stockholders required under the Merger Agreement, (iv) cash collateralize, replace or provide credit support for existing letters of credit outstanding on the closing date of the RSG Acquisition under the existing Beacon and RSG senior secured credit facilities and (v) pay fees and expenses associated with the RSG Acquisition Transactions.

### **Maturity; Mandatory Prepayments**

The ABL Facility is required to be prepaid to the extent extensions of credit thereunder exceed the applicable borrowing base. In addition, if excess availability as determined by reference to a borrowing base falls below a specified threshold or if certain events of default occur under the ABL Facility, all cash proceeds of collateral pledged under the ABL Facility will be applied to repay the ABL Facility or secure certain obligations thereunder, subject to the right to reborrow thereafter under the ABL Facility. The Company may voluntarily repay and reborrow outstanding loans under the ABL Facility at any time without a premium or penalty, other than customary breakage costs with respect to LIBOR loans. The ABL Facility will mature five years from the closing of the offering, on October 1, 2020.

The Term Loan B Facility incurred under the New Senior Secured Credit Facilities will mature seven years from the closing of the offering, on October 1, 2022.

Subject to certain exceptions, the Term Loan B Facility is subject to mandatory prepayments, including in amounts equal to:



100% of the net cash proceeds from issuances or the incurrence of debt by the Combined Company or any of its subsidiaries (other than certain indebtedness permitted by the Term Loan B Facility);

100% of the net cash proceeds from all non-ordinary course sales or other dispositions of assets (including as a result of the sale of equity securities of any subsidiary of the Combined Company to a third-party and insurance and condemnation proceeds) by the Combined Company or any of the subsidiary guarantors in excess of a certain amount and subject to customary reinvestment provisions and certain other exceptions; and

50% (with stepdowns to 25% and 0% based upon achievement of specified senior secured leverage ratio) of annual excess cash flow of the Combined Company and its subsidiaries, subject to customary exceptions and limitations.

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**Security; Guarantees**

Borrowings under the Term Loan B Facility are guaranteed by certain of the Issuer's domestic subsidiaries, which subsidiaries also guarantee the Old Notes and will guarantee the New Notes. Borrowings under the ABL Facility are guaranteed by the Issuer and will be guaranteed by any future domestic subsidiaries that guarantee the New Notes and the Term Loan B Facility, except that Beacon Canada, Inc. (a domestic subsidiary with no material assets other than stock in a foreign subsidiary) will guarantee the borrowings under the ABL Facility by the Canadian subsidiaries of the Issuer but does not guarantee the Old Notes or borrowings under the Term Loan B Facility, and will not guarantee the New Notes. Borrowings under the ABL Facility by Canadian subsidiaries of the Issuer are guaranteed by the Issuer and Beacon Canada, Inc. and will be guaranteed by any future domestic subsidiaries that guarantee the New Notes and the Term Loan B Facility and by certain foreign subsidiaries (as defined in the Description of New Notes) (and any such foreign subsidiary will not guarantee the New Notes or borrowings under the Term Loan B Facility.) All domestic subsidiaries providing guarantees will do so on a joint and several, irrevocable and unconditional basis as a primary obligor and not merely as a surety.

The ABL Facility is secured by a first priority lien over substantially all of the Combined Company's and each guarantor's accounts and other receivables, chattel paper, deposit accounts and securities accounts and inventory (as well as intangibles, books, records and documents related thereto), subject to certain exceptions (the ABL Priority Collateral) and a second priority lien over substantially all of the Combined Company's and each guarantor's other assets (including all of the capital stock of the domestic guarantors), subject to certain exceptions (the Term Priority Collateral). The Term Loan B Facility will be secured by a first priority lien on the Term Priority Collateral and a second priority lien on the ABL Priority Collateral. Certain excluded assets will not be included in the Term Priority Collateral and the ABL Priority Collateral.

**Interest**

At the Issuer's election, the interest rate per annum applicable to initial loans issued under the Term Loan B Facility is based on a fluctuating rate of interest determined by reference to either (i) a base rate determined by reference to the highest of (a) the rate last publically announced by the administrative agent as its prime rate, (b) the federal funds rate plus 0.50%, (c) (x) the London interbank offered rate (LIBOR) applicable for an interest period of one month, plus (y) 1.00% and (d) 2.00%, in each case, plus an applicable margin or (ii) the higher of (x) LIBOR and (y) 1.00% per annum, in each case, plus an applicable margin.

