

PALMER G. LEWIS CO., INC. 1983 ANNUAL REPORT

ANNUAL REPORTS  
Palmer G. Lewis Co., Inc. 1983Foster Business Library  
University of Washington

Lewis (Palmer

For 44 years we've been distributing a diversified line of building materials.

We are steadily growing and steadily strengthening that vital link between hundreds of manufacturers and thousands of our customers.



PALMER G. LEWIS  
525 C STREET NORTHWEST  
AUBURN, WASHINGTON 98002

March 21, 1984

Mr. Robert D. Peterson  
Chairman and C.E.O.  
Palmer G. Lewis Co., Inc.  
P.O. Box 1049  
Auburn, WA 98071-1049

Dear Bob:

As I approach my 80th birthday, a few days hence, I am prompted to make a few changes in my affairs so as to allow me more time to engage (or not engage, as the spirit moves this old boss wrangler) in some other activities. Consequently I am, by this letter, tendering my resignation as a member of the corporate board of directors of the company effective May 30, 1984.

I would like to be notified of all future board meetings ... the dates and places so that I may attend them if I desire. I realize, of course, that I would have no vote or "say" as an observer. I would like, however, to retain my position as Chairman Emeritus, if agreeable with you.

The success of this company has been due more to your leadership and navigation through some rough and uncharted business seas than anyone else, and I count the day, 38 years ago, when you said "Yes" to my proposal to join the then struggling, mouse-power sized outfit, as one of the most fortunate days of my life.

Sincerely,  
  
Palmer G. Lewis



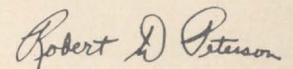
#### SPECIAL NEWS FROM OUR COMPANY FOUNDER

I received the above personal letter from Palmer on March 21 and decided to share it with all our stockholders—simply because its style is so typical of this gentleman. I've accepted his resignation from the board—only because he definitely wanted to make this change now. He will retain his position as Chairman Emeritus and, knowing him so well, I'm sure he'll be sharing his experience, wit, and humor with us at many, many more board meetings.

Palmer, a life-time resident of the Greater Seattle area, graduated from the University of Washington with a degree in Civil Engineering. He originally established his company in 1940—doing business in Alaska. The company has grown from a one-man operation to a firm that offers secure employment to over 400 families. Palmer served in the U.S. Army Air Corps from 1942 to 1945. At the end of World War II, he returned to his company and really started the ball rolling.

I have often thought how lucky I was to become associated with Palmer so long ago. He's a real motivator and has consistently set a wonderful example for me, and all others, to follow. In short, he has always been a real leader! I assure you that Palmer continues to sustain a keen interest in all company matters and in his fellow man. His sense of humor is also just as sharp as ever.

John Anderson will be nominated in our Proxy Statement to fill Palmer's position on the board. John rose through the ranks of the Olympic Stain Co., becoming president in 1960. That company was purchased by Comerco Co. in 1969 who, in turn, sold it to the Clorox Co. in 1981. John, currently president of Seattle Pacific Sales Co., is a long-time PGL stockholder and a highly regarded businessman. Palmer agrees wholeheartedly in the choice.



## FINANCIAL HIGHLIGHTS

Years Ended	Jan. 27, 1984	Jan. 28, 1983	% Change
Net Sales	\$121,043,541	\$103,496,694	17
Net Income	\$ 1,820,177	\$ 678,228	168
Net Income Per Share	\$ .70	\$ .36	94
Cash Dividends	\$ .28	\$ .27	4
Stock Dividends	4%	4%	—
Total Assets	\$ 42,489,908	\$ 38,965,705	9
Stockholders' Equity	\$ 27,028,707	\$ 16,489,779	64
Average Shares Outstanding	2,615,023	1,904,493	37

Net income per share and average shares outstanding during the year have been adjusted for the 4% stock dividend paid in September 1983 and September 1982.

## THE COMPANY

Palmer G. Lewis Co., Inc. is one of the largest independent wholesale distributors of a full line of building materials in the western United States. The company distributes the products of more than 300 different manufacturers to more than 3,000 customers through its 16 warehouse service centers in Washington, Alaska, Oregon, California, Nevada and Idaho. The company also operates Cochrane Northwest, Inc., serving the floor covering and high pressure laminate market with four locations in Washington. Truck Service, Inc., a truck maintenance shop in Kent, Washington, is also a subsidiary.

## CONTENTS

Financial Highlights	1
Message to PGL Stockholders	3
Management's Discussion and Analysis	7
Selected Consolidated Financial Information	12
Ten Year Review	13
Consolidated Balance Sheets	14
Consolidated Statements of Income	16
Consolidated Statements of Stockholders' Equity	17
Consolidated Statements of Changes In Financial Position	18
Notes to Consolidated Financial Statements	19
Board of Directors	24
Management and Service Center Locations	24



## QUARTERLY STOCK PRICES

The Company's Common Stock is traded on the Over-The-Counter market under the NASDAQ symbol LWIS. The following table shows the cash dividends paid or declared and the closing high and low bid prices for the PGL Common Stock for each fiscal quarter of 1984 and 1983 as reported by NASDAQ (prices after November 22, 1983 are the high and low selling prices, as now reported for National Market Issues). Bid prices and dividends per share have been adjusted for 4% stock dividends in September, 1982 and September, 1983, and rounded to the nearest  $\frac{1}{8}$ .

Fiscal Period	Bid Price		Dividends Per Share
	High	Low	
1983 1st Quarter	\$ 7	\$ 6	\$.06
2nd Quarter	$6\frac{1}{2}$	$5\frac{1}{2}$	.07
3rd Quarter	$8\frac{3}{4}$	$5\frac{3}{4}$	.07
4th Quarter	$10\frac{3}{4}$	$7\frac{7}{8}$	.07
1984 1st Quarter	$13\frac{1}{2}$	$10\frac{1}{2}$	.07
2nd Quarter	$13\frac{7}{8}$	$9\frac{7}{8}$	.07
3rd Quarter	$10\frac{3}{4}$	$9\frac{1}{8}$	.07
4th Quarter	$10\frac{7}{8}$	$8\frac{3}{4}$	.07



## "GOOD MORNING PALMER G. LEWIS CO."

The cycle of distribution at the wholesale level may begin with a phone call from a Retailer to place an order. The call is received and transferred to the Inside Sales Department for entry into the system.

### MESSAGE TO PGL STOCKHOLDERS

1983 was certainly a challenging—but very interesting—year. While the final results came in a little below our original expectations, the sales figure of \$121 million was 17% over the previous year. This set a new record high for the company. Our net income totaled \$1,820,000—representing a substantial increase of 168% over the previous year. However, our per share earnings increase was not as dramatic—due to the 880,000 share common stock offering last April.

There isn't any doubt that our last public stock offering, on April 28, 1983, has really positioned PGL Company for faster growth in the years ahead. Basically, the offering resulted in an additional \$9½ million being invested in our company by shareholders from all over the U.S.A. This has created a much wider distribution of PGL stock. The end result was substantially improved marketability for PGL shares, combined with a large increase in the trading volume of the shares. As a result of the increased volume, PGL stock began trading on the NASDAQ National Market System last November. The inclusion of PGL in this new system definitely offers lasting benefits to our company and its shareholders.

