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Nortek acquires Phoenix Wholesale HVAC business

Alan M. Petrillo

HVACR Today

Nortek Inc., a company that offers air management and technology-driven products and solutions for residential and commercial applications, has acquired the HVAC distribution business of privately-owned Phoenix Wholesale Inc.

Nortek purchased all or part of five Phoenix Wholesale locations in Arizona—Flagstaff, Show Low, Surprise, Tempe and Tucson. Nortek will integrate Phoenix Wholesale into Nortek's Residential Heating and Cooling (RHC) segment.

Nortek expects the transaction, which was funded from existing cash on hand, to generate incremental revenue in the range of \$15 million to \$20 million over the next 12 months.

Philip Windham, vice president of sales for Nordyne, a Nortek company, said Phoenix Wholesale will continue operating under the Phoenix Wholesale name for the

foreseeable future.

"It's a strong company that local contractors know and respect," Windham said, "and that brand equity is important to us."

The purchase of Phoenix Wholesale strengthens the presence of Nortek's Residential Heating and Cooling segment in the Arizona market.

"Adding Phoenix Wholesale's residential HVAC business advances our strategy of expanding our RHC segment's distribution footprint in regions where we currently have minimal market penetration," said Michael J. Clarke, Nortek president and chief executive officer.

Nortek has factory-owned distribution locations in Englewood, Colo.; Lenexa, Kan.; Liberty, Mo.; and Austin, Houston and San Antonio, Texas.

Windham said that Nortek offered employment to all Phoenix Wholesale employees "and are very pleased with our high retention rate. The family oriented

atmosphere at Phoenix Wholesale is an excellent fit with the Nordyne culture." He added that the Phoenix Wholesale team is what Nortek considered "best in class" and that it would be "thrilled to grow the business to the point of increasing staff."

Clarke pointed out that the transaction "also brings together Phoenix Wholesale's outstanding customer support and distribution capabilities with RHC's industry-leading equipment and brands to create a stronger presence in the Arizona market."

In addition, Clarke added, Nortek's Residential Heating and Cooling segment will continue to strengthen its partnerships with its existing network of independent distributors.

"We have long valued these partnerships, which will continue to be core to RHC's overall business," he said. "At the same time, to accelerate the segment's growth, we are working to establish Nortek-owned distribution centers in areas where there are

limited partnership opportunities or where the market is large enough to support an additional distribution presence."

Nortek's Residential Heating and Cooling segment offers a variety of energy efficient comfort products for the residential, manufactured housing and light commercial markets, including central air conditioners, heat pumps, furnaces and unit heaters.

"Our five Arizona locations now offer the award winning Frigidaire HVAC line, our Gibson line of HVAC equipment and our Mammoth light commercial offering," Windham pointed out. "Phoenix Wholesale contractors will now have access to our 25.5 SEER iQ Drive air conditioner and 22 SEER iQ Drive heat pump, as well as our 20 SEER iQ Drive gas/electric packaged unit."

Phoenix Wholesale will continue to provide contractors with LG ductless products and Honeywell products, he added, as well as a full array of HVAC parts and accessories.

Hobaica's founder, Paul Hobaica Sr. passes away

Katie Mayer
HVACR Today

The founder of one of the Valley's oldest HVAC and refrigeration companies, Paul S. Hobaica, died Oct. 4 from complications caused by a recent fall. He was 93.

Born in Cuba to Lebanese immigrants, Hobaica founded Hobaica's Refrigeration in 1952, which serviced mostly grocery stores and dairies. As the company grew and air conditioning became popular, he ventured into the air conditioning industry, setting a new standard and becoming one of the Valley's industry leaders.

Today, three of the founder's sons operate the business, which is called Hobaica Services, Inc. The company has grown throughout the decades, but still retains the core values by which its founder lived and worked—living by the Golden Rule and giving to those in need.

"My father always chose to live a simple life and help those who need it," said Hobaica's son and company president



From left, Mike Hobaica, Louis Hobaica, Paul Hobaica Senior (company founder who passed away on Oct. 4) and Paul Hobaica.

