

BlueLinx Holdings Inc.
Form PRE 14A
April 03, 2012
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to §240.14a-12

BLUELINX HOLDINGS INC.

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

Table of Contents

BlueLinx Holdings Inc.

4300 Wildwood Parkway

Atlanta, Georgia 30339

April 16, 2012

Dear Stockholder:

I am pleased to invite you to the 2012 Annual Meeting of Stockholders of BlueLinx Holdings Inc. The meeting will be held at our headquarters at 4300 Wildwood Parkway, Atlanta, Georgia 30339 on Thursday, May 17, 2012 at 1:00 p.m. Eastern Daylight Savings Time. The matters to be voted upon at the meeting are listed in the accompanying notice of the Annual Meeting, and are described in more detail in the accompanying proxy statement and proxy card. Whether or not you plan to attend the Annual Meeting, please complete, date, sign and mail promptly the enclosed proxy card in the envelope provided to ensure that your vote will be counted. If you attend the meeting, you will, of course, have the right to revoke the proxy and vote your shares in person.

On behalf of the Board of Directors, management and employees of BlueLinx, I extend our appreciation for your continued support and look forward to meeting with you.

Very truly yours,

George R. Judd

President and Chief Executive Officer

Table of Contents

BLUELINX HOLDINGS INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Our Stockholders:

NOTICE IS HEREBY GIVEN that the 2012 Annual Meeting of Stockholders of BlueLinx Holdings Inc. will be held at our headquarters at 4300 Wildwood Parkway, Atlanta, Georgia 30339 on Thursday, May 17, 2012, at 1:00 p.m. Eastern Daylight Saving Time, for the following purposes:

1. to elect eight directors to hold office until the 2013 annual meeting of stockholders or until their successors are duly elected and qualified;
2. to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2012;
3. to approve an amendment to the BlueLinx Holdings Inc. 2006 Long-Term Equity Incentive Plan (as amended and restated effective May 21, 2008), to increase the number of shares of common stock available for grant thereunder from 5,200,000 shares to 12,200,000 shares;
4. to approve an amendment to the BlueLinx Holdings Inc. Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 100,000,000 to 200,000,000;
5. to hold an advisory, non-binding vote to approve the executive compensation described in this Proxy Statement;
6. to transact such other business as may properly come before the meeting and any adjournment or postponement thereof.

Stockholders of record at the close of business on April 2, 2012, will be entitled to notice of and to vote at the meeting or any postponements or adjournments of the meeting.

The Board of Directors recommends voting **FOR** its nominees for director and **FOR** proposals 2 through 5.

Whether or not you expect to be present in person at the meeting, please sign and date the accompanying proxy and return it promptly in the enclosed postage-paid reply envelope. This will assist us in preparing for the meeting.

By Order of the Board of Directors,

Sara E. Epstein

Secretary

April 16, 2012

Atlanta, Georgia

Table of Contents

**IMPORTANT NOTICE REGARDING AVAILABILITY
OF PROXY MATERIALS FOR THE 2012 ANNUAL MEETING OF STOCKHOLDERS**

TO BE HELD ON THURSDAY, MAY 17, 2012

BlueLinx Holdings Inc. is providing access to its proxy materials both by sending you this full set of proxy materials and by notifying you of the availability of its proxy materials on the Internet.

You may access the following proxy materials as of the date they are first mailed to our stockholders by visiting <https://materials.proxyvote.com/09624H>:

Notice of 2012 Annual Meeting of Stockholders to be held on Thursday, May 17, 2012;

Proxy Statement for 2012 Annual Meeting of Stockholders to be held on Thursday, May 17, 2012; and

Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

These proxy materials are available free of charge and will remain available through the conclusion of the Annual Meeting. In accordance with SEC rules, the proxy materials on the site are searchable, readable and printable and the site does not have cookies or other tracking devices which identify visitors.

Table of Contents

TABLE OF CONTENTS

<u>General Information</u>	1
<u>Items of Business to be Acted on at the Meeting</u>	4
<u>Proposal 1: Election of Directors</u>	4
<u>Proposal 2: Ratification of Independent Registered Public Accounting Firm</u>	4
<u>Proposal 3: Approval of an Amendment to the BlueLinx Holdings Inc. 2006 Long-Term Equity Incentive Plan</u>	5
<u>Proposal 4: Approval of an Amendment to the BlueLinx Holdings Inc. Amended and Restated Certificate of Incorporation</u>	11
<u>Proposal 5: Advisory, Non-binding Vote to Approve the Compensation of our Named Executive Officers</u>	13
<u>Information About the Board of Directors</u>	13
<u>Identification of Executive Officers and Directors</u>	17
<u>Communications with the Board of Directors</u>	20
<u>Security Ownership of Management and Certain Beneficial Owners</u>	21
<u>Section 16 Beneficial Ownership Reporting Compliance</u>	22
<u>Compensation Discussion and Analysis</u>	22
<u>Compensation Committee Report</u>	30
<u>Compensation of Executive Officers</u>	31
<u>Audit Committee Report</u>	36
<u>Certain Relationships and Related Transactions</u>	37
<u>Corporate Governance Guidelines and Code of Ethics</u>	37
<u>Submission of Stockholder Proposals</u>	38
<u>Delivery of Proxy Materials</u>	38