The additional \$9½ million equity investment in PGL has drastically reduced the company's debt load, both short and long-term. Our company's balance sheet is now one of the strongest in our industry, and the stage is properly set for continued growth.

During the second half of 1983, we were constantly alert for acquisitions in our industry, however, we certainly weren't chasing them. Above all, we felt that any acquisition would definitely have to "fit" our company's style and people. Most important of all, we wanted any acquisition to be a positive factor in the growth of both current and future sales and profits. As this message is written, we

have negotiated preliminary agreements to acquire two other distributors within our present trading area. Both will be a wonderful fit for PGL, and we're confident that the acquisitions will be beneficial to the stockholders and employees of both firms. The larger of the two is Seattle-Pacific Sales Company. Sea-Pac is a top quality firm that distributes floor covering and appliances through 5 different locations in a trading area identical to our own. Their current sales volume is about \$35 million, and they expect to grow just as fast as PGL in the future. Their balance sheet is also extremely strong. Hopefully the acquisition will be completed by early May.

We have also reached a preliminary agreement with G. H. Foster Inc. of Medford, Oregon, to acquire its assets and property. G. H. Foster Inc. is a well-regarded distributor of building materials in southern Oregon and northern California, with annual sales of approximately \$4 million. Frankly, Medford is an area that has long been targeted for an additional PGL service center. Its strategic location, near I-5, and quite close to the Oregon-California border, will provide a productive link in PGL's west coast distribution pattern. We are confident that the addition of the Medford facility will allow both our California and Oregon divisions to increase their sales and truck efficiency—and, therefore, their profits. The completion of the G. H. Foster Inc. acquisition is scheduled for the latter part of June.

PGL Company has now been in existence for nearly 45 years. Over those many decades, with the exception of the depressed '80-'82 years, our company maintained an average annual compound growth rate of approximately 17%-18%—which meant that we doubled our size about every 4 or 5 years. During these past decades, there have definitely been





Sales are generated at the customer's place of business by the company's field sales representatives. The sales order is entered into the central computer by a remote entry device. The customer is provided with an acknowledgment copy of the order, indicating if the material is available from warehouse inventory, how much it will cost, and when it will be delivered.

times when business really got tough! And the '80-'82 span was a classic example. Nevertheless, PGL always got through those periods by paying attention to the basics—and doing what good, common-sense told us to do! As a result, we've always emerged from the "trying times" a better company than ever! And that's exactly what we've recently accomplished.

The question, uppermost in every investor's mind, is simply this: can PGL get back on its superior growth track? Can we keep PGL Company growing in the future? There isn't any doubt in our mind that we can and will. One of the most important reasons—which is still not really recognized in the general investment community—is that the wholesale distribution field is really an industry in its own right. A recent responsible study, conducted by Arthur Andersen & Co., indicated that the wholesale distribution channel will expand more rapidly in the future than the rest of the economy. Furthermore, merchant wholesale distributors, like PGL, will continue to increase their share of that huge distribution industry. For example, merchant wholesale distributors, in all lines of merchandise, accounted for 51% of the total volume of goods and commodities that moved through distribution channels in 1972. The study indicated that this share will grow to 58% in 1990. To put that number in perspective, each "percentage point" of the market share in 1990 will represent approximately \$30 billion in sales volume! In a nutshell, PGL establishes the market connection between hundreds of suppliers on one side and thousands of end users on the other side. Our durability stems from our ability to adjust to change. Our growth potential stems, to a large degree, from the "value-added" services that we provide our customers in the areas of marketing, financing, and logistics.

Another intangible, but very important reason for our confidence in sustained growth, is the "people factor." We're a down-to-earth company that believes businesses can still succeed because they have employees who really believe in their company—folks who are really willing to

put out, and sustain, a 110% effort when it's called for. This is the type of effort that has always pulled our company through the rocky spots. No matter how large PGL gets, that "people factor" will undoubtedly determine whether we can continue to stand out from the crowd. That's why we're extra proud of the fact that close to 75% of our employees are continuing participants in our employee stock purchase plan.

How do we see 1984 and, also, the years ahead? First of all, we are budgeting for another substantial increase, in both sales and profits, in 1984. We've established our '84 sales goal, without any consideration for acquisitions, at approximately \$142 million. That figure would represent a 17% increase over 1983. Beyond that point, we anticipate that our company's sales volume will pass the \$200 million mark within the next 2 years. And you can be sure we'll be doing all we can to sustain our growth in the years beyond.

In looking back, the calendar year 1981 definitely marked the bottom for PGL. 1982 was a little better, and last year, 1983, represented a good step forward. We expect to take an even bigger step forward in 1984. And we continue to tell our employees that the road up ahead is going to keep climbing to higher and higher heights. In conclusion, we wish to express our sincere thanks to all of our supporters—to our employees, to our customers, to our suppliers, and to our thousands of stockholders throughout the country. We're going to keep trying very hard to produce the kind of results that you're expecting.

*Robert D. Peterson*

Robert D. Peterson  
Chairman and Chief Executive Officer

*Richard E. Lundgren*

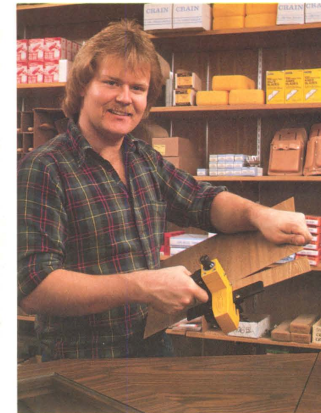
Richard E. Lundgren  
President and Chief Operating Officer



Richard E. Lundgren, Robert D. Peterson







Cochrane Northwest Inc. specializes in serving the high pressure laminate and floor covering accessory market. Here a warehouse counterperson demonstrates a special cutter used to trim a sheet of high pressure laminate for a counter top installation.

A "pick ticket" is printed in the warehouse at the location from which the order is to be filled. Once the order is filled it may be picked up by the customer, or delivered by PGL truck.

#### MANAGEMENT'S DISCUSSION AND ANALYSIS

##### Operations

Sales for Fiscal 1984 reached \$121 million, a new record, up 17% from the \$103.5 million for Fiscal 1983. Fiscal 1983 represented a 7% drop in sales from the \$111.2 million reported in Fiscal 1982—the low point experienced by PGL in the last recession. Prior to that point, the company, over a period of four decades, had been growing at a compound growth rate of approximately 17%. The company estimates that inflation in its products was less than 3% a year in the last 3 fiscal years, and had a negligible impact on sales. Inflationary pressures on operating costs continued in each of the last three fiscal years.

The primary reason for the sales increase in the year is the improved economic climate. Housing starts for calendar 1983 reached 1.7 million, up dramatically from the post-war low of a little more than 1.0 million starts recorded in 1982. The sales increase in the fourth quarter of Fiscal 1984, however, was not as great as that experienced in earlier quarters. The company be-

lieves this was primarily due to severe weather conditions existing in the Pacific Northwest late in the quarter, rather than a softening of the company's general market. While interest rates have firmed recently, 1984 housing starts have remained strong. Many forecasters are predicting that 1984 housing starts may exceed 1983's and reach the 1.8 million range. If the economy cooperates, the company feels it should be able to exceed its \$142 million sales budget for Fiscal 1985.

