



Joint Respondents' Hearing Materials

**Certain Tool Chests and Cabinets from China
and Vietnam**

Inv. Nos. 701-TA-575 and 731-TA-1360-61

November 28, 2017





Waterloo Product at Sears & Lowe's

sears

CRAFTSMAN

Most product has been around for **5+ years**. 41" & 52" launched in **2016**



26" 5-Drw Combo



26" 6-Drw Set



41" 8-Drw Cabinet



26" 9-Drw Set



26" 10-Drw Set



41" 16-Drw Set



52" 18-Drw Set

LOWE'S



KOBALT

Most product launched in **2017**



26" 5-Drw Combo



26" 8-Drw Set



41" 6-Drw Cabinet



26" 8-Drw Set



26" 10-Drw Set



41" 12-Drw Set



52" 15-Drw Set



Holiday Ads of Waterloo Items at Sears and Lowe's 2008-2016

sears

2008 Sears Holiday Ad

MAKE YOUR TOOL FAN'S HOLIDAY GREAT
enjoy additional Member savings of up to \$200

12-4-08

BALL-BEARING DRAWERS OPEN AND CLOSE MORE EASILY AS LOAD INCREASES

ENSURE DRAWERS ARE SECURELY CLOSED WITH GRIPLATCH DRIVERS RETENTION

41" WIDE COMBO PROVIDES A SECURE SPACE FOR ALL YOUR TOOLS

26 x 14 x 19.75
26.5 x 18 x 34.25
No. 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

Craftsman 10-Drawer Ball-Bearing Combo
Full-extension ball-bearing drawers open and close easily as load increases. Craftsman exclusive 10-year steel safety provides added strength and durability. #00931018/4/5. Reg. \$399.99. **379.99**

Craftsman 11-Drawer Ball-Bearing Combo
Full-extension ball-bearing drawers open and close easily as load increases. Craftsman exclusive 10-year steel safety provides added strength and durability. #00931018/4/5. Reg. \$499.99. **499.98**

Craftsman 22-Drawer Ball-Bearing Combo With Griplatch
Full-extension ball-bearing drawers open and close easily as load increases. Craftsman exclusive 10-year steel safety provides added strength and durability. #00931018/4/5. Reg. \$799.99. **799.98**

2014 Sears Holiday Ad

CRAFTSMAN

BLACK FRI DEAL
SAVE OVER 55% OFF
\$899.98 WITH EXTRA 10% OFF
999.98 before 10% off
Craftsman 52-in. 20-drawer premium heavy-duty ball-bearing tool chest
Reg. 2239.98 #00958629/30

52-in. Wide

SAVE \$190
\$249.97
Craftsman 11-drawer ball-bearing tool chest
#00931018/4/5
Also available in red. #00938001/3/6

50% OFF
Craftsman 11-drawer ball-bearing tool chest
Available in black or red. **219.97 each**
#00931018/4/5, #00938001/3/6

an extra 10% off sale priced tools.†

SAVE OVER 55%
Craftsman 40-in. 19-drawer premium heavy-duty ball-bearing tool chest. 699.98 Reg. 1599.98 #00958623/4

40-in. Wide

Sears 2011 Holiday Ad

SAVE \$60
26-in. W 18-in. D 45-in. H
\$189.98
when you buy both Craftsman® 6-drawer ball-bearing tool chest, 500-lb. capacity #00931016/7

SAVE \$140
to 11 drawers
26-in. W 18-in. D 61-in. H
\$299.97
when you buy all 3 Craftsman 11-drawer ball-bearing tool chest, 500-lb. capacity #00931018/15/14

SAVE \$50
to GRIPLATCH system that keeps drawers secure
41-in. W 18-in. D 61-in. H
\$749.98
when you buy both Craftsman 22-drawer premium heavy-duty ball-bearing tool chest, 1000-lb. capacity #00958623/4

2015 Sears Holiday Ad

50% OFF
\$999.98
Craftsman 52-in. 20-drawer premium heavy-duty tool chest with GRIPLATCH® drawers
#00958629/30

12/20/15

2016 Sears Holiday Ad

SAVE \$800
\$799.98
Craftsman® 40-in. premium heavy-duty ball-bearing tool chest with 10 GRIPLATCH® drawers
#00958623/4