The enclosed proxy is being solicited by the Board of Directors of BlueLinx Holdings Inc. (BlueLinx, us, we, our, or the Company) for the 2012 Annual Meeting of Stockholders or any postponement or adjournment of the meeting, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders.

Copies of this proxy statement, the form of proxy and the annual report will first be mailed to stockholders on or about April 16, 2012. The proxy statement and annual report are also available on the investor relations page of our website at www.bluelinxco.com.

Attending the Annual Meeting

The Annual Meeting will be held at our headquarters at 4300 Wildwood Parkway, Atlanta, Georgia 30339 on Thursday, May 17, 2012 at 1:00 p.m. Eastern Daylight Saving Time. For directions to the meeting please contact our investor relations department at 770-953-7000. Holders of our common stock as of the close of business on April 2, 2012 will be entitled to attend and vote at the meeting.

Table of Contents

BLUELINX HOLDINGS INC.

4300 Wildwood Parkway

Atlanta, Georgia 30339

770-953-7000

GENERAL INFORMATION

Why did I receive this proxy statement?

This proxy statement is furnished in connection with the solicitation of proxies on behalf of our Board of Directors (the Board) to be voted at the annual meeting of our stockholders to be held on May 17, 2012, and any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. The meeting will be held at our headquarters, 4300 Wildwood Parkway, Atlanta, Georgia 30339, on Thursday, May 17, 2012 at 1:00 p.m. Eastern Daylight Saving Time. This proxy statement and accompanying proxy card are being first sent or given to our stockholders on or about April 16, 2012. Our Annual Report on Form 10-K for the year ended December 31, 2011, accompanies this proxy statement.

Who is soliciting my vote?

Our Board is soliciting your vote at the 2012 Annual Meeting of BlueLinx Stockholders.

Who is entitled to vote?

Only our stockholders of record at the close of business on April 2, 2012, the Record Date, are entitled to receive notice of the meeting, attend the meeting and to vote the shares of our common stock that they held on that date at the meeting, or any adjournment thereof. Each outstanding share that you own as of the Record Date entitles you to cast one vote on each matter to be voted upon.

Who can attend the meeting?

All stockholders of record as of the close of business on the Record Date, or their duly appointed proxies, may attend the meeting. Each stockholder may be asked to present valid picture identification, such as a driver's license or passport.

Please note that if you hold your shares in street name (that is, through a broker or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the Record Date. If you are a stockholder of record, your name will appear on our stockholder list.

What will I vote on?

Five items:

the election of eight directors to our Board;

the ratification of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2012;

Edgar Filing: BlueLinx Holdings Inc. - Form PRE 14A

the approval of an amendment to the BlueLinx Holdings Inc. 2006 Long-Term Equity Incentive Plan, as previously amended and restated (the Plan or the 2006 LTIP);

the approval of an amendment to the BlueLinx Holdings Inc. Amended and Restated Certificate of Incorporation; and

an advisory, non-binding vote to approve the executive compensation described in this Proxy Statement.

Will there be any other items of business on the agenda?

We do not expect any other items of business at the meeting. Nonetheless, if there is an unforeseen matter raised, your proxy will give discretionary authority to the persons named on the proxy to vote on any other matters that may be brought before the meeting. These persons will use their best judgment in voting your proxy.

How many votes must be present to conduct business at the meeting?

The presence at the meeting, in person or by proxy, of the holders of a majority of the shares of our common stock outstanding on the Record Date will constitute a quorum, permitting business to be conducted at the meeting. As of the Record Date, we had 63,702,287 shares of common stock outstanding.

Table of Contents

Proxies received but marked as abstentions or broker non-votes will be included in the calculation of the number of shares considered to be present at the meeting. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

How do I vote?

If you complete and properly sign the accompanying proxy card and return it to us, it will be voted as you direct. If you are a registered stockholder and attend the meeting, you may deliver your completed proxy card in person. Street name stockholders who wish to vote at the meeting will need to obtain a proxy form from the institution that holds their shares.

Can I change my vote after I return my proxy card?