Net income totaled \$1,820,000, representing a 2.7 fold increase over the \$678,000 reported in Fiscal 1983 and approached the peak levels reached in the Fiscal 1978-1981 time period. Fiscal 1983 in turn was up 39% over the \$488,000 earned in Fiscal 1982. The improved earnings in 1984 resulted from the 17% increase in sales volume, combined with a sharp drop in interest expense, primarily as the result of lower borrowings. Although net income increased substantially, the per share earnings increase was not as dramatic, due to the 880,000 additional shares outstanding as a result of the stock offering in April 1983.



With its fleet of approximately 50 tractors and 140 trailers, PGL delivers most of its products to customers throughout its market on a regularly scheduled basis. Another important function is to pick up material from manufacturers to replenish the warehouse service center inventories.

For the year the company increased its contribution to the employees' profit sharing plan to \$357,000, however, this only represented 40% of the maximum contribution allowed by law. Profit sharing contributions have been below the maximums allowed since Fiscal 1979.

#### Dividends

The company continued to pay cash dividends, with the current rate being 28¢ per share (7¢ per quarter). The company has paid uninterrupted cash dividends every year since it initiated its dividend policy 24 years ago. The cash dividend rate, after adjustment for stock dividends, has grown steadily. In addition to the cash dividend, the company has distributed an annual 4% stock dividend since 1968.

#### Balance Sheet Data

The company significantly increased the strength of its balance sheet as a result of its 1983 stock offering, which raised approximately \$9.5 million in cash. These funds were used to finance the higher accounts receivable and inventories required to support the increased sales levels.

The company also reduced short term debt and paid off approximately \$3 million of long term debt, which came due December of 1983. In addition, the company had deferred replacement of its older trucks and forklifts because of the recession. A systematic upgrade of this equipment was implemented during the year.

Working capital increased almost \$9.4 million, yielding a current ratio of 2.7 to 1, the highest in the company's history. During the year, the company had lines of credit with banks to borrow up to \$13 million under unsecured arrangements. Just before the stock offering the company's maximum usage of these lines of credit totalled \$9.1 million. In Fiscal 1983 the company's average borrowing approached \$7 million. During Fiscal 1984, average borrowings were reduced to approximately \$3.2 million, resulting in a significant savings in interest costs to the company.

#### Other Data

In the fourth quarter of Fiscal 1984, the company sold its branch in Wenatchee, Washington and opened



PGL's large fleet of trucks requires expert attention. Truck Service, Inc., a PGL subsidiary, provides this professional service to PGL and many other customers located in and around Kent, Washington. PGL accounts for approximately 30% of their total sales volume. In addition to parts and service, they also distribute Marmon tractors, several of which are in the PGL fleet.







An efficient office staff supports the functions of sales, warehousing and delivery to complete the transaction. CRT terminals, connected to the computer and word processing equipment, aid the office staff in performing their duties.



A network of Ultimate computers manufactured by Honeywell operate at each of the division headquarters to provide on-line inventory, order entry, invoicing, sales information, accounts receivable and accounting data.

a small sales office to support this trading area. Deliveries to that area are now made out of the company's large inventory at its corporate headquarters in Auburn, Washington. Disposal of the Wenatchee facility resulted in a gain of approximately \$316,000. The majority of this gain is subject to the lower capital gains rate on income tax. This, combined with higher levels of investment tax credit resulting from increased capital expenditures, resulted in an income tax rate substantially below the standard rate.

The company's profit sharing plan continued to grow as a result of the company's contribution and earnings for the year of 11.4% on its investments. In addition, the company created an employee stock ownership plan (PAYSOP) as authorized under the Internal Revenue Code which allows a tax deduction for company stock distributed to its employees. Approximately \$41,000 was set aside in Fiscal 1984 for this program.

The company continues to emphasize control of expenses. However, as a result of the additional sales volume and the opening of 3 new branches by the company's

subsidiary, Cochrane Northwest, the company's manpower increased to 403 employees at year-end. The majority of the company's employees are enrolled on a continuous basis in its employee stock purchase plan. Employee morale remains excellent and all company personnel are encouraged by the improved business conditions.

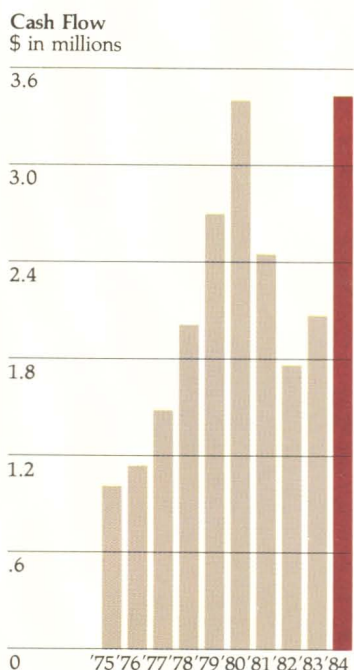
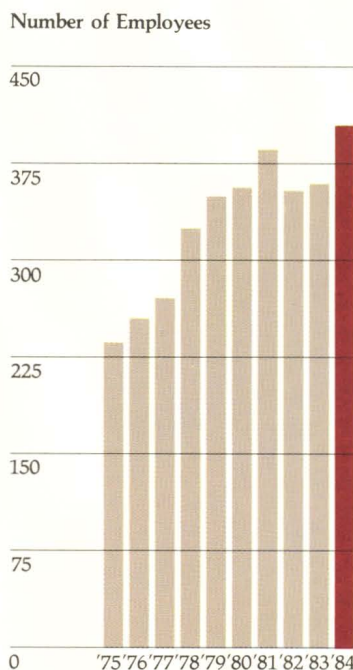
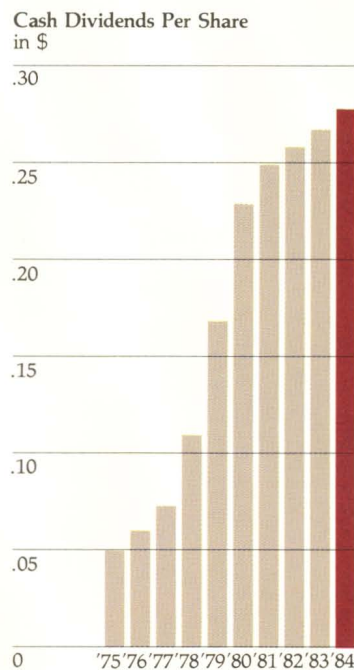
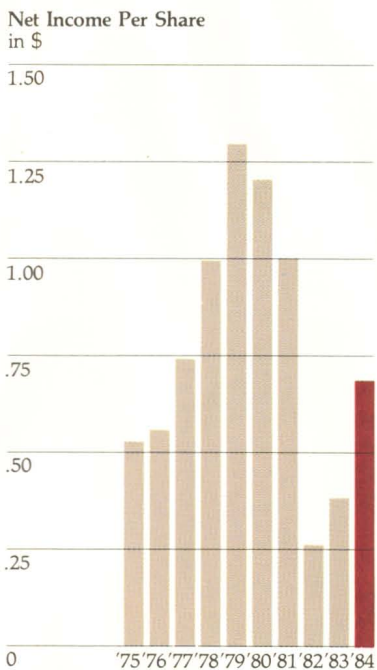
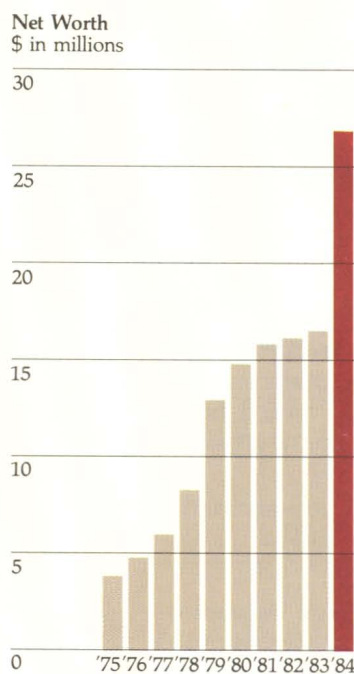
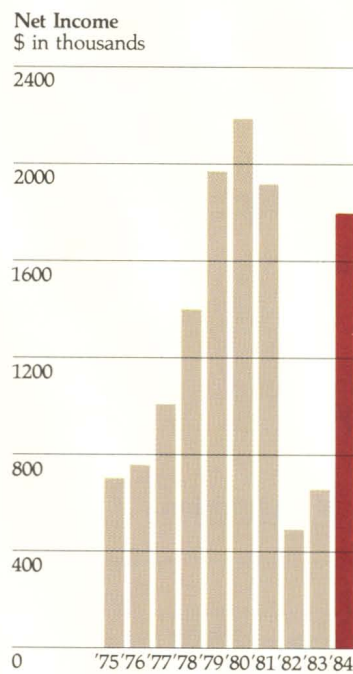
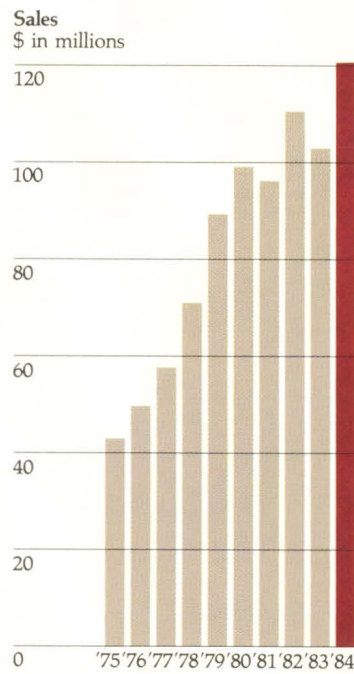