SAVE \$5
\$14.99
Craftsman drawer liner roll
#00916206

OVER 50% OFF
\$299.97
Craftsman 13-drawer heavy-duty ball-bearing tool chest
Reg. 645.97 #00916207/1
Also available in black #00916208/30

2016 Lowes Holiday Ad

Group Price
\$398 was \$528

NEW LOWER PRICE
40.5-in 4-Drawer Black Steel Tool Chest
#902892

40.75-in 8-Drawer Black Steel Rolling Tool Cabinet #802893

LOWEST PRICE EVER
\$299.97
Craftsman 13-drawer heavy-duty ball-bearing tool chest
Reg. 645.97 #00916207/1
Also available in black #00916208/30

LOWE'S



sears

2016 – Finally Some Changes at Sears

LOWEST PRICE EVER

NEW!



SAVE \$450

\$649⁹⁸

Craftsman 52-in. 18-drawer ball-bearing tool chest With soft close drawers, deep capacity lid and power strip. 10-yr. limited warranty. 00958650/1 See sears.com for warranty details.

Also available online in black 00958652/3

Tall Till
Power Strip
Soft Close Slides



Holiday Ads of Chinese /Vietnamese Product at The Home Depot 2012-2016



2012 – Black out Design / Gas Struts on 27" Combo



2014 – Tall Tills, New Brands



2016 – Adjustable Height Work Bench / Large Format Workstations



2015 – Workbench with Pegboard Attachments
Soft Close Drawer Slides / Pegboard / Security Drawer
/ Magnetic Walls / Power Strips with USB ports

Holiday Ads of Chinese Product at Lowe's and Menards

2015-2016



KOBALT

11/9/16

<p>Group Price \$599 was \$898</p> <p>SPECIAL VALUES</p> <p>\$249 was \$349 41-in 9-Drawer White Steel Tool Chest #806393</p> <p>\$350 was \$549 41-in 11-Drawer White Steel Rolling Tool Chest #806394</p>	<p>Group Price \$898 was \$1178</p> <p>SPECIAL VALUES</p> <p>\$399 was \$499 41-in 9-Drawer Stainless Steel Tool Chest #538542</p> <p>\$499 was \$679 41-in 11-Drawer Stainless Steel Rolling Tool Chest #538540</p>
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Lowe's 2016 – New colors / Tall Till



FOR MORE TOOL CHESTS, SHOP OUR WEEKLY AD AT MENARDS.COM

MASTERFORCE Tool Chests
BEST PERFORMANCE. RIGHT PRICE.
LIMITED LIFETIME WARRANTY

<p>57" Tool Cabinet SAVE \$200</p> <p>Sale \$699 each</p> <ul style="list-style-type: none"> • Beautiful fingerprint resistant work surface • Long wearing gray powder coating finish • Hardened steel tubular side handle • Heavy-duty full extension ball bearing drawer slides hold up to 100 lbs. per drawer • 57"W x 18-3/4"D x 37-1/2"H 245-1404 <p>Complete your Cabinet Combo by adding the 57" 8-Drawer Top Chest available by special order in approximately 1 week!</p> <p>8-Drawer Chest \$499 • 57"W x 18-3/4"D x 26"H 245-1402</p>	<p>30" Green Cabinet Combo</p> <p>Sale \$549 each</p> <p>System As Shown</p> <ul style="list-style-type: none"> • 1,100 lb. capacity • Full extension 100 lb. capacity ball bearing drawer slides • 5" heavy-duty polyurethane casters • Open chest till design 290-7558 <p>F. 5-Drawer Chest \$219 • 30"W x 17-3/4"D x 22"H 245-1654</p> <p>G. 5-Drawer Mobile Cabinet \$330 • 30-1/2"W x 18"D x 40-3/4"H 245-1656</p> <p>Black, Blue or Red special order in approximately 1 week at additional cost.</p>
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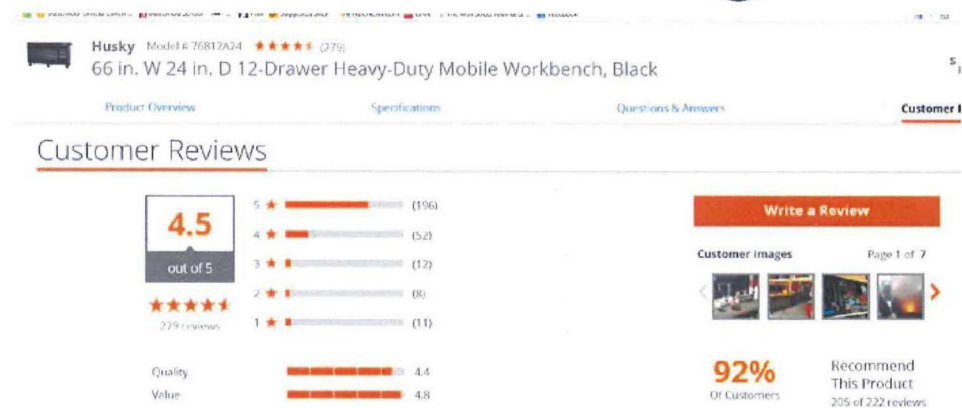
Menards 2015 – Fingerprint-resistant surface / tall-till design