Yes. Even after you have submitted your proxy, you may change your vote at any time before the proxy is exercised by filing either a notice of revocation or a duly executed proxy bearing a later date with our secretary, at our principal executive offices, BlueLinx Holdings Inc., attn: Corporate Secretary, 4300 Wildwood Parkway, Atlanta, Georgia 30339. The powers of the proxy holder(s) will be suspended if you attend the meeting in person and so request, although attendance at the meeting will not by itself revoke a previously granted proxy.

What are the recommendations of our Board of Directors?

Our Board recommends a vote **FOR** the election of the nominated slate of directors, **FOR** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2012, **FOR** the amendment to the 2006 LTIP, **FOR** the amendment to the BlueLinx Holdings Inc. Amended and Restated Certificate of Incorporation and **FOR** the approval, on an advisory basis, of the executive compensation described in this Proxy Statement.

What vote is required to approve each item?

Election of Directors. A nominee will be elected as a director if he receives a plurality of the votes cast at the meeting. Plurality means that the nominees receiving the largest number of votes cast are elected as directors up to the maximum number of directors to be chosen at the meeting. In other words, the eight director nominees receiving the most votes will be elected. Broker non-votes or marking your proxy card to withhold authority for all or some nominees will have no effect on the election of directors.

Ratification of Independent Registered Public Accounting Firm. The affirmative vote of the holders of a majority of the shares present or represented by proxy and entitled to vote is required to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2012. As a result, abstentions will have the effect of a vote against the proposal; however, broker non-votes will have no effect on this proposal. If our stockholders fail to ratify the selection, the Audit Committee may, but is not required to, reconsider whether to retain that firm. Even if the selection is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent auditing firm at any time during the fiscal year if it determines that such a change would be in our best interests and that of our stockholders.

Approval of an amendment to the BlueLinx Holdings Inc. 2006 Long-Term Equity Incentive Plan (as amended and restated effective May 21, 2008) to increase the number of shares available for grant thereunder. Under the rules of the New York Stock Exchange (the NYSE), the affirmative vote of the holders of a majority of the votes cast is required for approval of the amendment to the 2006 LTIP, provided, however, that the total votes cast represents over 50% of all shares entitled to vote on this proposal. As a result, so long as more than 50% of our outstanding shares cast votes with respect to this proposal, abstentions and broker non-votes will have no effect on this proposal.

Table of Contents

Approval of an amendment to the BlueLinx Holdings Inc. Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock. Under Delaware law, the affirmative vote of a majority of the shares outstanding and entitled to vote is required to amend the Company's Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock. As a result, abstentions and broker non-votes will have the effect of a vote against the proposal.

Approval on a non-binding, advisory basis of the compensation of the Company's Named Executive Officers. Adoption of a resolution approving, on a non-binding, advisory basis the compensation of the Company's Named Executive Officers, as disclosed in the Compensation Discussion and Analysis, compensation tables and narrative discussion of this proxy statement, requires the affirmative vote of the holders of a majority of the shares present or represented by proxy and entitled to vote. As a result, abstentions will have the effect of a vote against the proposal; however, broker non-votes will have no effect on this proposal.

What if I don't vote for some or all of the matters listed on my proxy card?

If you are a registered stockholder and you return a signed proxy card without indicating your vote for some or all of the matters, your shares will be voted as follows for any matter you did not indicate a vote on:

FOR the director nominees to the Board listed on the proxy card;

FOR the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2012;

FOR the amendment to the 2006 LTIP;

FOR the amendment to the BlueLinx Holdings Inc. Amended and Restated Certificate of Incorporation; and

FOR the approval, on an advisory, non-binding basis, of the executive compensation described in this Proxy Statement.

How will proxies be solicited?

Proxies will be solicited by mail. Proxies may also be solicited by our officers and regular employees personally or by telephone or facsimile, but such persons will not be specifically compensated for such services. Banks, brokers, nominees and other custodians and fiduciaries will be reimbursed for their reasonable out-of-pocket expenses in forwarding soliciting material to their principals, the beneficial owners of our common stock. We will pay the expense of preparing, assembling, printing, mailing and soliciting proxies.

Is there electronic access to the proxy materials and annual report?

Yes. The materials will be available, as of the date they were first mailed to our stockholders, by visiting <https://materials.proxyvote.com/09624H>. In addition, this proxy statement and our Annual Report on Form 10-K are available on our website at www.bluelinxco.com.

Who are our largest stockholders?

As of the Record Date, Cerberus ABP Investor LLC, an affiliate of Cerberus Capital Management, L.P., or Cerberus, owned 33,651,979 shares of our common stock, representing approximately 52.83% of the then outstanding shares of common stock of BlueLinx. As of the Record Date, we believe Stadium Capital Management, LLC exercises shared voting and investment authority over 4,977,133 shares of our stock in conjunction with Alexander H. Seaver and Bradley R. Kent, and Stadium Capital Partners, L.P. (with respect to 4,434,149 of these shares of our stock), representing approximately 7.81% of the then outstanding shares of common stock of BlueLinx.

