



**Re: Submission of Worker Adjustment and Retraining Notification (WARN) Act Notice**

To whom it may concern:

On May 13, 2020 Electro Rent Corporation ("Electro Rent") announced that it temporarily furloughed employees due to unforeseen significant negative business impact as a result of the COVID-19 "coronavirus" pandemic. While a WARN Notice might not have been required for all locations or employees we issued one in abundance of caution. Enclosed with this cover letter is the template copy of the WARN Notice that was provided to affected employees on May 13, 2020. Section 2102(a)(2) of the federal WARN Act requires employers to give a copy of this notice to the State unit conducting rapid responses to this employment change and the chief elected official of the local government within which the employment change occurred.

If there are any questions in connection with the submission or substance of this WARN Notice, please contact the Legal department of Electro Rent at:

**Attn: Legal  
Electro Rent Corporation  
8511 Fallbrook Avenue, Suite 200  
West Hills, CA 91304**

Thank you,

Human Resources  
Electro Rent Corporation



May 13, 2020

**NOTICE OF LAYOFF TO AFFECTED EMPLOYEES PURSUANT TO THE WORKER  
ADJUSTMENT AND RETRAINING NOTIFICATION (WARN) ACT**

To:

Pursuant to the Federal Worker Adjustment and Retraining Notification Act (WARN Act) and California Labor Code sections 1400-1408 (Cal-WARN-Act) (or any other state's applicable WARN Act), this letter serves as official notice that effective immediately as of May 13, 2020 Electro Rent Corporation is announcing the difficult decision to reduce its workforce through furloughing employees for an initial seventy-eight (78) day period. This notice is to inform you that you are being furloughed for this initial time period. The purpose of this notice is to provide you with statutory notice and answers to some questions that you may have regarding your furlough. The information provided below represents the best information available to the company at the time this notice was issued.

In addition to this notice you will receive some guides and information related to your furlough and unemployment insurance benefits that may be available to you. **If you have lost your job, or been temporarily laid off, or work suspended during a furlough, you may be eligible for Unemployment Insurance (UI). More information on UI and other resources available for workers is available at:**

- [www.labor.ca.gov/coronavirus2019](http://www.labor.ca.gov/coronavirus2019) (**California** residents)
- [www.colorado.gov/pacific/cdle/covid-19-workers](http://www.colorado.gov/pacific/cdle/covid-19-workers) (**Colorado** residents)
- [www.stateofflorida.com/articles/florida-unemployment/](http://www.stateofflorida.com/articles/florida-unemployment/) (**Florida** residents)
- [www.dol.georgia.gov/file-unemployment-insurance-claim](http://www.dol.georgia.gov/file-unemployment-insurance-claim) (**Georgia** residents)
- [www2.illinois.gov/ides/pages/file-a-claim.aspx](http://www2.illinois.gov/ides/pages/file-a-claim.aspx) (**Illinois** residents)
- [www.dllr.state.md.us/employment/unemployment.shtml](http://www.dllr.state.md.us/employment/unemployment.shtml) (**Maryland** residents)
- <https://myunemployment.nj.gov/labor/myunemployment/before/about/> (**New Jersey** residents)
- [www.des.nc.gov/apply-unemployment/filing-your-unemployment-application](http://www.des.nc.gov/apply-unemployment/filing-your-unemployment-application) (**North Carolina** residents)
- [www.twc.texas.gov/jobseekers/applying-unemployment-benefits](http://www.twc.texas.gov/jobseekers/applying-unemployment-benefits) (**Texas** residents)
- <https://esd.wa.gov/unemployment> (**Washington** residents)
- <https://workforcewv.org/unemployment/claimants/filing-an-initial-claim> (**West Virginia** residents)

**1. Reason for furlough:**

Due to the outbreak and spread of the COVID-19 coronavirus, the majority of states in which Electro Rent operates in the United States have issued stay at home/shelter in place executive orders that restrict individuals' movement to and from their place of employment. While these orders exempt some businesses in critical infrastructure sectors not all of our customers are considered exempt as such, we are experiencing a decline in revenue and drop in operational needs. You are being furloughed because we have determined that your position will not be needed due to this significant decline in customer needs and/or may not meet these states' criteria as a minimum necessary business operation that services a critical infrastructure



customer. These circumstances require an immediate response to protect ongoing business operations.

While we wish we could provide more notice of this furlough it is not possible to give any further advance notice regarding the furlough because all the state executive orders were issued under emergency declarations within the last two weeks or less. Electro Rent did not formalize and approve its decision to furlough employees until May 12, 2020. Thus, the company is providing as much advance notice as was reasonably possible under the circumstances.

