THE GREGORY FAMILY AND ITS GALVANIZING HISTORY

T.R. GREGORY

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DEDICATION

For Thomas Gregory, who provided the catalyst for untold generations of successful endeavors
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ACKNOWLEDGMENTS

Thomas Gregory, upon founding his galvanizing firm in 1896, could not conceivably have imagined his company would evolve under the guidance of his heirs. Its management has progressed through five generations; its business has powerfully expanded both in volume and versatility and its professionalism and high character remain intact. The Gregory family wishes to recognize the major contributions that both past and present employees have made to the success of the corporation. Without their loyal and dedicated service, the accomplishments of the corporation could not have been made.
Ireland suffered a terrible “Potato Famine” in the middle of the nineteenth century. This potato blight resulted in the death of about one million Irish people and the immigration of another million. One of these million who immigrated to the United States in the 1880’s was Thomas Gregory.

Thomas (1840-1910) settled in Brooklyn, N.Y. and found employment with the Lefferts Galvanizing Works where he worked his way up to the position of Superintendent. Fifteen years later, Thomas founded his own after-fabrication galvanizing operations, the “Thomas Gregory Galvanizing Works” located on North Henry Street in the Greenpoint section of Brooklyn.

The business in Greenpoint prospered under Thomas’ leadership until his death in 1911. His will designated that equal shares of the company be deeded to his five sons and two daughters. Thomas’ sons, Thomas and William were employed by the company at the time of their father’s death and assumed the ongoing management of the company. However, with the passage of time these three younger brothers, Robert, Charles and George sold their interest in the Company to their two older brothers. The daughters, Martha and Gertrude did the same.
THOMAS GREGORY.

America supplies many examples of men who have achieved prominence in their line by their unaided efforts—men progressive, of great energy, admitted business ability and a reputation for unwavering integrity. Thomas Gregory is one of these men. Beginning in a modest way, with only an equipment of experience and energy, he has built up one of the most successful galvanizing works in Greater New York. His is the largest plant in the East making a specialty of large work. He has resources for handling the largest contracts. His works are at Nos. 263 to 277 North Henry street, the main building covering a space of 160x100 feet. Machinery and appurtenances are all of the most improved type and description and steam supplies the motive power. From thirty-five to fifty skilled hands are employed. A large and regularly increasing trade has been won, extending over Greater New York and New Jersey, and a reputation for fine workmanship has been firmly established. Mr. Gregory founded his business in 1896. He is of long experience in this line, having been superintendent of the Lefferts Galvanizing Works for fifteen years before he started for himself. He is a native of the north of Ireland and a man of high character and public spirit. He is a member of several clubs—of the Masons, Royal Arch, Mystic Shrine and Knights Templar. He also is a lover of yachting and fond of driving behind a speedy horse.
In 1913, Thomas M. Gregory, the son of the founder, established the Hanlon and Gregory Galvanizing Company located in the Lawrenceville section of Pittsburgh Pennsylvania. While operating that plant, he continued to retain his interest in the original galvanizing operation in Brooklyn. George Gregory, after returning from service in World War I in France, where he received a purple heart, joined the Company in a sales capacity. He worked his way up to General Manager and later became Vice President under his brother William. The company established another operation in Buffalo, N.Y. in the 1920’s but this operation was not rewarding and it was closed soon thereafter. In 1927, the Brooklyn operation was moved to the nearby borough of Queens, in the town of Maspeth, and upgraded to a state-of-the-art facility. The nation was undergoing an economic depression both the Maspeth operation weathered the bad economic times well. In the early 1930’s the Thomas Gregory Galvanizing Company purchased a captive galvanizing operation in Newark, N.J. and converted it into a custom after-fabrication galvanizing plant. This facility was incorporated as a wholly owned subsidiary named Independent Galvanizing Company.

During the latter years of the 1930’s and early 1940’s, four of the Gregory male children died leaving George Gregory as the only male survivor of Thomas. George then assumed the management of the companies. The companies were partially owned (50%) by the two daughters of William and the remaining 50” was inherited by T. Raymond Gregory from his uncle, Thomas Gregory II.

