

June 20, 2023

From: Andy Sreden

Re: Questions about PQL & Deco

I would like to take the opportunity to provide an update on the relationship between PQL and Deco Lighting (Deco), as well as address concerns regarding products, payments, special orders, and other related matters that have come up.

I would like to bring attention to some unfortunate events that occurred last week. During Deco's bankruptcy hearing on June 15, the Judge extended the date for Deco to secure new financing until July 31. Failing to do so would result in the conversion to Chapter 7. PQL has been actively engaged in negotiations to provide further funding, however a consensus on all deal points has not yet been reached. Mediation was suggested during the hearing to facilitate an agreement, a proposal that PQL supports. However, Deco's management has unilaterally taken actions that indicate they have different intentions. Shortly after the hearing, Deco informed all employees that their services were no longer required, terminated their employment, and requested the return of keys.

While the short-term implications of Deco's actions and a potential chapter 7 conversion are still uncertain, PQL wants to assure that its commitment to supporting our customers, sales representatives and partners remains unwavering. PQL will continue to provide its full range of product offerings and exceptional service, just as we always have.

To provide further context, in July 2021, PQL became a shareholder in DQL, Inc., the parent company of Deco. This investment played a critical role in enabling Deco to retain its workforce, fulfill product shipments, and compensate representatives during its challenging financial situation, which ultimately led to the Chapter 11 bankruptcy filing. As a preferred shareholder, with a minority interest, PQL provided funds to support Deco's daily operations. Given the possibility of Deco transitioning to Chapter 7 bankruptcy, PQL understands that questions and concerns have become apparent, and we would like to address them.

#### **Can you still obtain architectural products from PQL?**

Yes, PQL is fully committed to continuing operations and expanding its architectural product offerings. You can still order architectural products from PQL.

#### **What about spec orders?**

Spec orders for architectural spec products can continue to be placed with PQL. We will accommodate these orders just as before.

#### **What about warranties?**

PQL will honor all warranties for orders placed through our company. You can have confidence in the warranty coverage for your purchases.

#### **What about manufacturing architectural products?**

The manufacturing process for all architectural products will remain unchanged. PQL will continue to produce them in the same manner, ensuring consistent product quality. There will be no difference in the manufacturing process, and you can continue to order architectural products as usual.

**How will the bankruptcy impact sales reps?**

While the bankruptcy situation is an unfortunate situation for Deco, it will not have a negative impact on sales reps' or customers' orders. The order placement process at PQL will remain unaffected, and you can continue to place orders with confidence.

**Will you get paid?**

Yes, PQL will ensure that all reps are paid for all orders placed with them. Payments can be expected as usual.

PQL is excited for the momentum that has been built thus far in 2023 and remains steadfast in upholding its core values as we diligently execute our strategic plan. Your unwavering dedication to strengthening our brand and business is truly commendable. We eagerly anticipate the remarkable achievements we will accomplish together as we embark on the next chapter of our journey.

We appreciate your continued support, and partnership.

Thank you.

Andy Sreden  
CEO  
Premium Quality Lighting

*Andy Sreden*