**2. Name and address of employment sites affected:**

- a. California (Hayward) facility: 1248 San Luis Obispo Avenue, Hayward, CA 94544  
2 Employees
- b. California (West Hills) facility: 8511 Fallbrook Avenue, Suite 200, West Hills, CA 91304  
16 Employees
- c. California (Van Nuys) facility: 15387 Oxnard Street, Van Nuys, CA 91411  
9 Employees
- d. Florida facility: 1282 La Quinta Drive #2, Orlando, FL 32809  
1 Employee
- e. Georgia facility: 1770 Corporate Drive, Suites 545 and 550, Norcross, GA 30093  
5 Employees
- f. Illinois facility: 200 West Mark Street, Wood Dale, IL 60191  
1 Employee
- g. Maryland facility: 10240 Old Columbia Road, Building B, Columbia, MD 21046  
3 Employees
- h. New Jersey facility: 2 Center Court, Totowa, NJ 07512  
1 Employee
- i. North Carolina (Morrisville) facility: 3000 RDU Center Drive, Morrisville, NC 27560  
3 Employees
- j. Texas facility: 604 & 616 Henrietta Creek, Roanoke, TX 76262  
9 Employees
- k. Washington facility: 2809 152<sup>nd</sup> Avenue, N.E., Redmond, WA 98052  
1 Employee

**3. Is my furlough going to be permanent or can I expect to be recalled to employment at some time in the future?**

As of the date of this letter, you remain an employee of Electro Rent but for the initial furlough period of seventy-eight (78) days (May 14, 2020 – July 31, 2020) there will be no work for you to perform and as such you are being directed not to report to work or perform any work remotely. The Company may recall furloughed employees sooner if it makes business sense to do so. Additionally, the Company may extend this furlough, with appropriate notice, if it makes sense to do so. Although the Company reserves the right to terminate anyone's employment at any time, our goal is to bring all furloughed employees back to full-time work status.



**4. When will the furloughs begin?**

Your furlough begins as of May 14, 2020, and you will not report to work starting on that date. You will be paid for the work week (i.e., through May 15, 2020). However, as of May 14, 2020 you are not to perform any work for the Company until you are told otherwise.

All of your accrued PTO as of the date of this letter will be paid to you with your final paycheck which will be sent to you directly. Paying out your PTO upfront with your final paycheck is in your best interest as it will allow you to claim Unemployment Insurance benefits sooner.

**5. Do I have any right to "bump" other employees from their jobs based on my seniority with the company?**

No, Electro Rent does not recognize seniority rights but may take seniority into consideration as a factor in determining which employees to furlough. Seniority may also be considered as a factor in recalling furloughed employees, at Electro Rent's discretion. However, seniority if considered will be just one factor in these decisions, and other factors, such as business necessity, expertise, and past performance, also will be considered in making these decisions.

**6. How many positions are affected?**

Approximately 51 positions will be affected by the furlough across various departments in 11 facilities in the Americas. Information about the classifications and title of the furloughed employees is attached and incorporated hereto as Exhibit A.

**7. Are the affected employees represented by a union?**

No. None of the affected employees are not represented by a union.

**8. Will the company provide a severance package?**

No, there is no severance package. However, you may apply unemployment insurance benefits as discussed below.

**9. Can I file for unemployment insurance (UI) benefits?**

Yes. Along with this notice information and guides for filing a UI claim in your state will be provided to you. You are eligible to file claims for UI benefits on May 14, 2020.

**More information on UI and other resources available for workers is available at:**

- [www.labor.ca.gov/coronavirus2019](http://www.labor.ca.gov/coronavirus2019) (**California** residents)
- [www.colorado.gov/pacific/cdle/covid-19-workers](http://www.colorado.gov/pacific/cdle/covid-19-workers) (**Colorado** residents)
- [www.stateofflorida.com/articles/florida-unemployment/](http://www.stateofflorida.com/articles/florida-unemployment/) (**Florida** residents)
- [www.dol.georgia.gov/file-unemployment-insurance-claim](http://www.dol.georgia.gov/file-unemployment-insurance-claim) (**Georgia** residents)
- <https://www2.illinois.gov/ides/pages/file-a-claim.aspx> (**Illinois** residents)



- [www.dllr.state.md.us/employment/unemployment.shtml](http://www.dllr.state.md.us/employment/unemployment.shtml) (Maryland residents)
- <https://myunemployment.nj.gov/labor/myunemployment/before/about/> (New Jersey residents)
- [www.des.nc.gov/apply-unemployment/filing-your-unemployment-application](http://www.des.nc.gov/apply-unemployment/filing-your-unemployment-application) (North Carolina residents)
- [www.twc.texas.gov/jobseekers/applying-unemployment-benefits](http://www.twc.texas.gov/jobseekers/applying-unemployment-benefits) (Texas residents)
- <https://esd.wa.gov/unemployment> (Washington residents)
- <https://workforcewv.org/unemployment/claimants/filing-an-initial-claim> (West Virginia residents)

**10. Who can I contact for further information?**

If you have further questions or need additional information, you may contact Ms. Yolanda Leon, Human Resources Benefits Manager, at 818-374-6108 or [Yolanda.Leon@electrorent.com](mailto:Yolanda.Leon@electrorent.com).

You will receive additional information and guides along with this notice. If you have any additional information or questions, please contact Yolanda Leon.

Sincerely,

Gregory Wilkinson  
Vice President & General Counsel  
cc: Human Resources Department



**Exhibit A**

**Affected Employees by Classification**

<b>Classification/Title</b>	<b>Number of Affected Employees</b>
Age Protected Class (Aged 40+)	40
Electronic Tech II	1
Digital Demand Generation	1
IT Support Tech	1
Test Equipment Support Operator	2
Equipment Support Technician I	1
Equipment Support Technician II	2
Production Operator	1
Industrial Lab Technician	1
Customer Support Tech	1
<b>Total Affected</b>	<b>51</b>