However, T. Raymond’s ownership was held in custody by his father, George until T.R. Gregory had attained the age of 21 years. Soon thereafter, World War II commenced and the war effort created a very strong demand for galvanized products. The plants in Maspeth and Newark flourished with the strong demand and with the leadership of George Gregory. Concurrently, the Hanlon Gregory operation in Pittsburgh prospered, becoming the largest fabrication galvanizing facility in the country.
3 THE THIRD GENERATION

Thomas Raymond Gregory, grandson of Thomas Gregory and representing the third generation of the Gregory family, was born to George and Dorothy Gregory in 1927.

After his graduation from prep school, he volunteered for the military draft in 1945. He served in the Army and participated in the early stages of the occupation of Korea. He attained the rank of sergeant and was eventually honorably discharged in 1947.

T. Raymond then joined the galvanizing company and worked his way up through all phases of the galvanizing business eventually becoming Vice President and General Manager.

In the early 50’s, the Hanlon Gregory Galvanizing Company encountered some operating difficulties which negatively affected its profitability. Its Board of Directors approached T. Raymond to become Vice President of the operation for a minimum of one year to assess the viability of the business. He accepted the position and assignment on January 1, 1955 and moved his family to Pittsburg, PA. By the end of the 1955 year, T. Raymond had concluded that the Hanlon operation had inherent problems. This realization, coupled with some discontent among the Board members, resulted in the decision of the Gregory heirs to divest them of the operation. T. Raymond then returned to work for the Thomas Gregory Galvanizing Works.
Upon T. Raymond’s return to Maspeth, NY, with the Pittsburgh experience behind him, he felt strongly that the growth potential of the galvanizing business was better in the Midwest where more steel was produced and fabricated than it was in the East. After much discussion and deliberation between father and son, George agreed that if T. Raymond would continue to manage the Maspeth operation, he could initiate a new operation on his own. Hence, T. Raymond formed the new company of Gregory Galvanizing and Metal Processing and located it in Canton, Ohio. This company began operations in November of 1957. Unfortunately, for all, George Gregory developed serious health problems early in 1958 and passed away on December 7, 1959 at age 63.
New Owner To Remodel Old Unit of Union Metal

Union Metal Mfg. Co. has announced it has sold its warehouse property at 1639 Barth ct SW, near 15th St SW, to the newly-organized Gregory Galvanizing & Metal Processing, Inc.

To replace the Barth ct space, the company will erect a 60-by-340 foot steel warehouse building at its main plant on Maple ave NE, its officials also disclosed.

Gregory will fill a need in this area for job-shop galvanizing requirements.

Officials of the new firm said the plant, which was occupied by the Timken Ordnance Co. during World War II, will be extensively remodeled.

Modern galvanizing and materials handling equipment will be installed to provide one of the most efficient job-shop galvanizing operations in the country, they said.

THE NEW FIRM is expected to start operations by the end of this year.

The property consists of a large mill-type steel building, an L-shaped addition and several small buildings.

The purchase price was not announced.

Union Metal officials said the galvanizing operations will be advantageous to their company as hot-dip galvanizing is a requirement for some of their products.

Gregory not only will be an economical source but one of the few sources that will have enough capacity and facilities to handle large fabrications such as those handled by Union Metal, they said.

The galvanizing plant will be operated by the same interests now operating the Thomas Gregory Galvanizing Works, Inc., of Maspeth, Queens, New York, and the independent Galvanizing Co. of Newark, N. J.

T. R. GREGORY is president of the new Canton firm and T. C. Sprung is vice president. Mr. Gregory will reside here to be in charge of operations but will continue his interests in the two other concerns.

Arrangements for acquiring the new industry were initiated by the Canton Industrial Development Corp., a non-profit organization seeking to promote this area’s industrial growth.