At the Issuer's election, the interest rate per annum applicable to loans issued under the ABL Facility is based on a fluctuating rate of interest determined by reference to (i) in the case of revolving loans in U.S. Dollars, either (a) a base rate determined by reference to the highest of (x) the federal funds rate plus 0.50%, (y) (1) the LIBOR rate applicable for an interest period of one month, plus (2) 1.00% and (z) the prime rate publicly announced by the administrative agent, in each case, plus an applicable margin or (b) an adjusted LIBOR rate determined by reference to the higher of (x) LIBOR and (y) 0%, in each case, plus an applicable margin and (ii) in the case of revolving loans in Canadian Dollars, either (a) a base rate determined by reference to the higher of (x) the prime rate for Canadian dollar commercial loans made in Canada as reported by certain services or sources and (y) the 30 day Bankers' Acceptances rate (the BA rate) quoted from time to time, plus 1.00% or (b) the BA rate, in each case, plus an applicable margin.

**Fees**

We pay certain recurring fees with respect to the New Senior Secured Credit Facilities and will continue to do so, including, (i) fees on the unused commitments of the lenders under the ABL Facility, (ii) upfront fees for the lenders

under the Term Loan B Facility, (iii) letter of credit fees on the aggregate face amounts of outstanding letters of credit plus a fronting fee to the issuing bank under the ABL Facility and (iv) administration fees. Under the Term Loan B Facility, any repayment or prepayment of the term loans pursuant to a refinancing at a lower effective yield than the term loans that occurs prior to a date that is six months after the closing of the offering will require a payment of a fee in an amount equal to 1.00% of the aggregate principal amount of the loans so repaid or prepaid under the Term Loan B Facility.

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### **Covenants**

The New Senior Secured Credit Facilities contain a number of customary affirmative and negative covenants that, among other things, will limit or restrict the ability of the Combined Company and the guarantors to:

- incur additional indebtedness (including guarantee obligations);
- incur liens;
- engage in mergers or other fundamental changes;
- sell certain property or assets;
- pay dividends or other distributions;
- make acquisitions, investments, loans and advances;
- prepay certain indebtedness;
- change the nature of their business;
- engage in certain transactions with affiliates; and

incur restrictions on contractual obligations limiting interactions between the Combined Company and its subsidiaries or limit actions in relation to the New Senior Secured Credit Facilities.

In addition, the ABL Facility contains a springing financial covenant that requires the Combined Company, after failure to maintain a specified minimum amount of the Combined Company's availability to borrow under the ABL Facility, to comply with a minimum fixed charge coverage ratio (Consolidated EBITDA less capital expenditures to Consolidated Fixed Charges (each as defined in the ABL Facility)) of 1.00 to 1.00. Under the ABL Facility, Consolidated EBITDA includes additional add-backs to net income for certain costs, fees, taxes, losses, charges, write-offs, write-downs and expenses and Consolidated Fixed Charges include cash interest expenses, scheduled principal payments in respect of indebtedness, income taxes paid in cash, and certain restricted payments.

### **Events of Default**

The New Senior Secured Credit Facilities contain customary events of default, including with respect to nonpayment of principal, interest, fees or other amounts; material inaccuracy of a representation or warranty; failure to perform or observe covenants; bankruptcy and insolvency events; material monetary judgment defaults; cross-defaults to other material indebtedness; actual or asserted invalidity or impairment of any material definitive loan documentation; and change of control. If an event of default relating to certain events of bankruptcy, insolvency or reorganization of the Company occurs, the obligations under the Term Loan Credit Facility will become immediately due and payable without any declaration or other act on the part of the administrative agent any lender.

### **Availability**

The availability of the New Senior Secured Credit Facilities is subject to a number of conditions. To the extent that any of these conditions are not satisfied, the New Senior Secured Credit Facilities may not be available on the terms described herein.

### **Old Notes**

On October 1, 2015, the Issuer issued \$300.0 million aggregate principal amount of senior notes due October 1, 2023. The Old Notes bear interest at a rate of 6.375% per year, payable semi-annually in arrears on April 1 and October 1 of each year, beginning on April 1, 2016. The Old Notes are jointly and severally and fully and unconditionally guaranteed by all of the Issuer's subsidiaries that guarantee the Term Loan B Facility.

At any time prior to October 1, 2018, the Issuer may redeem some or all of the existing notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the date of redemption, plus a make-whole premium. The redemption price during each

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of the twelve-month periods commencing on October 1, 2018 is 104.781%, 103.188%, 101.594 and 100.000% of the principal amount plus accrued and unpaid interest thereon, respectively.

Upon the occurrence of a change of control, the holders of the existing notes will have the right to require the Issuer to make an offer to repurchase each holder s existing notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest.