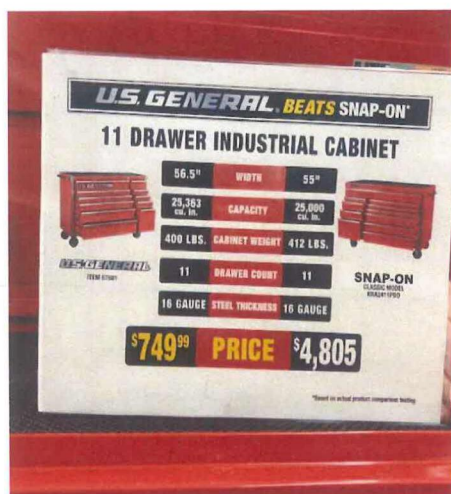
Husky 66.3" W 12-Drawer Mobile Workbench

Quote from Mr. Nictakis, CEO of Waterloo, at the Staff Conference: "Traditional retailers don't sell industrial".

- #1 tool chest on homedepot.com since 2014
- Available in select The Home Depot stores
- 4.5 stars out of 5 with 279 reviews



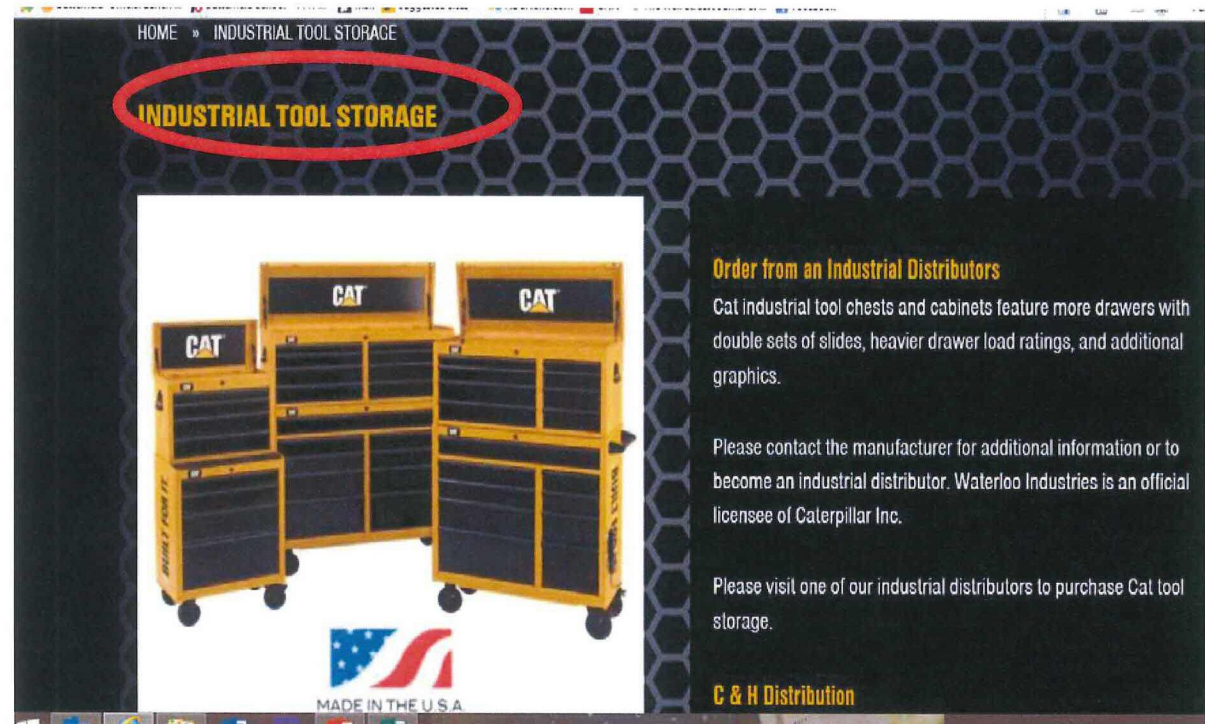
56" W In-Scope & Out-of-Scope Comparison