Union Metal acquired the former Timken Ordnance Co. plant from the War Assets Administration early in 1947.

During 2½ years of operation, Timken set world production records in the manufacture of medium gun barrels.

Canton Drop Forging & Mfg. Co., owned the property for a short time before the Cleveland Ordnance District acquired it for war production.

The plant was built by the former American Forge & Machine Co., before World War I. It remained idle for 10 years after the company was liquidated in 1931.
The Canton operation started slowly but grew rapidly and, in 1962 installed a fifty-two foot long galvanizing kettle, the largest in the industry. This added capacity, combined with the ability to galvanize longer lengths, encouraged the company to expand by forming two affiliated companies (Gregory Bridge Co. and Gregory Fabricating Co.) to market and fabricate galvanized steel structures. These facilities produced the first all-galvanized bridge in the United States and more than 200 galvanized bridges at the state and county level as well as other galvanized structural steel products. Further, the existence of the fifty-two foot kettle allowed the company to be the preferred galvanizer of long length utility transmission structures. This resulted in such growth of the business that it justified the installation of a second, smaller galvanizing kettle. Consequently, the company constructed a new wing to house a sixteen-foot long kettle with the associated ancillary equipment. This facility was referred to as “Plant II”. Concurrently, the fifty-two foot “Plant I” galvanizing kettle was improved by increasing its width and depth. These changes positioned the company well within the industry and significantly enhanced the company’s sales and profitability for the period of 1963-1968.
In 1968, the Company organized a wholly owned subsidiary, Gregory Galvanizing and Metal Processing of Pennsylvania in Hazleton, PA. The company constructed a galvanizing facility located contiguous to a utility pole manufacturer who was building a plant to serve the Eastern market. This plant began galvanizing in 1968 and, while operationally, successful, sales demand was adversely affected by a subsequent decision by the pole manufacturer to convert to painted systems. In view of that development, it was decided to liquidate the Thomas Gregory Galvanizing Works, then wholly owned by T. Raymond Gregory and fold its sales volume into the Hazelton operation. During that same period, the Gregory Bridge and Gregory Fabricating companies in Canton were experiencing reduced profitability and consequently were liquidated. Despite these efforts, a continued lack of galvanizing opportunities and volume led to significant financial losses and to the decision to terminate the Hazelton operations and sell the plant in December 1973.
STEEL COMPANY President T. Raymond Gregory said, "This is an important moment for Ottawa County, the bridge industry and our company."

T. Raymond Gregory at Bridge Dedication for First Galvanized Bridge in U.S.
5 THE FOURTH GENERATION

Thomas Stephen Gregory, the oldest son of T. Raymond and Virginia Gregory was born in 1950. After graduating from Prep School, he volunteered to enter the U.S. Army in 1970 and served for twenty months, ultimately being assigned to the medical clinic in the Pentagon and reaching the rank of Specialist 4. Upon his honorable discharge in 1971, he joined the company at the Hazelton plant serving in a supervisory capacity. Upon the closing of the Hazelton facility, Stephen returned to Canton as Plant Superintendent of the galvanizing operation there. He then progressed through the company with increasing levels of responsibility and was elected to the Board of Directors in April 1980 and named Vice President in charge of the Operations in September of that year. Steve continued to progress in the various areas of the company management and was promoted to Company President in September 1987. T. Raymond Gregory continued in the role of Board Chairman.