Table of Contents

ITEMS OF BUSINESS TO BE ACTED ON AT THE MEETING

PROPOSAL 1:

ELECTION OF DIRECTORS

Our Board consists of eight members. Each of our current directors has been nominated for reelection and has consented to stand for reelection.

The terms of all of the members of our Board will expire at the next annual meeting after their election, or until their successors, if any, are elected and appointed. If you do not wish your shares of common stock to be voted for particular nominees, you may so indicate on the enclosed proxy card. If, for any reason, any of the nominees become unavailable for election, the individuals named in the enclosed proxy card may exercise their discretion to vote for any substitutes proposed by the Board. At this time, the Board knows of no reason why any nominee might be unavailable to serve.

Our Board unanimously recommends a vote FOR each of the following nominees:

Howard S. Cohen

Charles H. McElrea

Richard S. Grant

Alan H. Schumacher

George R. Judd

Robert G. Warden

Steven F. Mayer

M. Richard Warner

Biographical and other information about these nominees can be found under Identification of Executive Officers and Directors elsewhere in this proxy statement.

PROPOSAL 2:

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of our Board of Directors has selected Ernst & Young LLP to serve as our independent registered public accounting firm for fiscal year 2012. Ernst & Young LLP has served as our independent registered public accounting firm since our inception. While stockholder ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm is not required by our bylaws or otherwise, our Board is submitting the selection of Ernst & Young LLP to our stockholders for ratification. If our stockholders fail to ratify the selection, the Audit Committee may, but is not required to, reconsider whether to retain that firm. Even if the selection is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent auditing firm at any time during the fiscal year if it determines that such a change would be in our best interests and that of our stockholders.

Ernst & Young LLP has advised us that it has no direct, nor any material indirect, financial interest in us or any of our subsidiaries. We expect that representatives of Ernst & Young LLP will be present at the meeting to make any statement they may desire and to respond to appropriate questions from our stockholders.

Table of Contents**Fees Paid To Independent Registered Public Accounting Firm**

The following table presents the aggregate fees billed by Ernst & Young LLP for professional services for fiscal years 2011 and 2010, by category as described in the notes to the table:

	2011	2010
Audit Fees(1)	\$ 1,614,758	\$ 1,758,859
Audit-Related Fees(2)	159,000	166,911
Tax Fees		
All Other Fees(3)	1,995	6,353
TOTAL	\$ 1,775,753	\$ 1,932,123

(1) Consists of fees related to audits of our consolidated financial statements, reviews of interim financial statements and disclosures in filings with the Securities and Exchange Commission (SEC). Audit fees also included fees related to the audit of internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act of 2002.

(2) Consists of fees billed for services related to benefit plan audits.

(3) Consists of fees billed for services related to certain transactional services and certain research related products.

Pre-Approval of Audit and Non-Audit Services

The charter of the Audit Committee provides that the Audit Committee is responsible for the pre-approval of all material audit services and non-audit services to be performed for us by our independent registered public accounting firm. All audit and non-audit work described above was pre-approved by the Audit Committee. The Audit Committee may delegate to one or more of its members the authority to grant such pre-approvals. The decisions of any such member shall be presented to the full Audit Committee at each of its scheduled meetings.

**Our Board recommends a vote FOR the ratification of Ernst & Young LLP as our
independent registered public accounting firm for fiscal year 2012.**

PROPOSAL 3:**APPROVAL OF AN AMENDMENT TO THE****BLUELINX HOLDINGS INC. 2006 LONG-TERM EQUITY INCENTIVE PLAN****General**

The Board has approved and is seeking stockholder approval of an amendment to the 2006 LTIP, as previously amended and restated. The amendment would increase the maximum number of shares of common stock we may issue under the Plan by 7,000,000 shares from 5,200,000 shares to 12,200,000 shares. The Board is seeking stockholder approval of this amendment in order to assure that the Company can continue to grant equity awards at levels determined appropriate by the Board.

At the 2011 Annual Meeting, stockholders also approved an amendment to the 2006 LTIP to increase by 2,000,000 shares the maximum number of shares issuable under the 2006 LTIP. However, as a result of the decline in our stock price over the course of 2011, in order to achieve the proposed dollar value intended for equity awards granted in 2011 and January 2012 the number of shares subject to such equity awards had to be significantly increased. Further, as part of our efforts to preserve cash, for 2012 our directors agreed to receive shares of restricted stock in lieu

of the payment of cash director fees. As a result, the number of shares subject to

Table of Contents

equity awards granted since the amendment was approved at the 2011 Annual Meeting has been significantly higher than was expected at that time. As a result, we are asking stockholders to approve this amendment to further increase the shares issuable under the Plan to continue to provide us with the flexibility of utilizing equity awards as part of our compensation programs in amounts that the Compensation Committee believes are appropriate.