SELECTED  
CONSOLIDATED  
FINANCIAL  
INFORMATION

Fiscal Years Ended January	1984	1983	1982	1981	1980
<b>Income Statement Data:</b>					
Net Sales	\$121,044,000	\$103,497,000	\$111,192,000	\$95,478,000	\$99,830,000
Gross Profit %	18.9%	19.0%	17.0%	19.1%	19.2%
Interest Expense	982,000	1,725,000	2,384,000	1,761,000	1,523,000
Depreciation & Amortization	1,599,000	1,397,000	1,291,000	1,174,000	1,029,000
Income Taxes - Continuing Operations	1,059,000	335,000	329,000	998,000	1,630,000
Net Income:					
Continuing Operations	1,820,000	678,000	488,000	1,289,000	2,183,000
Discontinued Operations	—	—	—	(20,000)	32,000
Sale of Discontinued Operations	—	—	—	616,000	—
Net Income	1,820,000	678,000	488,000	1,885,000	2,215,000
Net Income Per Share	.70	.36	.26	1.01	1.21
Average Shares Outstanding	2,615,000	1,904,000	1,896,000	1,872,000	1,835,000
<b>Dividends Per Common Share:</b>					
Cash	.28	.27	.26	.25	.23
Stock	4%	4%	4%	4%	4%
<b>Balance Sheet Data:</b>					
Total Assets	42,490,000	38,966,000	38,213,000	40,187,000	38,039,000
Working Capital	17,501,000	8,115,000	11,226,000	9,676,000	9,295,000
Long-Term Debt (net of Current Portion)	2,236,000	2,360,000	5,341,000	5,634,000	5,667,000
Capitalized Leases (net of Current Portion)	2,525,000	2,620,000	2,706,000	2,767,000	2,314,000
Stockholders' Equity	27,029,000	16,490,000	16,291,000	16,130,000	14,577,000
<b>Other Data:</b>					
Net Capital Expenditures	1,846,000	1,579,000	1,116,000	1,544,000	2,065,000
Cash Flow (net income + non-cash items)	3,418,000	2,049,000	1,773,000	2,476,000	3,407,000
Profit Sharing Trust Value	5,165,000	4,778,000	4,288,000	4,340,000	4,017,000
Profit Sharing Disbursements	452,000	755,000	313,000	353,000	221,000
Number of Employees (continuing operations)	403	369	363	391	364
Net Income:					
As a % of Average Stockholders' Equity	7.5%	4.1%	3.0%	12.3%	16.3%
Continuing Operations As a % of Sales	1.50%	.66%	.44%	1.35%	2.19%



TEN YEAR REVIEW





**CONSOLIDATED  
BALANCE SHEETS**  
*Palmer G. Lewis Co., Inc. and Subsidiaries*

ASSETS	January 27, 1984 and January 28, 1983	1984	1983
<b>Current Assets:</b>			
Cash		\$ 333,395	\$ 801,694
Receivables, less allowance for doubtful accounts of \$374,000 in 1984 and \$562,000 in 1983		11,910,203	11,309,759
Notes receivable		213,414	125,000
Inventories (Note 1)		15,011,766	12,577,547
Prepays		171,282	308,036
Total current assets		27,640,060	25,122,036
<b>Land, Buildings and Equipment, at cost</b> (Notes 1 and 3):			
Land and land improvements		1,759,135	1,699,977
Buildings		6,883,664	6,658,096
Equipment		8,322,964	7,508,393
Property held under capital leases		3,149,807	3,259,477
Furniture and fixtures		1,974,328	1,538,687
		22,089,898	20,664,630
Less-accumulated depreciation and amortization		(8,841,695)	(7,680,160)
		13,248,203	12,984,470
<b>Other Assets:</b>			
Notes receivable, net of current portion of \$213,414 in 1984 and \$125,000 in 1983, included in notes receivable above		959,644	251,339
Investments		425,537	424,802
Other		216,464	183,058
		1,601,645	859,199
		\$42,489,908	\$38,965,705