The decision to close the Hazelton Operation led to the Canton Gregory operations at 17th Street being the only Gregory operating facility after 1973. This facility made gradual profit progress through the latter 1970 has and then was enhanced by what was to become a highly dramatic development towards a major growth in the company. This was the development of production of galvanized fence framework product for US Steel, Cyclone Fence Div. This product had been initially produced and marketed by U.S.S., which later revised their design to convert from tubular sections into an improved C-Cross Section. Its manufacture was gradually transferred to the Gregory Company. This trend progressed with the eventual transfer of forming equipment from USS to Gregory who established a new entity, “Gregory Roll Form Co” in 1979. Initially, this entity was jointly owned by the Zinc Tool and Die Co., which contributed the necessary roll forming expertise to the venture.
In May 1981, T. Raymond Gregory reasoned that it would be more cost effective if the C-Section fence posts could be galvanized in a continuous operation instead of after fabrication galvanizing. Concurrent with this proposal was the decision of Zinc Toll and Die to sell their interests to Gregory Roll Form Co. In July of 1981, a decision was made to construct a continuous flux galvanizing operation at the 17th St. plant with the capability of galvanizing Cyclone Fence line posts. This facility was built and commenced operation in February of 1982. It was configured with a hydrochloric acid pickling section followed by pre-fluxing and continuous galvanizing through a molten zinc bath. It is discharged through a roll forming line, which produced the required fence post configuration. The fence post coating specification required a minimum of two ounces of zinc coating per square foot of surface, a very thick coating not generally attainable by the continuous method. The successful development of this heavy zinc thickness control method was unique in the industry at that time and was to become vital to the growth of the company some years later.

Opportunities gradually arose for continuous galvanized steel strip processing in coil form. Consequently, the discharge end of the galvanizing line was altered to allow the option for discharging galvanized strip in coils. This facility was operated for two years as an adjunct to the after-fabrication galvanizing work processed through Plants 1 and 2 at 17th Street.

A plan of re-capitalization of the company was approved by the Board of Directors at its 7/9/81 meeting, thus establishing the foundation of the T. Raymond Gregory estate succession plan.

On May 18, 1984, disaster struck the continuous galvanizing line in the form of a major fire, which destroyed the entire continuous facility, leaving only the roll forming equipment able to be salvaged. Even as the fire raged, T.R. Gregory was determined that the company would re-build a new and upgraded continuous galvanizing line. On September 13 1984, the company acquired a 155,000 square foot industrial building on approximately 14 acres of property located on 13th St. SW Canton. The building was purchased to house the planned second generation galvanizing line as well as the associated roll forming equipment. A 60-inch wide steel slitter was also purchased and installed.
The second-generation continuous galvanizing line was designed to use an in-line pre-heat furnace using a reducing hydrogen-nitrogen atmosphere instead of chemical flux to prepare the steel surface for galvanizing. This facility was designed to continuously galvanize steel strip up to sixteen inches wide in coil form. In addition, the new facility included a second zinc kettle which afforded the option to use an “improved” galvanizing alloy which contains 5% aluminum (Galfan). The new line was beset from the beginning by a number of engineering shortcomings. These problems were judged to be not readily correctable with the existing system.

Subsequently, T.R. Gregory sought a workable remedy from the Electric Furnace Co., the largest designer of continuous galvanizing lines in the world at that time. Concurrently, the company initiated discussions with Joseph Gimigliano, a Metallurgical Engineer with galvanizing experience who was about to retire from LTV Steel. These discussions culminated with employment of Joe as Vice President of the Coil Operations facility assigned primarily to correct the problems associated with the new continuous line. The Electric Furnace engineers recommended that the most feasible remedy to the existing problems was to replace the entire furnace section with a totally new and unique design, which incorporated induction heating of the strip in a furnace of tight protective atmosphere. Ajax Magnethermic Co. was contracted to supply the induction heating equipment. While the concept of induction heating was commonly used in metal melting operations, its use in galvanize pre-heating was novel at that time. However, both Electric Furnace Co. and Ajax Magnathermic Co. gave assurances that the combination of know-how would allow successful galvanizing. Thus, the contract was given in September of 1985. The changes in equipment would however necessitate a shutdown of the coil facility for more than three months and considerable unplanned capital expenses as well as operating losses. The company thus reached its practical borrowing limit.