Louis Hobaica.

Professionally, those who knew Hobaica remember him for his integrity, work ethic and innovation, as well as the lasting impact he made on Arizona's air condition-

"He had integrity, he had a hard work ethic and he wasn't afraid to dive into a project and make it happen," Hinshaw said. "The best part is he raised his children with the same degree of integrity and the ability to take on tough projects."

Tony Nolan, owner and vice president of sales for Johnstone Supply, said he has known Hobaica—who he affectionately called "Pablo"—for 30 years from the perspective of the supply side of the industry.

"Unfortunately from my side of the counter you get to see some shady characters that are too often just out to make the easy buck by using the cheapest parts to win the job and squeeze Mrs. Smith for every dollar they can," Nolan said.

But the Hobaicas always make sure to buy the high quality parts to get the job done right, Nolan said.

He added, "In an industry where it's easy to take advantage, Mr. Hobaica taught his sons to be honorable (and) to do the right thing."
See 'Hobaica' page 12

Inside

- ROC reduces fees, makes other changes 2
- Troubleshooting Question: A no-heat-furnace call 4
- Groups sponsor first Tucson Construction Career Days event .. 6
- Company Profile: Mears Mechanical 7
- ACCA-AZ trade show set for December 9
- Reichstein joins Nidec Motor Corporation 12
- Project Focus: MCC Performing Arts Center 14
- Classifieds 18



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Victor Reichstein joins Nidec Motor Corporation

**Katie McDevitt
HVACR Today**

Thirty-year HVAC veteran Victor Reichstein recently returned to the training side of the industry full-time on Oct. 1 when he joined Nidec Motor Corporation to support the western region's business development and training.

In his new role, Reichstein is responsible for training wholesalers and their contractor customers on U.S. MOTORS brand aftermarket products throughout the West.

"I've been training on these products for 10 years...so when the opportunity came along to do this full-time, I was very interested in applying for it," Reichstein said. "Training is my passion."

For the past decade, Reichstein has worked in training, technical support and sales at Emerson Climate Technologies. He has also served as a contractor support representative and wholesale distribution salesperson for White Rodgers. Prior to that, he was an outside sales rep for Trane in New York and a business manager for Dr. Frigid Mechanical in New York.

Last year, Reichstein earned his Master's Degree in Science in Leadership from Grand Canyon University. He has also been a local trainer in HVAC education and has taught for East Valley Institute of Technology and Gateway Community College.



Victor Reichstein

"We are delighted to have Vic join our team so we can increase our product support to our western customers," says Ryan

Wade, director of sales and marketing for the HVACR and pool aftermarket business segment of Nidec Motor Corporation.

Reichstein said he is not only excited about training full-time, but that he is also proud to work for a company that provides excellent support to its customers and employees, is an innovative leader in offering proven cutting edge products and has a dedicated and committed sales team.

"They are a really great group of people, who are smart, savvy and understand the marketplace," Reichstein said.

Reichstein began visiting the hundreds of wholesalers in his territory in late October, starting with Southern California and followed by Southern Arizona, Nevada and Utah.

"My first priority is to accomplish an understanding between myself and my customers that I'm here to help them," Reichstein said.

Reichstein is one of three Nidec Motor Corporation trainers around the Country ensuring consistent training for customers nationwide. Reichstein's position is new to

the western territory.

"If a contractor moves from Arizona to New York, he can continue to rely on that product and make sure there is someone locally to meet his goals," Reichstein said.

The U.S. MOTORS brand has been a market leader since 1908 and encompasses a complete line of general and special purpose commercial and industrial motors. With the acquisition of the Emerson Motor Company motors and controls business in 2010 by Nidec Corporation, the company's product portfolio consists of motors from 1/70th to more than 4,000 horsepower for a wide variety of HVACR, pool, pumping and industrial applications.