The Old Notes contain covenants limiting, among other things, Beacon s and its restricted subsidiaries ability to incur more indebtedness or issue certain preferred shares, pay dividends, redeem stock or make other distributions, make investments, create restrictions on the ability of our restricted subsidiaries to pay dividends to us or make other intercompany transfers, create liens, transfer or sell assets, merge or consolidate, enter into certain transactions with our affiliates and designate subsidiaries as unrestricted subsidiaries. The Old Notes also contain customary events of default.

## Other Indebtedness

### Equipment Financing Facilities

As of December 31, 2015, there was a total of \$24 million outstanding under our equipment financing facilities, with fixed interest rates ranging from 2.33% to 4.49% and monthly principal and accrued interest payments due through September 2021. Beacon s prior equipment financing facility matured on October 1, 2014. No further amounts can be drawn under our existing equipment financing facilities. Beacon s obligations under the equipment financing facilities are collateralized by specific transportation and material handling equipment. As of December 31, 2015, we were in compliance with all our covenants under the equipment financing facilities.

### Capital Leases

In connection with the RSG Acquisition, we assumed various capital lease agreements for the purchase of vehicles and equipment from RSG. At December 31, 2015, we had \$26 million of outstanding capital lease obligations. The terms of these agreements range from five to eight years. The gross amount of these capital leases was \$36 million as of December 31, 2015. The related amount of accumulated amortization was \$10 million as of December 31, 2015.

Scheduled maturities under our capital lease agreements as of December 31, 2015 are as follows (in thousands):

	Amount (In thousands)
2016	4,601
2017	5,362
2018	5,423
2019	5,962
2020	3,238
Thereafter	1,487
	\$ 26,073



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## DESCRIPTION OF NEW NOTES

### General

The Old Notes were, and the New Notes will be, issued under the Indenture, dated as of October 1, 2015 (the Indenture ), among the Company, as issuer, the Subsidiary Guarantors and U.S. Bank National Association, as trustee (the Trustee ). Therefore, as used in this description, the terms Issue Date and date of the Indenture refer to October 1, 2015, the date on which the Old Notes were issued.

Pursuant to a registration rights agreement that the Company entered into at the closing of the offering of the Old Notes (the Notes Registration Rights Agreement ), the Company agreed to file an exchange offer registration statement for the New Notes or, under specified circumstances, a shelf registration statement with the SEC with respect to the Old Notes. See Exchange Offer; Registration Rights. Upon the effectiveness of the exchange offer registration statement of which this prospectus forms a part, the Indenture will be qualified under the Trust Indenture Act of 1939, as amended (the TIA ), and will be subject to, and governed by, the TIA.

The Indenture and the Old Notes contain, and the New Notes will contain, provisions that define your rights and govern the obligations of the Company under the Notes. The following is a summary of certain provisions of the Indenture and the Notes. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the Indenture and the Notes, including the definitions of certain terms therein and (in the case of the Indenture) those terms to be made a part thereof by the TIA. Copies of the forms of the Indenture and the New Notes will be made available to prospective purchasers of the New Notes upon request, when available, and are also incorporated by reference herein as exhibits to the registration statement of which this prospectus forms a part. See Where You Can Find More Information.

You will find the definitions of certain capitalized terms used in this Description of New Notes under the heading Certain Definitions. Any reference to the Company in this Description of New Notes refers only to the Issuer and not to any of its Subsidiaries, unless the context otherwise requires. Any reference to a Holder or a Noteholder in this Description of New Notes refers to the Holders of the Notes. Any reference to Notes or a class of Notes in this Description of New Notes refers to the Notes as a class. When we refer to the Notes in this description, the term includes the Old Notes, the New Notes and any Additional Notes as defined herein. Any reference to Subsidiary Guarantee includes any guarantee by a Subsidiary Guarantor of the Notes.

### Brief Description of Ranking of the New Notes

The New Notes will be:

unsecured Senior Indebtedness of the Company;  
pari passu in right of payment with all existing and future Senior Indebtedness of the Company;  
senior in right of payment to all future Subordinated Obligations of the Company;  
effectively subordinated to all secured Indebtedness and other secured liabilities of the Company to the extent of the value of the assets securing such Indebtedness or other liabilities; and  
structurally subordinated to all Indebtedness and other liabilities of the Company's Subsidiaries that are not Subsidiary Guarantors.

### Brief Description of Ranking of the Subsidiary Guarantees



On the date the New Notes are first issued, each Restricted Subsidiary that guarantees payment by the Company or any Subsidiary Guarantor of any Indebtedness of the Company or such Subsidiary Guarantor under the Senior Term Facility will guarantee payment of the New Notes under the Indenture. As of such issue date, there will be two Foreign Subsidiaries that do not guarantee the New Notes (or the Senior Term Facility). As of such issue date, there will be no Unrestricted Subsidiaries.

