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Classroom manufacturer set to expand *Global Diversified will hire another 50 workers to meet rising volume*

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A Chowchilla manufacturer of modular classrooms is taking a huge leap in the number of its employees, having just purchased the assets of what was the leader in the industry.

Global Diversified Industries, Inc., a public company that opened its 100,000-square-foot facility in Chowchilla in 2003, is now looking to hire about 50 high-skilled workers for its manufacturing plant and is projecting that sales may surpass \$20 million in the next 12 months.

The company just finished a round of hiring that added 25 to its workforce, which not totals 1z25, said chairman and CEO Phil Hamilton.

It's part of the growing company's needs. Global reported a backlog of \$8 million in orders this January in its third quarter SEC filing. During the previous fiscal year, which ended in April 2004 for Global, the company had reported a backlog of \$350,000.

Global acquired Moreno Valley-based Aurora Modular Industries last year, after that company file for bankruptcy in August. Aurora had been one of the state's largest manufacturers of prefabricated classrooms and other buildings throughout California.

"They were 38 years in the business—the Cadillac of the industry," Hamilton said. "With the departure of Aurora Modular, the door is open for Global to capture substantial market share, especially for school districts that previously purchased the Aurora type product exclusively."

Several California school district projects were delayed after the bankruptcy of Aurora and another modular building firm in the last eight months, Hamilton said.

That set the stage for the heaviest quoting activity for Global since the beginning of its operations three years ago. The two subsidiaries of Global Diversified—MBS Construction, Inc. and Global Modular, Inc.—work in tandem to provide customers with modular classrooms. MBS merged with Grossman Construction last March.



Global Modular begins its 2005 fiscal year with a reported \$8 million backlog. The company recently acquired Aurora Modular Industries, which went bankrupt late last year as one of the leaders of the modular building industry.

Modular buildings are manufactured in a plant and shipped to the site pre-fabricated, unlike traditional buildings which are constructed on-site. But Hamilton said modular designs now include models with out floors—literally putting modular buildings on the same footing as other buildings.

"Our new generation of modular buildings is permanent construction, built right on the cement slab," he said. "It's just like standard construction."

While the company is focused on California today, Hamilton said that is likely to change in the future.

But not any time soon, he said. One of the reason's Aurora went out of business was that it couldn't absorb

the construction costs that have been increasing throughout the country, Hamilton said, and Aurora was in growth mode when that happened.

Instead, Hamilton has been pulling together a team of top-level professionals from within the industry. Ten of the members of the top management have more than 25 years of experience each, he said.

"The say a step at a time, saves time," Hamilton said. "There are so many pieces you have to tie together, from skilled labor to your management team."

So while the company may double its revenue in the next 12 months when it could enter the commercial market, Hamilton said he hopes to keep the growth steady.

"We're not trying to take it above those levels, and we have good experienced management, and that's the key," he said.

Global paid \$500,000 just for the proprietary rights of the Aurora, including its engineering and designs, Hamilton said. With the purchase, Modular increases its selection of base models from three designs to 12, he said, which includes two-story designs.

The factory itself can produce three floors per day but has the capacity to build up to 12 floors a day, he said.

Global has been profitable for the last three quarters. Traded under "GDVI" on Bulletin Board, the company's stock was listed at \$0.102 on April 12.

Adrian Rodriguez