*The accompanying notes are an integral part of these balance sheets.*

LIABILITIES AND STOCKHOLDERS' EQUITY	1984	1983
<b>Current Liabilities:</b>		
Short-term notes payable (Note 2)	\$ 1,100,000	\$ 5,350,000
Current portion of long-term debt and obligations under capital leases	244,939	3,268,000
Accounts payable	6,704,501	6,633,254
Accrued salaries and wages	1,223,122	1,059,294
Other accrued liabilities	823,859	431,711
Income taxes payable	43,087	265,037
Total current liabilities	10,139,508	17,007,296
<b>Long-Term Debt (Note 3)</b>	2,351,900	5,514,033
<b>Obligations Under Capital Leases (Note 3)</b>	2,653,958	2,734,381
Less-current portion shown above	(244,939)	(3,268,000)
	4,760,919	4,980,414
<b>Deferred Income Taxes Payable (Note 4)</b>	503,000	442,000
<b>Minority Interest</b>	57,774	46,216
<b>Stockholders' Equity (Notes 1, 6 and 9):</b>		
Common stock par value \$1.00—		
Authorized 4,000,000 shares;		
Issued and outstanding 2,843,598 shares in 1984 and 1,845,777 shares in 1983	2,843,598	1,845,777
Paid-in capital	19,029,858	9,393,800
Retained earnings	5,203,327	5,288,202
	27,076,783	16,527,779
Less-treasury stock 5,258 shares in 1984 and 4,000 shares in 1983, at cost	(48,076)	(38,000)
	27,028,707	16,489,779
	\$42,489,908	\$38,965,705



CONSOLIDATED  
STATEMENTS  
OF INCOME

*Palmer G. Lewis Co., Inc. and Subsidiaries*

For the three fiscal years ended January 27, 1984	1984	1983	1982
<b>Net Sales</b> (Note 7)	\$121,043,541	\$103,496,694	\$111,192,368
<b>Cost and Expenses:</b>			
Cost of goods sold	98,120,988	83,847,465	92,298,308
Selling, general and administrative expenses	17,990,682	15,804,263	15,010,356
Interest	982,212	1,725,351	2,383,971
Depreciation and amortization	1,598,542	1,397,418	1,290,944
Employees' profit sharing plan	356,874	127,274	—
Interest income	(294,167)	(281,509)	(419,693)
Other	(590,767)	(136,796)	(188,700)
	118,164,364	102,483,466	110,375,186
Income before provision for income taxes	2,879,177	1,013,228	817,182
<b>Provision for Income Taxes</b> (Note 4)	1,059,000	335,000	329,000
<b>Net Income</b>	\$ 1,820,177	\$ 678,228	\$ 488,182
<b>Per Share Data</b> (Note 1):			
Net income	\$ .70	\$ .36	\$ .26
Dividends			
Cash	\$ .28	\$ .27	\$ .26
Stock	4%	4%	4%

*The accompanying notes are an integral part of these statements.*



**CONSOLIDATED  
STATEMENTS OF  
STOCKHOLDERS'  
EQUITY**

*Palmer G. Lewis Co., Inc. and Subsidiaries*

For the three fiscal years ended January 27, 1984

	Common Stock		Paid-in Capital	Retained Earnings	Treasury Stock	
	Shares	Amount			Shares	Amount
<b>Balance, January 30, 1981</b>	1,680,596	\$1,680,596	\$ 8,232,388	\$6,275,833	(6,000)	\$ (58,750)
Sale of common stock under stock purchase and stock option plans (Note 6)	18,852	18,852	114,808	—	10,084	91,695
Purchase of treasury stock	—	—	—	—	(8,100)	(64,625)
Common stock dividend	67,044	67,044	478,024	(545,068)	—	—
Cash dividends	—	—	—	(488,322)	—	—
Net income	—	—	—	488,182	—	—
<b>Balance, January 29, 1982</b>	1,766,492	\$1,766,492	\$ 8,825,220	\$5,730,625	(4,016)	\$ (31,680)
Sale of common stock under stock purchase and stock option plans (Note 6)	9,552	9,552	28,149	—	18,016	137,180
Purchase of treasury stock	—	—	—	—	(18,000)	(143,500)
Common stock dividend	69,733	69,733	540,431	(610,165)	—	—
Cash dividends	—	—	—	(510,486)	—	—
Net income	—	—	—	678,228	—	—
<b>Balance, January 28, 1983</b>	1,845,777	\$1,845,777	\$ 9,393,800	\$5,288,202	(4,000)	\$ (38,000)
Sale of common stock to public	880,000	880,000	8,512,898	—	—	—
Sale of common stock under stock purchase and stock option plans (Note 6)	9,316	9,316	51,673	—	16,542	160,309
Purchase of treasury stock	—	—	—	—	(17,800)	(170,385)
Common stock dividend	108,505	108,505	1,071,487	(1,179,992)	—	—
Cash dividends	—	—	—	(725,060)	—	—
Net income	—	—	—	1,820,177	—	—
<b>Balance, January 27, 1984</b>	2,843,598	\$2,843,598	\$19,029,858	\$5,203,327	(5,258)	\$ (48,076)

*The accompanying notes are an integral part of these statements.*



**CONSOLIDATED  
STATEMENTS  
OF CHANGES IN  
FINANCIAL  
POSITION**

*Palmer G. Lewis Co., Inc. and Subsidiaries*

For the three fiscal years ended January 27, 1984	1984	1983	1982
<b>Sources of Working Capital:</b>			
Operations			
Income from operations	\$1,820,177	\$ 678,228	\$ 488,182
Charges (credits) not affecting working capital:			
Depreciation and amortization	1,598,542	1,397,418	1,290,944
Provision for deferred income taxes	61,000	9,000	49,000
Other	(61,862)	(35,525)	(55,259)
	3,417,857	2,049,121	1,772,867
Reclassification of note receivable, net of related deferred taxes	—	—	1,531,000
Proceeds from—			
Sale of common stock	9,614,196	174,881	225,355
Long-term debt and obligations under capital leases	92,917	269,097	91,090
Other, net	—	—	43,549
	13,124,970	2,493,099	3,663,861
<b>Applications of Working Capital:</b>			
Purchase of land, buildings and equipment	1,845,736	1,579,225	1,115,850
Reduction of long-term debt and obligations under capital leases	312,412	3,335,542	445,751
Cash dividends	725,060	510,486	488,322
Purchase of treasury stock	170,385	143,500	64,625
Increase in notes receivable and other, net	685,565	35,190	—
	3,739,158	5,603,943	2,114,548
<b>Increase (Decrease) in Working Capital</b>	<b>\$9,385,812</b>	<b>\$(3,110,844)</b>	<b>\$ 1,549,313</b>
<b>Working Capital Increased (Decreased) as Follows:</b>			
Current assets			
Cash	\$ (468,299)	\$ 603,502	\$ 5,329
Receivables	600,444	2,093,586	(1,997,303)
Notes receivable	88,414	(1,743,413)	1,868,413
Inventories	2,434,219	(454,160)	167,110
Prepays	(136,754)	19,934	(27,587)
	2,518,024	519,449	15,962
Current liabilities			
Short-term notes payable	4,250,000	100,000	990,488
Current portion of long-term debt	3,023,061	(2,829,000)	(64,000)
Accounts payable	(71,247)	(698,927)	254,712
Accrued salaries and wages	(163,828)	(418,011)	(167,950)
Other accrued liabilities	(392,148)	147,682	624,536
Income taxes payable	221,950	(265,037)	228,565
Current deferred income taxes payable	—	333,000	(333,000)
	6,867,788	(3,630,293)	1,533,351
<b>Increase (Decrease) in Working Capital</b>	<b>\$9,385,812</b>	<b>\$(3,110,844)</b>	<b>\$ 1,549,313</b>

*The accompanying notes are an integral part of these statements.*



January 27, 1984

**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**

*Palmer G. Lewis Co., Inc. and Subsidiaries*

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of Palmer G. Lewis Co., Inc. ("PGL") and its majority-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

**Inventories**

Inventories consist of finished goods and are stated at the lower of cost, first-in, first-out (FIFO), or market.