On September 22, 1985, T.R. Gregory suffered a serious heart attack, which required hospitalization followed by rehabilitation at his home for approximately one month. Meanwhile, the existing furnace of the galvanizing facility was removed and the newly designed induction furnace installed. This work took approximately three months and the galvanizing line was restarted on December 16, 1985. Initial galvanizing with pre-heating by the new induction furnace was successful and commercial production ensued. Ongoing progress in operations and productivity improvements continued and the 13th Street operation became profitable in mid-1986. Meanwhile, operational difficulties with coating of Galfan alloy, combined with low market interest, led to a decision to abandon that product and concentrated on standard galvanized production.
T.R. Gregory and T.S. Gregory with First Prime Production Coils from the New Continuous Galvanizing Line in December, 1985
During the ensuing months, continuous improvement in the reliability and productivity of the galvanizing facility were made with a threefold production capacity increase. This increase in capacity engendered a desire for additional coating volume. Gregory’s experience and know how on the application of very heavy zinc coatings on Cyclone fence post production was considered an asset. Further, the company eventually contracted to buy the steel required for fence post production, thus initiating steel purchasing relationships. The inclusion of steel invoicing in Gregory galvanized products opened the door to additional profit opportunities and eventually grew to be a very significant part of its business.

The developments noted above suggested the exploration of guardrail galvanizing. Such product requires a width of nearly nineteen inches, about three inches wider than the design width of the galvanizing line. Thus, the entry into the guardrail production would require first, widening of the galvanizing facility, and second, trade acceptance of continuous galvanized rail in a market solely served by the after fabrication galvanized process. Modifications were successfully made to the galvanizing line to enable the processing of guardrail width product. Further corrosion testing of the Gregory guardrail verified the assumption that the well documented sacrificial properties of zinc coating would satisfactorily protect cut edges resulting from shearing or punching operations from any meaningful corrosion problems.

In consideration of the above facts, T.R. Gregory made a major decision, i.e., to enter the guardrail galvanizing business and aggressively market the product. An important early step was to find and hire an experienced and competent person to direct the company’s marketing efforts. Andrew Artar who had career experience in the marketing of guardrail was selected to fill this need and was hired in 1992 as Vice President of Sales for Highway Products.

Despite the fact that the Federal specifications for guardrail permitted the use of continuous galvanized product, DOT personnel from a number of states were concerned about the uncoated edges, which result from shearing and punching. Thus, a Gregory marketing and technical team met with key DOT persons predominantly from Michigan, Florida and North Carolina to jointly reconfirm the satisfactory corrosion protection provided by zinc in the vicinity of sheared edges. This effort included additional test site evaluations and eventually unconditionally qualified Gregory product for use in government jobs as well as all private sector applications. Thus, Gregory Industries grew to become a major source of guardrail on a nationwide scale.
At the December 1992 meeting of the Board of Directors, T.R. Gregory informed the Board that he felt that the time had come for T. Stephen to take overall responsibility for managing the Corporation. He further expressed his deep pride in being able to “pass the baton” to his son and that he was completely confident that Steve is well prepared and capable of carrying on the traditions of growth and integrity the previous three generations of Gregory’s had attained in the galvanizing business. The Board fully consented with these sentiments and the succession of the fourth generation to the role of President and Chief Operating Officer. A further significant change was made at this same meeting in the form of recapitalization of other the existing common and preferred stock and its redemption. The basic objective of the new capital structure was to maintain the viability of the company under the new generation of management while also providing for the fair and efficient redemption of the company shares held by other members of the Gregory family. The basis of this proposal was the redemption of the inactive, no-voting stockholders at a timely redemption calculation price, thus removing the uncertainty of any future evaluation.

During the March 1996 Board meeting T.R. Gregory proposed the promotion of Mr. Gimigliano to the position of Executive Vice President of the Coil Operations in view of his valuable assistance to the corporation and the board approved this proposal.

During the June 1998 meeting of the Board of Directors, a proposal was introduced and approved to immediately redeem the inactive, non-voting stockholders at the existing redemption calculations price. This proposal also included the redemption of a portion of T.R. Gregory’s stock to assure favorable tax treatment of the transaction.

