



2-25-19

NOTICE PURSUANT TO WORKER ADJUSTMENT AND RETRAINING NOTIFICATION ACT

February 15, 2019

Steven K. Gustafson
State Trade and Rapid Response Coordinator
Department of Economic Opportunity
107 E. Madison Street
Caldwell Building, MSC G-229
Tallahassee, FL 32399

Dear State Dislocated Worker Unit:

As you may be aware, earlier this week The Robert Allen Duralee Group, Inc. and its affiliated debtors-in-possession (“The RADGroup”)¹ filed for reorganization under Chapter 11 of the Bankruptcy Code as we believe that this court-supervised process is the best way to solidify and enhance our financial position. Filing for Chapter 11 provides us with an opportunity to reorganize and to look for a company to purchase us so that we have a more stable future. We have secured the cooperation of our senior secured lenders, Wells Fargo Bank, N.A. and PNC Bank, to provide debtor-in-possession financing sufficient for The RADGroup to continue its business operations, including the funding of payroll, while seeking a going-concern buyer to acquire the business and emerge from bankruptcy. In that regard, there are multiple parties who have expressed an interest in acquiring and operating the business. We have hired a well-regarded investment banking firm to assist in this process and they are aggressively pursuing multiple prospects.

While we remain hopeful that we will be able to locate a going-concern buyer to permit The RADGroup to continue to operate outside of bankruptcy, there are no assurances. It is possible that we may not be able to find such a buyer or close on such a transaction in a timely fashion, which could result in the liquidation of the company. We have requested that the Bankruptcy Court schedule a hearing on a proposed sale for the week of April 22, 2019. We should know the results of our sales efforts by that date.

As such, and in an abundance of caution, this letter is being issued to you in compliance with the federal *Worker Adjustment and Retraining Notification Act* and its state law equivalent, if any (collectively, the “WARN Act”), in order to notify you that, in the event that we are unable to locate a going-concern buyer by the projected sale hearing and close on a sale in a timely fashion, The RADGroup may be permanently closing all of its facilities at that time. In such event, no bumping rights (based on seniority or otherwise) would exist.

¹ The debtors are Décor Holdings, Inc., Décor Intermediate Holdings LLC, The Robert Allen Duralee Group, Inc., The Robert Allen Duralee Group, LLC, and The Robert Allen Duralee Furniture Group, LLC.



The WARN Act requires an employer to provide affected employees with a minimum of sixty (60) days' notice of a plant closing or mass layoff. That notice period can be shortened where certain statutory exceptions apply, such as, the "faltering business" exception. Here, we were unable to provide any earlier notice to you as we reasonably and in good faith believed that any such notice would have jeopardized The RADGroup's chance of obtaining the financing it needed from its lenders to avoid or postpone any potential closing.

Annexed hereto is a list containing (i) the names and addresses of the potentially affected employments sites, (ii) the job titles of positions potentially affected, and (iii) the number of potentially affected employees holding those positions.

The potentially affected employees are not represented by any union.

For further information, you may contact Maureen Johnson (VP of Human Resources) at (508) 851-6600 (extension 6626).

Sincerely,

Lee Silberman

Lee Silberman
Chief Executive Officer of
Décor Holdings, Inc., The Robert Allen Duralee
Group, Inc. and their domestic US subsidiaries
and affiliates

<u>Job Title</u>	<u>Dept Name</u>	<u>Employment Site Address</u>
Sales Consultant	Sales Assoc- Agent Shrms	2868 Pershing St Hollywood, Florida 33020
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Sales Consultant	DL Showroom Dania	Design Center of America 1855 Griffin Road, #C-100 Dania Beach, FL 33004
Showroom Manager	DL Showroom Dania	Design Center of America 1855 Griffin Road, #C-100 Dania Beach, FL 33004

TOTAL

4

HOLLYWOOD

2

DANIA BEACH

2