**Depreciation and Amortization, Repairs and Maintenance**

Buildings, equipment and property held under the capital leases are depreciated using the straight-line method over the estimated useful lives of the assets. Estimated useful lives are summarized below:

Land improvements and buildings	10-40 years
Equipment	3-10 years
Property held under capital leases	20-25 years
Furniture and fixtures	5-10 years

Maintenance, repairs and minor replacements are expensed as incurred. Betterments and replacements of major assets are capitalized. The cost and related accumulated depreciation of property sold or retired is removed from the accounts and the resultant gain or loss is reflected in operations.

**Income Taxes**

Deferred income taxes are provided for the reporting of items differently for financial statement and income tax purposes. Investment tax credits are recognized currently as a reduction of income tax expense.

**Net Income Per Share**

Net income per share is based on the weighted average number of shares of common stock outstanding during each year (2,615,023 shares in 1984, 1,904,493 shares in 1983, and 1,896,449 shares in 1982) after giving effect to the stock dividends during the years.

**Profit Sharing Plan**

Contributions to PGL's profit sharing plan are made at the discretion of the Board of Directors.

**2. SHORT-TERM NOTES PAYABLE**

As of January 27, 1984, PGL had unsecured lines of credit with banks to borrow up to \$13,000,000 primarily at prime or lower. Information regarding short-term borrowings during the three fiscal years ended 1984 follows:

<i>(Dollar amounts in thousands)</i>	1984	1983	1982
Weighted average interest rate	10.2%	12.9%	17.6%
Average borrowings	\$3,175	\$6,938	\$8,362
Maximum amount of short-term borrowings at any monthend	9,100	10,650	12,500
Yearend short-term notes payable to banks	1,100	5,350	5,450
Yearend weighted average interest rate	11.0%	10.5%	15.5%



### 3. LONG-TERM DEBT AND OBLIGATIONS UNDER CAPITAL LEASES

As of January 27, 1984 and January 28, 1983, long-term debt and obligations under capital leases consisted of the following:

<i>(Dollar amounts in thousands)</i>	1984	1983
9½% to 10¼% notes payable to banks, secured by mortgages on certain land and buildings, payable in monthly installments of \$3 for 1984 and \$30 in 1983 including interest to January 1988	\$ 286	\$3,068
8½% to 14% notes payable, secured by mortgages on certain land, buildings and equipment, payable in monthly installments of \$15 for 1984 and \$30 in 1983 including interest to 1994	1,706	1,913
Other (4½% to 13%)	360	533
Total long-term debt	2,352	5,514
Capital lease obligations, \$36 payable monthly, including interest imputed at rates from 9% to 28% to 1996	2,654	2,734
Less current portion	(245)	(3,268)
	<b>\$4,761</b>	<b>\$4,980</b>

The capital leases are for certain branch and office facilities. One of the leases is with a partnership in which a partner is the Chairman of the Board and a stockholder of PGL. As of January 27, 1984, and January 28, 1983, the capital lease obligation was \$1,565,000 and \$1,662,000, respectively, and the annual payments to the partnership during each of the three fiscal years ended 1984 were \$255,000. PGL may lease the facility for a term of ten more years, expiring in 1993, at the current rate or exercise an option to purchase the property at any time at fair market value. There is a renewal option at the end of the lease for an additional ten years at the then fair market value.

The following summarizes long-term debt maturities for the five fiscal years ending 1989 and subsequent years:

<i>Fiscal Year Ending (Amounts in thousands):</i>	Long-Term Debt	Capital Lease Obligations	Total
1985	\$ 116	\$ 129	\$ 245
1986	124	139	263
1987	100	153	253
1988	341	169	510
1989	37	186	223
Subsequent Years	1,634	1,878	3,512
	<b>\$2,352</b>	<b>\$2,654</b>	<b>\$5,006</b>

### 4. INCOME TAXES

For the three fiscal years ended 1984, the provision for income taxes consisted of the following:

<i>(Amounts in thousands)</i>	Federal	State	Total
January 27, 1984:			
Current taxes payable	\$1,090	\$104	\$1,194
Less - tax credits	(196)	—	(196)
Deferred taxes payable	61	—	61
Provision for income taxes	<b>\$ 955</b>	<b>\$104</b>	<b>\$1,059</b>
January 28, 1983:			
Current taxes payable	\$ 412	\$ 33	\$ 445
Less - tax credits	(119)	—	(119)
Deferred taxes payable	9	—	9
Provision for income taxes	<b>\$ 302</b>	<b>\$ 33</b>	<b>\$ 335</b>
January 29, 1982:			
Current taxes payable	\$ 325	\$ 29	\$ 354
Less - tax credits	(74)	—	(74)
Deferred taxes payable	49	—	49
Provision for income taxes	<b>\$ 300</b>	<b>\$ 29</b>	<b>\$ 329</b>

The difference between the provision for income taxes computed using the "statutory rates" and the "effective rates" (37% in 1984, 33% in 1983, and 40% in 1982) is principally from the utilization of investment tax credits, capital gains and state income taxes. The provision for deferred income taxes in the three fiscal years ended 1984 consisted primarily of differences between income tax and financial statement reporting of depreciation, capital leases and installment sales.



## 5. COMMITMENTS

PGL leases certain branch facilities under "operating leases". The following summarizes future minimum lease payments:

Fiscal Year Ending (Amounts in thousands):

1985	\$ 506
1986	379
1987	77
1988	57
1989	34
Subsequent years	239
	<u>\$1,292</u>

The lease obligations also extend to property taxes, insurance, and repairs and maintenance. Total lease expense charged to operations in the three fiscal years ended 1984 was \$545,000, \$478,000 and \$367,000, respectively.

## 6. STOCK PURCHASE PLAN AND STOCK OPTIONS

### Stock Purchase Plan

PGL has an employee stock purchase plan for all employees with more than one year of service. Participation in the Plan is voluntary. Under the Plan, the stock purchase price is established as the lesser of 90% of the market value at the date of grant, or 100% of the market value at the date exercised, but not less than par value of \$1.00. As of January 27, 1984, 338 employees were eligible to participate in the Plan and 249 were enrolled.

A summary of the stock purchase plan activity for the three fiscal years ended 1984 follows:

Fiscal Year Ended:	Shares Purchased	Average Price Per Share	Total
1984	16,692	\$9.21	\$153,800
1983	22,992	6.12	140,800
1982	18,452	8.05	148,600

As of January 27, 1984, common stock reserved for issuance under this plan was 35,056 shares.

