

**AEGIS**  
Professional Services

Law Practice Group

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February 4, 2014

Indiana Department of Workforce Development  
Dislocated Worker Unit  
10 North Senate Avenue  
Indianapolis, IN 46204-2277

***Re: WARN Notices for HDA, Inc. and N-Store Merchandising, Inc.***

To Whom It May Concern:

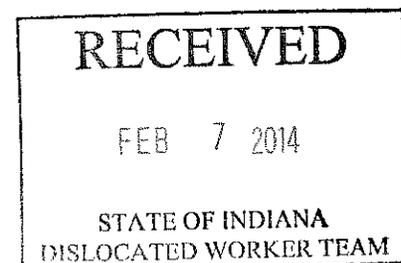
Enclosed please find the WARN Notices that were sent to the employees for HDA, Inc. and N-Store Merchandising, Inc. with respect to lay-offs at its locations in St. Louis, Missouri and all remote locations as well commencing February 3, 2014. The companies were notified on February 3, 2014 that its senior lender would not continue to provide financing and as a result the companies are liquidating their assets.

Very truly yours,

**AEGIS PROFESSIONAL SERVICES –  
LAW PRACTICE GROUP**

By:   
Melinda Brenkendorff  
Paralegal

Enclosures



To: Name of Employee

Date: February 3, 2014

HDA, Inc. (the "Company") has worked diligently over the past several months and weeks to try to obtain the financing to continue its business. Unfortunately it has not been successful and it has been notified by its lender that funding will not be available to continue its operations. As a result the Company will experience a reduction in its workforce, and all of the employees of the Company at all worksites will be laid off, due to the inability to obtain the financing to fund the business.

This notice, which is issued in compliance with the Worker Adjustment and Retraining Notification (WARN) Act, is to inform you that you will be laid off due to the liquidation of the Company. The purpose of this notice is to provide you with the answers to some questions that you may have regarding your layoff so that you can prepare to locate other employment. The information provided below represents the best information available to the company at the time this notice was issued.

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

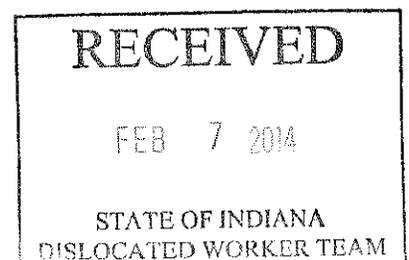
At this time, you should consider your layoff to be permanent. Management of the Company intends to continue to seek a purchaser who desires to continue parts of the business of the Company, in which case you may be asked to return to your job. However, there can be no assurances that the management of the Company will be successful and you should consider this lay-off permanent.

2. *When will the layoffs begin and when am I likely to be laid off?*

The Company expects layoffs to begin on February 3, 2014. The layoffs will come in stages, depending upon the need for workers as the Company moves towards liquidation and dissolution. Your employment is likely to end around February 3, 2014 but your layoff may be later, depending upon the business need to maintain workers as the full impact of the liquidation becomes known. The Company will contact you if you are being asked to stay longer than February 3, 2014.

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

The Company does not recognize strict seniority rights, but may take seniority into consideration as a factor in determining which employees to lay off and the timing of each employee's layoff. However, seniority will be just one factor in these decisions, and other factors, such as business necessity, expertise, and past performance, also will be taken into account in making these decisions.



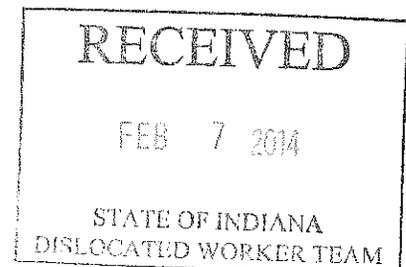
4. *Will the company be providing any severance benefits to employees who are laid off?*

Employees will not be paid any severance pay as a result of this lay-off.

5. *Whom can I contact for further information?*

If you have further questions or need additional information, you may contact:

Julie Derby  
HDA, Inc.  
944 Anglum Road  
St. Louis, Missouri 63042  
t: 314.770.2228 ext.3056  
f: 314.595.4777  
jderby@hdainc.com



Dear HDA Merchandising Associate,

You are a very important part of HDAM. We truly appreciate your continued support in servicing our clients and retail chain partners during this time of transition.

**We assure you that you will be paid for ALL prior, current and future merchandising service.**

By now you have received an updated list of your new District Manager contact information.

**The information below is required by law due to the recent reorganization within HDA.**

**It does not affect your current employment with HDAM.**

To: Employee E-Mail Address:

Date: February 4, 2014

N-Store Merchandising, Inc. (the "Company") has worked diligently over the past several months and weeks to try to obtain the financing to continue its business. Unfortunately HDA has not been successful in obtaining such financing. As a result the Company will experience a reduction in its workforce, and some or all of the employees of the Company will be laid off. Management of the Company intends to continue to seek a purchaser who desires to continue parts of the business of the Company, in which case you may be asked to return to your job. However, there can be no assurances that the management of the Company will be successful in finding such purchaser and all employees will then be laid off.

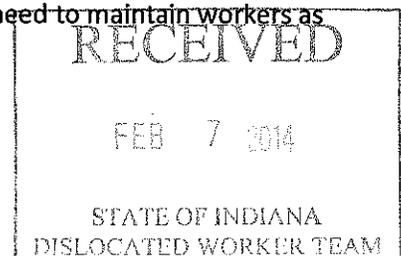
This notice, which is issued in compliance with the Worker Adjustment and Retraining Notification (WARN) Act, is to inform you that you will, in time, be laid off due to the liquidation of the Company. The purpose of this notice is to provide you with the answers to some questions that you may have regarding a layoff so that you could prepare to locate other employment. The information provided below represents the best information available to the company at the time this notice was issued.

1. *If I am laid off, can I expect to be recalled to employment at some time in the future?*

If you are laid off, you should consider your layoff will be permanent.

2. *When will the layoffs begin and when am I likely to be laid off?*

Some of the layoffs began on Monday 2/3/2014. Further, the layoffs will come in stages, depending upon the need for workers as the Company moves towards liquidation and dissolution. Your layoff will be later, depending upon the business need to maintain workers as the full impact of the liquidation becomes known.



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

The Company does not recognize strict seniority rights, but may take seniority into consideration as a factor in determining which employees to lay off and the timing of each employee's layoff. However, seniority will be just one factor in these decisions, and other factors, such as business necessity, expertise, and past performance, also will be taken into account in making these decisions.

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