A summary description of the Plan, as amended by this Proposal 3, is set forth below. This summary description is not intended to be complete and is qualified in its entirety by reference to the amended Plan set forth in Appendix A to this proxy statement.

Summary of Plan

The purpose of the Plan is to provide a means whereby employees and directors of the Company develop a sense of proprietorship and personal involvement in the development and financial success of the Company, and to encourage them to devote their best efforts to the business of the Company, thereby advancing the interests of the Company and its stockholders. A further purpose of the Plan is to provide a means through which the Company may attract able individuals to become employees or serve as directors of the Company and to align the interests of individuals who are responsible for the successful administration and management of the Company with those of our stockholders. Under the Plan, the Company may grant non-qualified stock options, incentive stock options (within the meaning of Section 422 of the Code), stock appreciation rights (SARs), restricted stock, restricted stock units, performance shares, performance units, cash-based awards, and other stock-based awards.

As of April 2, 2012, awards with respect to a total of 4,641,663 shares of common stock of the Company were issued by the Company pursuant to the Plan and outstanding, of which 381,316 awards were issued in the form of stock options and 4,260,347 in the form of restricted stock. A total of 2,832,696 of these awards were issued to the Company's Named Executive Officers who are listed herein, 698,346 of these awards were issued to the Company's other executive officers and 1,110,621 awards were issued to our directors in 2012 in lieu of payment of cash director fees.

Administration. The Plan is administered by the Compensation Committee of the Board of Directors (the Committee). Subject to the express provisions of the Plan, the Committee has the authority to select eligible persons to receive awards and determine all of the terms and conditions of each award. All awards will be evidenced by a written agreement containing such provisions not inconsistent with the Plan as the Committee shall approve. The Committee also has authority to establish rules and regulations for administering the Plan and to decide questions of interpretation or application of any provision of the Plan.

Available Shares. Under the Plan, as amended, 12,200,000 shares of common stock will be available for awards (of which no more than 1,000,000 shares may be used for incentive stock options in a single calendar year), subject, in both cases, to adjustment in the event of any corporate event or transaction (including, but not limited to, a change in the shares of the Company or the capitalization of the Company) such as a merger, consolidation, reorganization, recapitalization, separation, partial or complete liquidation, stock dividend, stock split, reverse stock split, split up, spin-off, or other distribution of stock or property of the Company, combination of shares, exchange of shares, dividend in kind, or other similar change in capital structure, number of outstanding shares or distribution (other than normal cash dividends) to stockholders of the Company, or any similar corporate event or transaction. Shares covered by an award shall be counted as used as of the date of grant. Under the Plan, any shares related to awards under the Plan which terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such shares, are settled in cash in lieu of shares, or are exchanged with the Committee's permission, prior to the issuance of shares, for awards not involving shares, shall be available again for grant under the Plan. Shares tendered to pay the exercise price of any stock options or tax withholding with respect to any award shall again be available for grant under the Plan.

Table of Contents

Eligibility. All of the Company's employees and directors are eligible to receive an award under the Plan, although incentive stock options may only be granted to employees of the Company. As of April 2, 2012, the Company had approximately 1,900 employees eligible to participate under the Plan. Any and all awards to executive officers will be formally approved by the Committee in the form of individual award agreements to each employee.

Change in Control. In the event of certain acquisitions of 30% or more of the common stock, certain changes in a majority of the Board, or the consummation of a reorganization, merger or consolidation or sale or disposition of all or substantially all of the assets of the Company (unless, among other conditions, the Company's stockholders receive 60% or more of the stock of the surviving company) or the liquidation or dissolution of the Company, all outstanding options and SARs will be exercisable in full, and the restricted stock and restricted stock units will become immediately vested and payable. The performance period applicable to performance shares and performance units shall lapse and the performance goals associated with such awards shall be deemed to have been met at their target level. Such awards shall vest on a pro rata basis based on the portion of the vesting period completed as of the change in control. In such event, the Committee may elect to cancel an outstanding award in return for a payment in cash, stock, securities or any combination thereof, of the value of the award.

Effective Date, Termination and Amendment. The effective date of the Plan was May 12, 2006, the date it was approved by our stockholders. The Plan will terminate ten years thereafter unless terminated earlier by the Board. The Committee may, at any time and from time to time, alter, amend, modify, suspend, or terminate the Plan and any award agreement in whole or in part; provided, however, that, without the prior approval of the Company's stockholders and except as provided in the Plan, options or SARs issued under the Plan will not be repriced, replaced, or regranted through cancellation, or by lowering the option price of a previously granted option or the grant price of a previously-granted SAR, and no amendment of the Plan shall be made without stockholder approval if stockholder approval is required by law, regulation, or stock exchange rule.