### Stock Options

During fiscal year ended 1983, the stockholders approved an Incentive Stock Option Plan retroactive to 1982 for key employees. A total of 200,000 shares of common stock has been approved for issuance under the Plan. The option price for common stock was the market value at the date of grant. The options are non-transferable and are exercisable over five years from the date of grant. As of January 27, 1984, options were granted and are outstanding to a total of 26 employees. Options for 71,739 shares of common stock were available for grant at January 27, 1984. A summary of the activity for the years ended 1984, 1983 and 1982, follows:

	Number of Shares	Option Price		Market Price	
		Avg. Price Per Share	Total	Per Share	Total
Fiscal Year Ended 1984:					
Granted	35,500	\$10.00	\$355,000		
Exercised	8,986	7.32	65,753	\$10.91	\$98,004
Outstanding and Exercisable*	126,514	8.07	1,021,430		
Fiscal Year Ended 1983:					
Granted	37,000	8.16	301,750		
Exercised	4,576	7.45	34,100	9.09	41,600
Outstanding and Exercisable*	99,781	7.42	740,700		
Fiscal Year Ended 1982:					
Granted	61,000	7.75	472,750		
Exercised	—	—	—		
Outstanding and Exercisable*	65,978	7.17	472,750		

\*Adjusted for the 4% stock dividends distributed in September, 1983 and September, 1982.

During fiscal year ended 1982 PGL terminated its qualified stock option plan. All outstanding options were either exercised or cancelled. Options were exercised in fiscal year 1982 as follows:

	1982
Number of Shares	10,484
Option Price	
Per Share	\$ 7.32
Total	\$76,800
Market Price	
Per Share	\$ 9.50
Total	\$99,600

During 1981, a nonqualified stock option plan was adopted in which 100,000 shares were reserved and options for 40,200 shares were granted at an average price of \$8.04 per share. The difference between the option price and the market price at the date of grant was accrued and expensed as compensation during the year. This plan was cancelled during 1983, and was replaced by the Incentive Stock Option Plan described above.

#### 7. MAJOR CUSTOMER

Approximately 10%, 11% and 22% of net sales were to a major building materials retailer in fiscal years ended 1984, 1983 and 1982, respectively.

#### 8. UNAUDITED QUARTERLY FINANCIAL RESULTS

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
(Amounts in thousands except share data)				
Net Sales:				
1984	\$25,740	\$33,536	\$37,259	\$24,508
1983	21,795	28,581	30,832	22,289
1982	26,174	32,895	32,504	19,620
Cost of Goods Sold:				
1984	\$20,764	\$27,365	\$30,568	\$19,425
1983	17,817	23,334	25,198	17,498
1982	21,541	27,721	27,224	15,812
Net Income:				
1984	\$ 142	\$ 554	\$ 757	\$ 366
1983	(126)	159	471	174
1982	213	126	146	3
Net Income Per Share:*				
1984	\$ .08	\$ .20	\$ .27	\$ .11
1983	(.07)	.09	.26	.09
1982	.12	.07	.08	—

\*Adjusted for Stock Dividends.

Fourth quarter adjustments and revisions to quarterly estimates (amounts in thousands):

1984 - Contribution to the executive bonus and profit sharing plans was \$440.

- Provision for income taxes decreased because of higher than expected investment tax credits, capital gains and credit for payroll stock ownership plan.

1983 - Contribution to the executive bonus and employee profit sharing plans was \$242. No contribution was made in the fiscal year ended 1982.

- Provision for income taxes decreased because of higher than expected investment tax credits.

1982 - Provision for bad debts was reduced by \$221 reflecting lower than planned accounts receivable.



## 9. SUBSEQUENT EVENTS

Subsequent to fiscal year end, PGL entered into a merger agreement with Seattle Pacific Sales Company ("SeaPac"), which is subject to approval by SeaPac's stockholders. The Merger Agreement provides for the merger of SeaPac into a subsidiary of PGL in exchange for 747,764 shares of PGL stock plus cash in the amount of \$1,140,000. SeaPac reported sales for the year ended December 31, 1983 and the ten months ended December 31, 1982 of \$31,297,000 and \$19,395,000, respectively, and net income of \$626,000 and \$162,000 for these respective periods.

There is one other preliminary acquisition agreement. The purchase price is estimated to be approximately \$1.3 million in cash and notes payable. The impact of this acquisition would not be material to the consolidated financial results of PGL.

In March, 1984, the Board of Directors resolved that the following be recommended for approval at the annual Stockholders meeting:

- (1) Authorized capital of PGL be increased from 4,000,000 to 8,000,000 shares,
- (2) An additional 100,000 shares be reserved for the Employee Stock Purchase Plan, and
- (3) An additional 200,000 shares be reserved for issuance under the Incentive Stock Option Plan.

---

## AUDITORS' REPORT

To the Stockholders of Palmer G. Lewis Co., Inc.

We have examined the consolidated balance sheets of Palmer G. Lewis Co., Inc. (a Washington corporation) and subsidiaries as of January 27, 1984, and January 28, 1983, and the related consolidated statements of income, stockholders' equity and changes in financial position for each of the three years in the period ended January 27, 1984. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Palmer G. Lewis Co., Inc. and subsidiaries as of January 27, 1984, and January 28, 1983, and the results of their operations and the changes in their financial position for each of the three years in the period ended January 27, 1984, in conformity with generally accepted accounting principles applied on a consistent basis.

Seattle, Washington,  
March 23, 1984

ARTHUR ANDERSEN & CO.



## BOARD OF DIRECTORS

**Douglas S. Gamble\***  
President and Chief Executive  
Officer  
Pacific Gamble Robinson  
Seattle, Washington

**Gilbert R. Halley**  
Secretary-Treasurer  
Palmer G. Lewis Co., Inc.  
Auburn, Washington

**J. Cutler Lewis**  
Executive Vice President  
Palmer G. Lewis Co., Inc.  
Auburn, Washington

**Palmer G. Lewis†**  
Chairman of the Board,  
Emeritus  
Palmer G. Lewis Co., Inc.  
Auburn, Washington

**Richard E. Lundgren**  
President and Chief Operating  
Officer  
Palmer G. Lewis Co., Inc.  
Auburn, Washington

**Robert D. Peterson†**  
Chairman of the Board and  
Chief Executive Officer  
Palmer G. Lewis Co., Inc.  
Auburn, Washington

**L.W. Wells\*†**  
Executive Vice President  
Winmar Company, Inc.  
Seattle, Washington  
(Financial Services)

**Elliot K. Knutson\***  
President and  
Chief Executive Officer  
Washington Federal Savings  
and Loan Association  
of Seattle  
Seattle, Washington  
(Financial Services)

\* Member of Audit Committee  
† Member of Executive  
Committee

## ANNUAL MEETING

The annual meeting of share-  
holders of Palmer G. Lewis  
Co., Inc. will be held on  
Thursday, May 31, 1984, at  
2:00 P.M., at the Rainier  
Bank Tower, 1301 Fifth  
Avenue, Seattle, Washington,  
Twelfth Floor Auditorium

**ATTORNEYS**  
Cartano, Botzer, Larson  
and Birkholz  
Seattle, Washington

**INDEPENDENT PUBLIC  
ACCOUNTANTS**  
Arthur Andersen & Co.  
Seattle, Washington

**REGISTRAR AND  
TRANSFER AGENT**  
Seattle-First National Bank  
Seattle, Washington

**ADDITIONAL  
INFORMATION**  
A copy of the Company's  
Form 10-K report for the year  
ended January 27, 1984 in-  
cluding financial statements  
and schedules, which will be  
filed with the Securities and  
Exchange Commission by April  
27, 1984, is available to share-  
holders, without charge, upon  
written request to:

Gilbert R. Halley, Secretary  
Palmer G. Lewis Co., Inc.  
P.O. Box 1049  
Auburn, Washington 98002