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The Subsidiary Guarantees of each Subsidiary Guarantor in respect of the New Notes will be:

unsecured Senior Indebtedness of such Subsidiary Guarantor;  
pari passu in right of payment with all existing and future Senior Indebtedness of such Subsidiary Guarantor;  
senior in right of payment to all future Subordinated Obligations of such Subsidiary Guarantor;  
effectively subordinated to all secured Indebtedness and other secured liabilities of such Subsidiary Guarantor to the extent of the value of the assets securing such Indebtedness or other liabilities; and  
structurally subordinated to all Indebtedness and other liabilities of the Subsidiaries of such Subsidiary Guarantor that are not Subsidiary Guarantors.

For the fiscal year ended September 30, 2015, after giving pro forma effect to the RSG Acquisition Transactions, the two Subsidiaries of the Company that will not be Subsidiary Guarantors as of the date the New Notes are first issued represented \$3.0 million, or approximately 8.4%, of pro forma net income. For the three months ended December 31, 2015, such Subsidiaries represented \$0.5 million, or approximately 7.6%, of net income. As of December 31, 2015, these two non-Subsidiary Guarantors represented \$97.4 million, or approximately 3.3%, of total assets, and \$58.5 million, or approximately 3.3%, of total liabilities, \$7.2 million of which was indebtedness.

### **Principal, Maturity and Interest**

The New Notes will mature on October 1, 2023. The New Notes will bear interest at the rate of 6.375% per annum from April 1, 2016, or from the most recent date to which interest has been paid or provided for. Interest will be payable in cash semiannually in arrears to Holders of record at the close of business on the March 15 or September 15 immediately preceding the interest payment date on April 1 and October 1 of each year, commencing October 1, 2016. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. If the maturity date or any earlier payment date for a Change of Control Offer or redemption falls on a day that is not a Business Day, the related payment of principal and interest will be made on the next Business Day as if it were made on the date such payment was due, and no interest will accrue on the amounts so payable for the period from and after such date to the next Business Day.

Additional interest may accrue on the Notes in certain circumstances pursuant to the Notes Registration Rights Agreement and, except where the context otherwise requires, all references to interest contained herein shall be deemed to include such additional interest. See Exchange Offer; Registration Rights.

The New Notes will be issued initially in an aggregate principal amount of up to \$300 million. From time to time the Company may issue additional notes (Additional Notes) having identical terms and conditions to the New Notes offered hereby, other than the issue date, the issue price and, in certain circumstances, the date from which interest will accrue; provided, however, that the Company will only be permitted to issue such Additional Notes if at the time of and after giving effect to such issuance, the Company and its Restricted Subsidiaries are in compliance with the covenant set forth under Certain Covenants Limitation on Indebtedness. The New Notes offered hereby and any Additional Notes will constitute a single class for all purposes under the Indenture, including waivers, amendments, redemptions and offers to purchase; provided, however, that in the event any Additional Notes are not fungible with the New Notes offered hereby for U.S. federal income tax purposes, such non-fungible notes will be issued with a separate CUSIP number or ISIN so they are distinguishable from the New Notes offered hereby.

### **Other Terms**

Principal of (and premium, if any) and interest on the New Notes will be payable, and the New Notes may be exchanged or transferred, at the office or agency of the Company maintained for such purposes (which initially shall be the corporate trust office of the Trustee), except that, at the option of the Company, payment of interest may be

made by wire transfer of immediately available funds to the account designated to the Company by the Person entitled thereto or by check mailed to the address of the registered Holders of the New Notes as such address appears in the New Notes register.

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The New Notes will be issued in the form of global notes that will be deposited upon issuance with the Trustee as custodian for The Depository Trust Company (DTC), and purchasers of New Notes will not receive or be entitled to receive physical, certificated New Notes (except in the very limited circumstances described herein). Principal of (and premium, if any) and interest on New Notes in global form registered in the name of or held by DTC or its nominee will be payable in immediately available funds to DTC or its nominee, as the case may be, as the registered Holder of such global New Note.

The New Notes will be issued only in fully registered form, without coupons. The New Notes will be issued only in minimum denominations of \$2,000 (the Minimum Denomination) and any integral multiple of \$1,000 in excess thereof.

**Optional Redemption**

The Company may redeem the Notes, at the Company's option, at any time prior to maturity at varying redemption prices in accordance with the applicable provisions set forth below.

The Company may redeem the Notes, at the Company's option, in whole or in part, at any