	56" W 19-Drawer Tool Chest & Cabinet Set	56" W 23-Drawer Tool Chest & Cabinet Set
Brand	U.S. General	Husky
Retailer	Harbor Freight	The Home Depot
Steel Thickness	16 ga. Body	19 ga. Body
Dimensions	56" W x 22" D x 63" H	56" W x 20" D x 64.9" H
Net Weight	Top Chest: 260lbs Bottom Cabinet: 400lbs	542lbs total
Features	Includes drawer liners, 6" x 2" casters	Premium soft-close drawer slides, integrated power strip with 8 outlets & 2 USB ports, rechargeable magnetic LED light, drawer liners
Retail Price	\$409.99 (Top Chest) + \$749.99 (Cabinet) = \$1,159.98	\$998

CAT 27" W Tool Chest – Made by Waterloo

- Caterpillar is the world's leading manufacturer of construction & mining equipment, diesel & natural gas engines, industrial gas turbines & diesel-electric locomotives.
- Licensed industrial brand on in-scope products being sold at retail locations & clubs.



Shanghai Homsteel Samples:

HomSteel



Waterloo 2000 Series 41 in Combination
41inW x 18inD x 58.75in H
245 lbs



Homsteel 3000 Series 41 in Combination
Stainless Steel and Powder Coated
41inW x 18inD x 63.5in H
351 lbs



Shanghai Homsteel
 Lowes Item number 698558
 56in W x 20in D x 65.5in H

Industrial scope exclusion	This combination
Weight requirement for 56 in: Chest 250 Cart 350 Combo 600	Chest 270 lbs Cart 340 Combo weight: 610 pounds
Gauge of steel for body: .047 in (between 17 & 18g)	18 gauge
Depth of body > 21 inches	20 inches

1. This product exceeds the weight requirement
2. This product is purchased >80% for industrial use per customer report



Lowes in-stock line up 2010-2016



Shanghai Homsteel

Lowe's in stock line up 2017



1000 series

2000 Series

3000 Series (Waterloo did not quote)

Waterloo Industries

Shanghai Homsteel

2016- Line Review was held. Waterloo quoted the 1-2000 series but did not quote the 3000 series. Homsteel and others quoted the line. Waterloo's pricing and domestic distribution model were more competitive than Homsteel. Waterloo, Homsteel and competitors have been awarded promotions as well as in-line product. Lowe's expanded their line and awarded the additional business to Waterloo.

Stanley/Waterloo Acquisition Timeline

- 2012: Fortune Brands segregates Waterloo from its portfolio and puts it up for sale. Reduces product offering and investment. Uncertainty forced Waterloo's customers to find alternative sources.
- 2015: Fortune Brands sells Waterloo to AFI (New York Private Equity)
- 2016: Sears starts shopping Craftsman Brand
- January 2017: Sears Announces Agreement to Sell Craftsman to Stanley
- March 27, 2017: Stanley Buys Craftsman

THEN – ONLY TWO WEEKS LATER...

- April 11, 2017: Waterloo Files AD/CVD Case (scope and domestic industry excludes so-called “industrial” boxes made by Stanley companies Mac Tools, Proto, Lista and Vidmar)
- May 22, 2017: Waterloo Excludes Service Carts from DOC Scope (this is a major product imported by Mac Tools, a Stanley company)
- July 27, 2017: Stanley buys Waterloo from AFI. Purchase not disclosed in SEC filings.
- September 8, 2017: Waterloo informs ITC of acquisition by Stanley (in comments on draft questionnaire)