Nidec Motor Corporation is headquartered in St. Louis, Mo., and manufactures commercial, industrial and appliance motors and controls. The company's product line features high efficiency motors, which serve industrial, residential and commercial markets in a wide variety of applications, including air conditioning condensers, rooftop cooling towers and commercial refrigeration.

Danfoss calls for a holistic approach to doubling U.S. energy

Baltimore, Md. – John Galyen, president, Danfoss North America, addressed energy productivity at the Alliance to Save Energy's Energy 2030 On the Road Sept. 29 in New York City. Galyen participated in a panel and addressed several key issues that will impact the goal of doubling energy productivity by 2030.

According to the Alliance to Save Energy, achieving the Energy 2030 goal would

Hobaica

Continued from page 12

right thing even though it might mean you lose money on the job."

Louis calls his father innovative and ingenious and recalls his unique ability to solve problems for customers at a time when the air conditioning industry was still new in Arizona.

"He could build anything out of anything," Louis said.

Hobaica moved to Phoenix with his family as a child and graduated high school while selling newspapers in downtown Phoenix. He joined the U.S. Army at the age of 18 and fought in the Battle of the Bulge and at Normandy Beach during WWII.

Following the war, Hobaica returned home and earned his AA from Phoenix College before attending a tech school to learn the refrigeration trade.

In 1952, Hobaica opened his own business as a one man operation out of his home. As his business grew, and air conditioning became more prominent in Arizona, Hobaica ventured into the air conditioning industry and replaced evaporative coolers on many Phoenix homes with new, modern air conditioners.

"That was back in the day where it was easy to sell air conditioners in Phoenix," said Hinshaw, "but he was a forward thinker and when you looked at the service work and replacement work...he cared about the consumer and cared about his reputation long before it was popular to do that."

But as committed to his work as Hobaica was, his other lifelong priority was his family. Hobaica married the love of his life, Elizabeth, the same year he started his new business and the couple raised seven children in a loving home.

In fact, before Elizabeth passed away in 2001, she asked her seven children to care

for her husband, and the siblings kept their promise. For 13 years, each sibling visited their father one evening per week, sharing a meal and memories.

Louis said his aging father would often wonder aloud when "the good Lord would call me up," and the two would laugh that "the Lord didn't have room" for him. But knowing his father was always a man of his word, Louis asked him seriously if he could wait until after the summer to pass away.

Realizing how many families rely on air conditioning in the busy summer months,

the always business-minded Hobaica agreed and said he would pass away in the fall. He asked his son if October would be a good time, and Louis said "yes." True to his promise, despite some close calls, Hobaica passed away on October 4, not long after each of his children visited him.

"He was a man of his word all the way until the end," Louis said.

Hobaica was also a man of the Lord's word. He was a devout Catholic who was active in the Society of St. Vincent de Paul for more than 65 years, providing food,

shelter and aid to those in need.

"He used to say 'The more you give, the more the good Lord will provide, so don't ever worry about giving too much,'" Louis said.

Hobaica's funeral services drew a crowd of 800 and were held on Oct. 11 at Most Holy Trinity Catholic Church in Phoenix. A hand-sketched portrait of the founder hangs in Hobaica Services Inc. along with a digital monitor showing family history and photos.

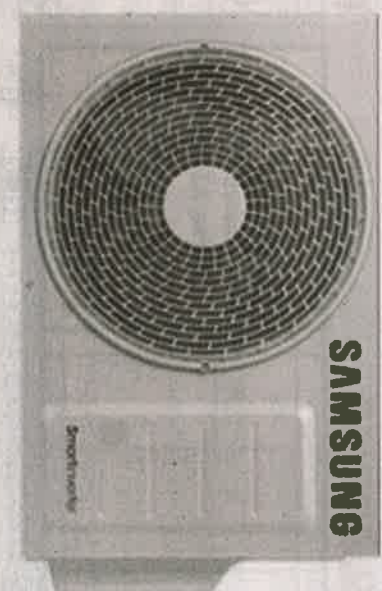
"Thank you, Pablo, for setting the bar for our industry," Nolan said. "You will be missed."

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