

NCI BUILDING SYSTEMS INC
 Form 4
 December 19, 2011

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2015
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 CD&R Associates VIII, Ltd.

2. Issuer Name and Ticker or Trading Symbol
 NCI BUILDING SYSTEMS INC
 [NCS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
 (Month/Day/Year)
 12/15/2011

____ Director
 ____ Officer (give title below)
 ___X___ 10% Owner
 ____ Other (specify below)

C/O CLAYTON, DUBILIER &
 RICE, INC., 375 PARK AVENUE,
 18TH FLOOR

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 ___ Form filed by One Reporting Person
 ___X___ Form filed by More than One Reporting Person

NEW YORK, NY 10152

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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<u>Signature of Reporting Person</u>	Date
CD&R Friends & Family Fund VIII, L.P. By: CD&R Associates VIII, Ltd., its general partner By: Theresa A. Gore, VP, Treas. and Asst. Sec.	12/15/2011
<u>Signature of Reporting Person</u>	Date
CD&R Associates VIII, L.P. By: CD&R Investment Associates VIII, Ltd., its general partner By: Theresa A. Gore, VP, Treas. and Asst. Sec.	12/15/2011
<u>Signature of Reporting Person</u>	Date
CD&R Investment Associates VIII, Ltd. By: Theresa A. Gore, VP, Treas. and Asst. Sec.	12/15/2011
<u>Signature of Reporting Person</u>	Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) This conversion price ("Conversion Price") is calculated based on an initial conversion price of \$1.2748 adjusted to give effect to the 1 for 5 reverse stock split of the issuer's common stock that became effective on March 5, 2010 (the "Reverse Stock Split").
 On December 15, 2011, the board of directors of the issuer (the "Board") declared, and the issuer paid, an aggregate of 5,833.4913 shares of Series B Cumulative Convertible Participating Preferred Stock (the "Series B Stock") to Clayton, Dubilier & Rice Fund VIII, LP ("Fund VIII") and CD&R Friends & Family Fund VIII, LP ("F&F VIII"), which represent the dividend accrual to Fund VIII and F&F VIII as holders of Preferred Stock pursuant to the Certificate of Designations (as defined below) for the period from September 16, 2011 to December 15, 2011, as modified by a Mutual Waiver and Consent ("Mutual Waiver and Consent") entered into by the issuer, Fund VIII and F&F VIII, dated as of December 9, 2011.
- (2) Pursuant to the Certificate of Designations, Preferences and Rights (the "Certificate of Designations") of the Series B Stock, the Series B Stock accrues dividend at a rate of 12% per annum or, if paid in cash on the applicable Dividend Payment Date (as defined below), 8% per annum, compounding quarterly and payable in kind or in cash (at the option of the Board), if, as, and when declared by the Board on March 15, June 15, September 15 and December 15 of each year beginning on December 15, 2009 (each, a "Dividend Payment Date"). The Mutual Waiver and Consent provides, among other things, for the consent of Fund VIII and F&F VIII to the payment of the dividend in shares of Series B Stock on the Dividend Payment Date at the rate of 8% per annum rather than 12% per annum solely for the period from September 16, 2011 to December 15, 2011.
- (3) The Certificate of Designations also provides that (i) the holders of Series B Stock have the right to vote such Series B Stock on an as converted basis, and (ii) the Series B Stock is convertible into shares of common stock of the issuer at any time at the option of the holders of Series B Stock at a rate equal to the liquidation preference of such Series B Stock plus any accrued and unpaid dividends divided by the Conversion Price (see note 1 above for discussion of the Conversion Price).
- (4) In addition, pursuant to the Certificate of Designations, the Series B Stock dividends accrued for the period from October 21, 2009 until December 29, 2009 are payable in cash only. Such dividends have not been declared by the Board and have not yet been paid to the holders of Series B Stock. Such dividends amount to \$5,774,610.52. Until such cash dividends are paid to the holders of Series B Stock, they will be convertible into additional shares of the issuer's common stock pursuant to the conversion formula set forth in the paragraph above.
- (5) Holders of Series B Stock have the right at any time to convert the Series B Stock into shares of the issuer's common stock to the extent that there is a sufficient number of authorized and unissued (or issued and included in treasury) and otherwise unreserved shares of common stock.
- (6) On or after the tenth anniversary of the closing on October 20, 2009, (i) holders of the Series B Stock have the right to redeem all, but not less than all, of their Series B Stock and (ii) the issuer has the right to redeem all but not less than all, shares of issued and outstanding Series B Stock. Holders have the right to redeem all, but not less than all, of their Series B Stock upon certain change of control events. Series B Stock automatically converts upon the occurrence of certain business combinations.
- (7) Fund VIII directly owns 291,797.9211 shares of the Series B Stock and F&F VIII directly owns 736.7694 shares of the Series B Stock. As general partner of both Fund VIII and F&F VIII, CD&R Associates VIII, Ltd. may be deemed to own directly a total 292,534.7078 shares of Series B Stock. CD&R Associates VIII, L.P., CD&R Associates VIII, Ltd. and CD&R Investment Associates VIII, Ltd. expressly disclaim beneficial ownership of the shares held by Fund VIII and F&F VIII.
- (8) CD&R Associates VIII, Ltd. is a wholly-owned subsidiary of CD&R Associates VIII, L.P., of which CD&R Investment Associates VIII, Ltd. is the general partner.
- (9)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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