

Roth Heating & Cooling

Housing boom propels local HVAC company to No. 76

BY WENDY CULVERWELL
Business Journal staff writer

Roth Heating & Cooling Inc. had a dozen employees and faced being sold or even closed when Kory MacGregor was 21, soured on a career in politics and preparing to marry

founder Don Roth's daughter. Too young to know much better, MacGregor felt it would be a shame to sell or close the family business, so he took over. He became manager in 1989 and bought the Canby firm from his father-in-law in 1997.

Through hard work and a good dose of luck, Roth now has four locations and employed 160 in 2007.

The company's 2007 revenue, confirmed by auditor Moss Adams, reached \$19.73 million, or 53.5 percent more than in 2005. That earned it the No. 76 spot on the *Portland Business Journal's* annual list of Oregon's 100 Fastest-Growing Private Companies. The 2008 list is based on revenue growth between 2005 and 2007.

In early 2006, Roth acquired Ponderosa

Heating in Sisters and opened a branch in Prineville, which helped boost revenue.

But booming demand for new homes really drove the company's growth, said MacGregor. Half of Roth's work revolved around residential construction, installing heat pumps east of the mountains and the popular Willamette Valley marriage of gas furnaces and air conditioners to the west.

The other half of the business concentrates on servicing heaters and air conditioners and installing commercial systems.

Having grown with the residential industry, Roth has suffered its recent misfortunes. MacGregor and Vice President Alice Gascho are candid about the current slump that has curtailed new construction and by extension, his market.

"2007 was great and 2008 is not. I won't be on the list next year," he said.

The company's hardly alone. Buena Vista Custom Homes, which was the fastest growing private company in Oregon in 2005, is off the list for the first time this year. The Lake Oswego-based homebuilder said its revenue fell 30 percent, to \$86 million, between 2005 and 2007.

In a joint statement this month, the U.S. Census Bureau and the U.S. Department of Housing and Urban Development, said April housing starts were off 30 percent nationally



from just a year ago.

MacGregor said half his business evaporated in a matter of weeks as a result of the slump.

An Oregon native, MacGregor grew up in Carlton, between Newberg and McMinnville.

After high school, he dabbled in college and worked for Vera Katz, then serving in the Oregon House of Representatives. It was his first nonfarm job.

"I thought it was pretty cool. You get to sit at a desk. There's air conditioning."

The rough and tumble of his first Legislature killed his enthusiasm for politics. "It's not fun," he said.

MacGregor said he was young and dumb when he agreed to take over the family business. He's not sure he would do it again, but he's never regretted pursuing an industry that became his calling.

"HVAC is better than politics."

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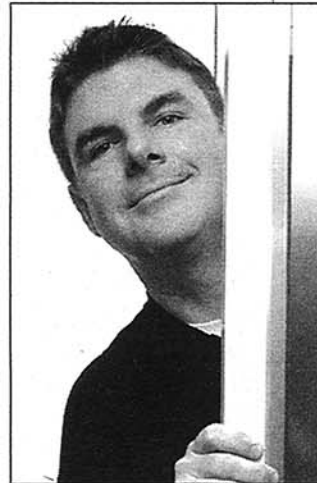
Alice Gascho and Kory MacGregor say Roth won't make the list next year.