## MANAGEMENT AND SERVICE CENTER LOCATIONS

**CORPORATE  
HEADQUARTERS**  
525 C Street N.W.  
Auburn, WA 98001-3944  
**Palmer G. Lewis**  
Chairman of the Board  
Emeritus

**Robert D. Peterson**  
Chairman of the Board and  
Chief Executive Officer  
**Richard E. Lundgren**  
President and Chief  
Operating Officer

**J. Cutler Lewis**  
Executive Vice President  
**Gilbert R. Halley**  
Vice President - Finance  
Secretary-Treasurer

**Schell Harmon**  
Vice President  
Inventory Control  
**Charles D. Lauber**  
Vice President  
Advertising & Promotion  
**Lee R. Singer**  
Assistant Treasurer &  
Controller

**Louise W. Lewis**  
Assistant Secretary  
**Louis J. Babcock**  
Marketing - Wire Products  
**W. Thomas Brynn**  
Credit Manager

**John A. Fetch**  
Data Processing Manager  
**Ted C. Geocaris**  
National Accounts Manager  
**Perry W. Gorman**  
Personnel Manager  
**Craig M. Herrity**  
Marketing - Commodities  
**Vaughn L. Pipes**  
Marketing - Specialty Products

**PGL DIVISION  
HEADQUARTERS**  
525 C Street N.W.  
Auburn, WA 98001-3944

**Jim L. Capponi**  
Division Manager

**James C. Bender**  
Field Sales Manager

**Kenneth J. Gohrick**  
Inside Sales Manager

**Joan E. Alimont**  
Credit Manager

**Norman A. Larson**  
Trucking Supervisor

**Donald R. Ray**  
Warehouse Supervisor

**BREMERTON BRANCH**  
Old Belfair Road  
Bremerton, WA 98801

**John C. Ruud**  
Manager

**MARYSVILLE BRANCH**  
15102-35th Ave. N.E.  
Marysville, WA 98270  
**Robert E. Johnson**  
Manager

**KENMORE BRANCH**  
6820 N.E. 175th Street  
Bothell, WA 98011  
**Jeffrey Z. Aiken**  
Manager

**SPOKANE BRANCH**  
E. 4001 Broadway Avenue  
Spokane, WA 99202  
**Dennis D. Larson**  
Manager

**WENATCHEE BRANCH**  
2717 Euclid Avenue  
Wenatchee, WA 98801  
**Edwin E. Thomas**  
Manager

**YAKIMA BRANCH**  
2703 Fruitvale Blvd.  
Yakima, WA 98902  
**L. L. (Pete) Briles**  
Manager

**PGL INDUSTRIAL SALES**  
233 B Street N.W.  
Auburn, WA 98002  
**James L. Lang**  
Manager

**PYS DIVISION  
HEADQUARTERS**  
8100 S.W. Hunziker Road  
Tigard, OR 97223  
**Carl A. Liliequist**  
Division Manager

**Gary L. Popp**  
Sales Manager  
**Robert R. Steen**  
Purchasing Manager  
**Margaret Taylor**  
Credit Manager

**EUGENE BRANCH**  
3455 W. 1st Avenue  
Eugene, OR 97402  
**Bob D. Thomas**  
Manager

**BOISE BRANCH**  
2255 Braniff Street  
Boise, ID 83705  
**Raymond E. Ogden**  
Manager

**PONDEROSA DIVISION  
HEADQUARTERS**  
8435 - 24th Avenue  
Sacramento, CA 95828

**Earl W. Van Buskirk**  
Division Manager  
**Jerome W. Peterson**  
Sales Manager

**Joseph M. Garfield**  
Purchasing Manager  
**N. Pat Olmstead**  
Administrative Manager  
**Anita Johnson**  
Credit Manager

**REDDING BRANCH**  
4001 Eastside Road  
Redding, CA 96001  
**Richard R. Clare**  
Manager

**FRESNO BRANCH**  
3428 South Willow Ave.  
Fresno, CA 93725  
**Timothy L. Stottlemire**  
Manager

**RENO BRANCH**  
353 N. Park Street  
Reno, NV 89504  
**G. Scott Fairchild**  
Manager

**ALASKA DIVISION  
HEADQUARTERS**  
3205 Port of Tacoma Road  
Tacoma, WA 98421

**A. Jack Petersen**  
Vice President and  
Division Manager  
**Kenneth L. Thompson**  
Branch Manager  
**Robert W. Anderson, Jr.**  
Inside Sales Supervisor  
**Harro H. Brandt**  
Traffic Manager

**ANCHORAGE BRANCH**  
5900 Arctic Blvd.  
Anchorage, AK 99502  
**Richard A. York, Jr.**  
Manager

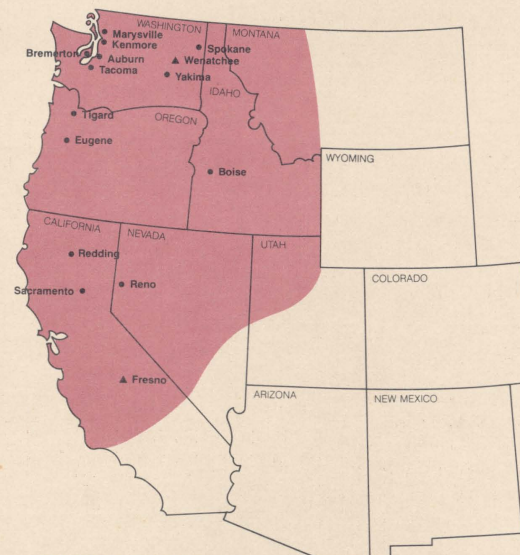
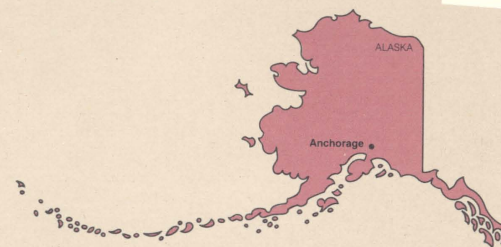
**TRUCK SERVICE, INC.**  
911 W. James Street  
Kent, WA 98031  
**James V. Kelly**  
Manager

**COCHRANE NORTHWEST INC.  
HEADQUARTERS**  
1916 Marc Street  
Tacoma, WA 98401  
**Mark F. Smith**  
President and General Manager  
**Fred H. Smith**  
Vice President

**SPOKANE BRANCH**  
N. 110 Greene Street  
Spokane, WA 98202  
**Boyd C. Edelin**  
Manager

**BELLEVUE BRANCH**  
1414 127th Place N.E.  
Bellevue, WA 98005  
**Stephan Carle**  
Manager

**SEATTLE BRANCH**  
3800 - 1st Avenue South  
Seattle, WA 98124  
**Mark F. Smith**  
Acting Branch Manager



**PALMER G. LEWIS CO., INC.**

• **WAREHOUSE SERVICE CENTER**

▲ **SALES SERVICE CENTER**

**SUBSIDIARY LOCATIONS:**  
Cochrane Northwest Inc.

Tacoma  
Spokane  
Bellevue  
Seattle

**Truck Service Inc.**  
Kent



P.O. Box 1049  
Auburn, WA 98071-1049

[illegible]