Stock Options-General. The Committee will determine the conditions to the exercisability of each option. Upon exercise of an option, the purchase price may be paid in cash, by delivery of previously-owned shares of common stock, by a cashless (broker-assisted) exercise or by any other method approved or accepted by the Committee.

Non-Qualified Stock Options and Incentive Stock Options. The period for the exercise of a non-qualified stock option or incentive stock option will be determined by the Committee but may not be later than 10 years after the date of grant of the stock option. The exercise price of a non-qualified stock option or incentive stock option will not be less than the fair market value of the Common Stock on the date of grant of such stock option. The Committee may impose restrictions on any shares acquired pursuant to the exercise of a non-qualified stock option or incentive stock option granted under the Plan.

The award agreement shall set forth the extent to which the participant shall have the right to exercise the non-qualified stock option or incentive stock option in the event of participant's termination of employment or service. Such provisions will be determined by the Committee.

Stock Appreciation Rights. The period for the exercise of a SAR will be determined by the Committee but may not be later than 10 years after the date of grant of the SAR. The base price of a SAR will not be less than 100% of the fair market value of the Common Stock on the date of grant. A SAR entitles the holder to receive upon exercise (subject to withholding taxes) shares of common stock (which may be restricted stock), cash or combination thereof with a value equal to the excess of the fair market value of the common stock on the exercise date over the base price of the SAR. The Committee may impose restrictions upon exercise of a SAR granted under the Plan.

Table of Contents

The award agreement shall set forth the extent to which the participant shall have the right to exercise the SAR in the event of participant's termination of employment or service. Such provisions will be determined by the Committee.

Restricted Stock and Restricted Stock Units. The Plan provides for the grant of (i) restricted stock awards which may be subject to a restriction period, and (ii) restricted stock units which are similar to restricted stock except no shares are actually awarded on the date of grant. An award of restricted stock or restricted stock units may be subject to specified performance measures during the applicable restriction period. Shares of restricted stock will be freely transferable only after all conditions and restrictions have been satisfied or lapse. The award agreement shall set forth the extent to which the participant shall have the right to retain restricted stock and/or restricted stock units in the event of the participant's termination of employment or service. Such provisions will be determined by the Committee. Unless otherwise set forth in a restricted stock award agreement, the holder of a restricted stock award will have rights as a stockholder of the Company, including the right to vote and receive dividends with respect to the shares of restricted stock. A participant shall have no voting rights with respect to any restricted stock units granted under the Plan unless and until shares are actually issued to the participant.

Performance Units and Performance Shares. The Plan also provides for the grant of performance units and performance share awards. Each performance unit and each performance share is a right, payment of which is contingent upon the attainment of performance measures within a specified performance period. The Committee will determine the form of payout of cash or in shares (or in a combination thereof) equal to the value of earned performance units/performance shares at the close of the applicable performance period. The award agreement shall set forth the extent to which the participant shall have the right to retain the performance units and/or performance shares in the event of participant's termination of employment or service, as determined by the Committee. If the Committee desires to qualify performance-based awards under Section 162(m) of the Code, the performance goals will consist of any of the following:

- (a) Net earnings or net income (before or after taxes, depreciation and amortization);
- (b) Earnings per share;
- (c) Net sales or revenues growth;
- (d) Net operating profit;
- (e) Return measures (including, but not limited to, return on assets, capital, working capital, equity, sales, or revenue);
- (f) Cash flow (including, but not limited to, operating cash flow, free cash flow, cash flow return on equity, and cash flow returns on investment);
- (g) Earnings before taxes, interest, depreciation and/or amortization;
- (h) Gross or operating margins;
- (i) Productivity ratios;
- (j) Share price (including, but not limited to, growth measures and total shareholder return);
- (k) Expense target;
- (l) Margins;
- (m) Operating efficiency;
- (n) Market share;
- (o) Customer satisfaction;
- (p) Working capital targets; and

Edgar Filing: BlueLinx Holdings Inc. - Form PRE 14A

(q) Economic value added or EVA[®] (net operating profits after tax minus the sum of capital multiplied by the cost of capital).