T.R. Gregory had owned a trucking service “Gregory Transport Co.” predominantly to deliver product galvanized by the company. In early 1999, it was recommended and the BOD approved to fold the Gregory Transport Co. into Gregory Galvanizing and Metal Processing in exchange for newly created preferred stock.

Concurrently, T.S. Gregory introduced the framework for his succession plan, expanding the number of common shares and establish an LLC owning properties used by the company. After discussion and full consideration of the potential financial impact that this may have on the long-term equity of the corporation, the proposal was approved by the Board.
The growth of the continuous coil galvanizing operations resulted in the company becoming an ever more significant purchaser of hot roll steel sheet coils for its Highway, Strut and Fence products, thus allowing greater influence in purchasing negotiations and control of quality. The company continued to galvanize and supply steel fence framework to the industry and became a rapidly growing source of galvanized guardrail, becoming one of the top two producers in the country. The company had gradually become a growing supplier of galvanized steel to the channel strut market. Initially steel coils intended for channel strut were galvanized by Gregory and sold to the existing entities in the strut business. By 1997, the company reasoned that there was greater opportunity for entering this market as a full line supplier and thereby began to market its own product under the name of “G-Strut”. In consideration of the company’s growth and diversity, the company name was formally changed in December 2000 to “Gregory Industries”.

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In May of 1999, T. Matthew Gregory, the son of Steve and Paula Gregory, joined the company after receiving a B.S. Degree in Management from Wittenburg University. He later received an MBA from Akron University, graduating in 2005 with honors. Matt’s first assignment was at the 13th Street plant where he was first assigned to inside sales and later operations scheduling. In 2001, he was promoted to the position of Superintendent at the After-Fabrication galvanizing facility at 17th St. in Canton and soon thereafter to Plant Manager. Matt was reassigned to the 13th street offices and promoted to the position of Vice President of Operations in 2005 and promoted to the position of Executive Vice President in 2012.

During the June 2003 meeting of the Board of Directors, a new slate of company officers was recommended and elected as follows: Chairman and CEO – T. Stephen Gregory; President and COO – Fred T. Zalenski; Chairman Emeritus – T. Raymond Gregory. Mr. Zalenski began his career with the company as a sales representative in 1995, promoted to V.P. of Sales of the Coil Operations in 1997 and is the first non-family member to be elected to the position of President of the company. T. Stephen and this management team led the company through the significant expansion and growth period from 2003 to present.

Over a period, the After-Fabrication galvanizing plant had gradually grown its labor cost to the point where it was no longer cost competitive with other regional after-fab galvanizers and consequently the company decided to search for a buyer. The after fabrication galvanizing facility was sold as an operating entity in 2005. With the divestiture of the large after fabrication galvanizing facility, the company had to then contract out the growing need for the galvanizing of guardrail posts. Consequently, it decided to evaluate the prospect for initiating a new downsized after fabrication galvanizing facility for the main purpose of producing and coating guardrail posts to supplement the rail business. The company’s decision to go forward with this new facility was made in 2011. As a result, T. Matthew Gregory was assigned the responsibility for designing a state of the art automated fabricating and galvanizing facility to produce posts and accessories for the highway product group. This operation began in 2012 and achieved early success with both quality and efficiency. This allowed the operation to contract outside galvanizing work.
T. Raymond Gregory and T. Matthew Gregory at the New After Fabrication Galvanizing Plant in 2012
Sales Growth (Shown as Multiples) for the Era Which Included Galvanizing Operations Only. Continuous Galvanizing Operations Began in 1986 Coinciding With the Upward Turn in Sales Illustrated Here
Sales Growth (Shown as Multiples) for the Era Which Included the Addition of the Company’s Own Product Lines
THE COMPANY TODAY

The company’s combination of galvanizing and roll forming facilities make it a leading source of guardrail products to the industry. Its growth in the production and marketing of channel strut added and C-Post fence framework all combine to make Gregory Industries an important supplier of galvanized products for the construction industry.
SPECIAL THANKS

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