Fastest-growing private 100

Ranked by percentage of growth 2005-2007

Rank	Rank last year	Company	Phone Web site	Percentage of growth	Revenue 2007 Revenue 2006 Revenue 2005	Employees 2007 Employees 2006 Employees 2005	Products/service	Top Executives Title
51	48	Bank of Clark County 1400 Washington St., Suite 200 Vancouver, Wash. 98660	360-993-2265 bankofclarkcounty.com	81.39%	\$32,771,799 \$25,458,800 \$18,067,453	79 65 60	Community business bank	Michael Worthy CEO
52	23	Fortis Construction Inc. 1705 S.W. Taylor St., Suite 200 Portland, Ore. 97205	503-459-4477 fortisconstruct.com	80.21%	\$40,472,823 \$37,528,709 \$22,458,565	50 37 30	Commercial construction	Jim Kilpatrick president
53	78	OneCreditSource.com 1800 Blankenship Road, Suite 250 West Linn, Ore. 97068	503-905-2930 onecreditsource.com	78.92%	\$1,665,303 \$1,203,665 \$930,755	8.5 7.5 6.5	Online consumer credit, employment screening other public information	Jason Hess president/CEO
54	74	DHX Advertising 217 N.E. Eighth Ave. Portland, Ore. 97232	503-872-9616 dhxadv.com	77.03%	\$1,813,862 \$1,208,000 \$1,024,610	9 8 7	Marketing and advertising	Dave DeMots
55	NR	Cook Security Group 5841 S.E. International Way Milwaukie, Ore. 97222	503-786-5173 cooksecuritygroup.com	76.27%	\$7,727,785 \$6,411,391 \$4,384,000	48 44 24	Service and installation of physical and electronic security products, ATMs and other ancillary products	Brian Cook president/CEO
56	NR	Cadence Contract Flooring 4605 N.E. Fremont St., Suite 203 Portland, Ore. 97213	503-408-1248	74.89%	\$2,859,222 \$2,192,519 \$1,634,887	8 5 4	Commercial wholesale flooring distributor	Janet Radel & Carla Stanfill owners
57	43	R2C Group 207 N.W. Park Ave. Portland, Ore. 97209	503-276-4094 r2cgroup.com	74.34%	\$335,600,000 \$244,300,000 \$192,500,000	191 161 82	Full service response-driven advertising	Tim O'Leary CEO
58	40	Sterling Communications Inc. 14945 S.W. Sequoia Parkway, Suite 110 Portland, Ore. 97224	503-968-8908 sterling.net	71.51%	\$3,833,314 \$3,130,000 \$2,234,998	21 17 14	Voice, data, and Internet services provider, managed VoIP phone solution for business	Tom Gillihan president
59	60	Tripwire Inc. 326 S.W. Broadway, third floor Portland, Ore. 97205	503-276-7500 tripwire.com	69.81%	\$49,183,278 \$41,225,131 \$28,964,000	226 172 148	Configuration assessment and auditing software	James Johnson president/CEO
60	NR	Weinmann Painting 4212 N.E. Sumner St. Portland, Ore. 97218	503-235-2989 weinmannpainting.com	69.76%	\$2,796,000 \$2,000,000 \$1,647,000	80 40 25	Painting contractor	Kevin Weinmann owner
61	NR	Springbrook Software 111 S.W. Fifth Ave., Suite 2900 Portland, Ore. 97204	866-256-7661 springbrooksoftware.com	68.89%	\$11,374,231 \$8,104,130 \$6,734,545	102 80 70	Software development and sales for local government, entities nationwide, mainly cities and special districts	Rick Rementeria president
62	50	Vista Capital Partners 9755 S.W. Barnes Road, Suite 595 Portland, Ore. 97225	503-772-9500 vistacp.com	68.52%	\$3,059,300 \$2,383,745 \$1,815,400	9 8 7	Investment council, wealth management	Michael O'Reilly, Douglas Johanson principals
63	66	Fish Marketing One Center Pointe Drive, Suite 190 Lake Oswego, Ore. 97035	503-635-0007 fish-marketing.com	67.10%	\$2,985,309 \$2,616,907 \$1,786,576	9 5 4	Advertising and public relations	Doug Fish president
64	NR	Axium 9750 S.W. Nimbus Ave. Beaverton, Ore. 97008	503-530-3000 axiumae.com	66.73%	\$6,277,934 \$4,925,910 \$3,765,353	56 51 48	Developing innovative accounting and project management software for the architectural and engineering industry	Alan Mills, Cathy Mills, COO, chief sales/marketing officer