Table of Contents

Performance goals may be related to a specific customer or group of customers or geographic region, and may be measured on a Company, subsidiary, and/or affiliate, division, business unit, service line, segment or geographic basis or any combination thereof. Performance goals may reflect absolute entity performance or a relative comparison of entity performance to the performance of a peer group of entities or published or special indexes or other external measures of the selected performance goals. Performance goals may exclude any extraordinary or non-recurring items and may, but need not, be based upon an increase or positive result under the above criteria. The performance goals may not include solely the mere continued employment of the participant. However, an award under the Plan may become vested and/or payable contingent on the participant's continued employment or service, and/or employment or service at the time the award becomes vested and/or payable, in addition to performance goals. The Committee has the sole discretion to select one or more periods of time over which the attainment of one or more performance goals will be measured for the purpose of determining a participant's right to, and the vesting and/or payment of, an award that will become vested and/or payable on performance goals. The Committee also has the authority to provide for accelerated vesting and/or payment of any award based on the achievement of performance goals. The amount of an award that will become vested and/or payable if the performance goals are achieved (or an objective formula for, or method of, computing such amount) must be established in writing by the Committee generally no later than 90 days after the start of the fiscal year (and before the lapse of 25% of the period of service to which the performance goals relate). The Committee must certify in writing that the performance goals are achieved before payment of the award.

Cash-Based Awards and Other Stock-Based Awards. The Plan also provides for the grant of cash-based awards and other types of equity-based or equity-related awards not otherwise described by the Plan as determined by the Committee. The Committee will determine the value of the cash-based awards and other stock-based awards and may establish performance goals, the achievement of which is required for payment. In the event the Committee establishes performance goals, the number and/or value of cash-based awards or other stock-based awards that will be paid out will depend on the extent to which performance goals are met. The Committee shall determine the extent to which the participant shall have the right to receive cash-based awards or other stock-based awards in the event of the participant's termination of employment or service.

If the Committee desires to qualify restricted stock, restricted stock units, performance units or performance shares as qualified performance-based awards that are exempt from the \$1 million deduction limit of Section 162(m) of the Code, the performance goals must be objectively determinable and limited to one or more of any of the criteria set forth above under Performance Units and Performance Shares.

Non-Employee Director Awards. The Board or Committee shall determine all awards to non-employee directors. The terms of any such awards shall be set forth in a written award agreement.

Maximum Awards for Employees. Generally, the Plan limits the number or amount of awards that may be granted to any individual employee or director in any single calendar year as follows (subject to adjustment as described above):

- (a) 1,000,000 options (including incentive stock options);
- (b) 1,000,000 SARs;
- (c) 500,000 shares of restricted stock or restricted stock units;
- (d) 500,000 performance shares or performance units; and
- (e) \$7,500,000 or 500,000 shares of cash-based or other stock-based awards.

New Plan Benefits

The selection of eligible participants who may receive awards under the Plan (if the amendments to the Plan are approved by the stockholders), and the size and the types of awards subject to issuance, will be determined by

Table of Contents

the Committee in its discretion in accordance with the Plan. The amount of any such awards under the Plan are not determinable at this time due to vesting, corporate performance and other future requirements that may be included in the award. Therefore, it is not possible to predict the future benefit or amounts that will be received by, or allocated to, any participant or participants in future years. If the amendments to the Plan had been in place prior to the last fiscal year, we believe that the awards granted under the Plan would have been substantially similar to those shown under Compensation of Executive Officers Grants of Plan Based Awards for 2011 elsewhere in this proxy statement.

Certain Federal Income Tax Consequences

The following is a brief summary of certain U.S. federal income tax consequences generally arising with respect to awards under the Plan.

A participant generally will not recognize taxable income at the time an option is granted, and the Company will not be entitled to a tax deduction at such time. A participant will recognize compensation taxable as ordinary income (and subject to income and employment tax withholding in respect of an employee) upon exercise of a non-qualified stock option equal to the excess of the fair market value of the shares purchased over their exercise price, and the Company generally will be entitled to a corresponding deduction. A participant will not recognize income (except for purposes of the alternative minimum tax) upon exercise of an incentive stock option. If the shares acquired by exercise of an incentive stock option are held for the longer of two years from the date the option was granted and one year from the date it was exercised, any gain or loss arising from a subsequent disposition of such shares will be taxed as long-term capital gain or loss, and the Company will not be entitled to any deduction. If, however, such shares are disposed of within the above-described period, then in the year of disposition, the participant will recognize compensation taxable as ordinary income equal to the excess of the lesser of (i) the amount realized upon disposition and (ii) the fair market value of the shares on the date of exercise over the exercise price, and the Company generally will be entitled to a corresponding deduction.

A participant generally will not recognize taxable income at the time SARs are granted, and the Company will not be entitled to a tax deduction at such time. Upon exercise, the participant will recognize compensation taxable as ordinary income (and subject to income and employment tax withholding in respect of an employee) in an amount equal to the fair market value of any shares delivered and the amount of any cash paid by the Company. This amount generally is deductible by the Company as compensation expense.