65	86	Montgomery & Graham Inc. 412 Jefferson Parkway, Suite 100 Lake Oswego, Ore. 97035	503-297-1330 mgbenefits.com	64.09%	\$2,961,741 \$2,346,000 \$1,805,000	42 38 28	Employee benefit planning	Eric Graham, Wes Montgomery, Scott Lyda
66	35	Timbercon Inc. 17387 S.W. 63rd Ave. Lake Oswego, Ore. 97035	503-827-8141 timbercon.com	63.09%	\$8,438,026 \$6,661,594 \$5,173,824	70 54 26	Fiber optic products manufacturing company provides an array of connectivity solutions	Eric Meslow CEO
67	69	MTI-Andrews Inc. 1050 N.W. 229th Ave. Hillsboro, Ore. 97124	503-648-6500 mti-interactive.com	62.86%	\$57,610,641 \$35,373,000 \$35,373,280	180 170 150	Merchandising displays and repair parts	Michael Cook
68	83	Papa Murphy's International 8000 N.W. Parkway Drive, Suite 350 Vancouver, Wash. 98685	360-260-7272 papamurphys.com	61.89%	\$48,436,273 \$38,100,000 \$29,919,757	1,039 672 706	Take home pizza	John Barr CEO
69	3	Korvis Automation 2101 Jack London Street Corvallis, Ore. 97333	541-738-4361 korvis.com	60.07%	\$24,320,566 \$23,126,092 \$15,194,005	51 43 33	Industrial automation equipment	Richard Carone CEO
70	33	Icon Time Systems 15201 N.W. Greenbrier Parkway Beaverton, Ore. 97006	503-619-4570 icontime.com	59.93%	\$2,770,000 \$3,338,629 \$1,732,000	12 22 16	Automated time clock systems	Andrew King
71	19	Instantiations Inc. 8101 S.W. Boones Ferry Road, Suite 200 Portland, Ore. 97224	503-598-4911 instantiations.com	59.69%	\$4,128,302 \$4,608,000 \$2,585,263	30 25 20	Software development tools and engineering consulting services for professional software programmers	Mike Taylor president/CEO/ co-founder
72	10	Vigilan Inc. 9375 S.W. Commerce Circle, Suite A-1 Wilsonville, Ore. 97070	503-682-8828 vigilan.com	57.41%	\$2,241,138 \$2,026,640 \$1,423,716	14 16 16	Software services for the elder care market	Chris Mason CEO
73	NR	Home Instead Senior Care 4415 N.W. Sandy Blvd., Suite 208 Portland, Ore. 97213	503-335-0626 homeinstead.com	56.34%	\$1,878,882 \$1,445,518 \$1,201,821	113 146 137	In-home care agency for seniors	Sandra Morales president/owner
74	57	Cooper Zietz Engineers Inc. 421 S.W. Sixth Ave., Suite 1210 Portland, Ore. 97204	503-253-5429 coopercm.com	55.31%	\$3,960,407 \$3,850,000 \$2,550,000	37 35 24	Engineering, construction inspection, environmental consulting	Fred Cooper
75	51	Promopeddler Inc. 20015 S.W. Pacific Highway, Suite 300 Sherwood, Ore. 97140	503-783-1480 promopeddler.com	53.65%	\$9,543,023 \$7,588,000 \$6,210,926	33 32 35	Promotional products	Lewis Amicone, Monte Baumgartner
76	NR	Roth Heating and Cooling P.O. Box 1265 Canby, Ore. 97013	503-266-1249 roth-heat.com	53.50%	\$19,732,977 \$17,633,426 \$12,855,154	160 147 109	Residential and commercial heating and cooling	Kory MacGregor president



Tim O'Leary, CEO of R2C Group.

COMPANIES WITH MOST EMPLOYEES

Ranked by most employees, 2007

- BANFIELD THE PET HOSPITAL**.....5,994
- INTEGRA TELECOM** 2,300
- PAPA MURPHY'S INTERNATIONAL**1,039
- ANTARES ADVANCED TEST TECHNOLOGIES**433
- NLIGHT CORP.**309
- TRIPWIRE INC.**226
- AKT SERVICES**198
- R2C GROUP**191
- PASTINI PASTARIA RESTAURANTS**190
- ASSOCIATED BUSINESS SYSTEMS**186

Source: Portland Business Journal

NA Not available
NR Not ranked
WND Would not disclose
* Tie

○ Circled items indicate Lighthouse Award winners—those companies on the list for a fifth consecutive year.

□ Numbers in squares indicate past Lighthouse Award winners.

Research by Tam Jenkins
Audited by Perkins & Co.
Source: a representative of each firm

While every attempt is made to ensure the thoroughness and accuracy of the list, omissions and errors may occur. Please send corrections or additions on company letterhead to Tam Jenkins, 851 S.W. Sixth Ave., Suite 500, Portland, Ore. 97204.