A participant will not recognize taxable income at the time restricted stock is granted, and the Company will not be entitled to a tax deduction at such time, unless the participant makes an election to be taxed at such time. If such election is not made, the participant will recognize compensation taxable as ordinary income (and subject to income and employment tax withholding in respect of an employee) at the time the restrictions lapse in an amount equal to the excess of the fair market value of the shares at such time over the amount, if any, paid for such shares. The amount of ordinary income recognized generally is deductible by the Company as compensation expense, except to the extent the deduction limits of Section 162(m) of the Code apply. Restricted stock units generally will also be taxed as ordinary income in an amount equal to the fair market value of any shares delivered and the amount of cash paid by the Company.

Table of Contents**EQUITY COMPENSATION PLAN INFORMATION**

The following table provides information about the shares of our common stock that may be issued upon the exercise of options and other awards under our existing equity compensation plans as of December 31, 2011. Our stockholder-approved equity compensation plans are the 2004 Equity Incentive Plan and the 2006 Long-Term Equity Incentive Plan. We do not have any non-stockholder approved equity compensation plans.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by security holders	905,316	\$ 6.18	2,487,143
Equity compensation plans not approved by security holders		n/a	
Total	905,316	\$ 6.18	2,487,143

On April 2, 2012, the closing price of the Company's common stock on the NYSE was \$2.54 per share.

Our Board unanimously recommends a vote FOR the approval of the amendment to the BlueLinx Holdings Inc. 2006 Long-Term Equity Incentive Plan (as previously amended and restated).

PROPOSAL 4:**AMENDMENT TO AMENDED AND RESTATED CERTIFICATE OF INCORPORATION****General**

The Company's Board of Directors has adopted, declared advisable and is submitting for stockholder approval a proposal to amend and restate the Company's Amended and Restated Certificate of Incorporation to increase the number of authorized shares of the Company's common stock from 100,000,000 to 200,000,000. Specifically, the Company proposes to amend and restate Article IV, Section A of the Company's Amended and Restated Certificate of Incorporation to read in its entirety as follows:

A. Authorized Capital Stock. The total number of shares of all classes of stock which the Corporation shall have authority to issue is two hundred thirty million (230,000,000) shares, consisting of: (i) two hundred million (200,000,000) shares of common stock, par value one cent (\$0.01) per share (the Common Stock), and (ii) thirty million (30,000,000) shares of preferred stock, par value one cent (\$0.01) per share (the Preferred Stock).

The entire proposed Second Amended and Restated Certificate of Incorporation of the Company is attached hereto as Appendix B. If this proposal is approved, it is expected that the Second Amended and Restated Certificate of Incorporation of the Company attached hereto as Appendix B and reflecting the changes described above will be promptly filed with the Secretary of State of the State of Delaware and will become effective upon the filing thereof.

On April 2, 2012, there were 63,702,287 shares of the Company's common stock issued and outstanding. Currently, 7,422,222 shares of common stock have been reserved for issuance in connection with the Company's long term incentive plans. However, if Proposal 3 to amend the 2006 LTIP is approved, the number of shares reserved will increase to 14,422,222 shares. As of April 2, 2012, no shares of the Company's Preferred Stock were issued and outstanding.

Table of Contents

Purpose of the Amendment

The Board is recommending this increase in authorized shares of common stock primarily to give the Company appropriate flexibility to issue shares for future corporate needs. The shares may be issued by the Board in its discretion, subject to any further stockholder action required in the case of any particular issuance by applicable law, regulatory agency, or under the rules of the New York Stock Exchange. Other than as previously disclosed with respect to shares issuable in connection with outstanding equity awards, there is no present agreement to issue any shares, but the newly authorized shares of common stock would be issuable for any proper corporate purpose, including future acquisitions, investment opportunities, capital raising transactions of equity or convertible debt securities, stock splits, stock dividends, issuance under current or future equity compensation plans, employee stock plans and savings plans or for other corporate purposes. There are no immediate plans, arrangements, commitments or understandings with respect to issuance of any of the additional shares of common stock that would be authorized by the proposed amendment. However, the Board believes that these additional shares will provide the Company with needed flexibility and will provide us with the ability to issue shares in the future to take advantage of market conditions or strategic opportunities without the potential expense or delay incident to obtaining stockholder approval for a particular issuance.

Rights of Additional Authorized Shares

The additional authorized shares of common stock, if and when issued, would be part of the existing class of common stock and would have the same rights and privileges as the shares of common stock currently outstanding. As the Company's stockholders do not have preemptive rights with respect to the Company's common stock, should the Board of Directors elect to issue additional shares of common stock, existing stockholders would not have any preferential rights to purchase the shares.

Potential Adverse Effects of the Amendment

The adoption of this proposal would have no immediate dilutive effect on the proportional voting power or other rights of existing stockholders; however, future issuances of common stock, or securities convertible into common stock, could have a dilutive effect on the earnings per share, book value per share, voting power and percentage interest of holdings of current stockholders.

In addition, the availability of additional shares of common stock for issuance could, under certain circumstances, discourage or make more diffi