

PQL Statement: Response to Deco Lighting Press Release

On June 28, 2023, Saman (“Sam”) Sinai of Deco Enterprises, Inc. (“Deco Lighting”) issued a press release that characterized PQL and PQL’s CEO, Andy Sreden, in a negative and defamatory manner. PQL contends that many of the claims made in the Deco Lighting press release are inaccurate and unsubstantiated. In order to protect the reputation of PQL and its employees, sales representatives, suppliers and customers, PQL felt it was important to respond to the press release with factual content.

Following Deco Lighting’s bankruptcy filing, PQL’s overriding intention was to assist and fund Deco Lighting so that Deco Lighting could emerge from its Chapter 11 bankruptcy as viable and productive business. Such a result, would only enhance and strengthen the lighting industry and the products provided to numerous lighting wholesalers as well as consumers. To the best of PQL’s knowledge, no other companies were willing to step forward to provide funding to pay for Deco Lighting’s ongoing daily operations.

When Deco Lighting’s Chapter 11 bankruptcy plan no longer appeared feasible, PQL, in good faith, stepped-up financially for Deco Lighting, and their creditors, in an attempt to allow the Deco Lighting brand to continue and prosper. As with many complex and involved negotiations, there were numerous issues to be resolved between the parties.

PQL did *not* back out of negotiations as claimed by the June 28 Deco Lighting press release. PQL directed its attorneys to continue to work hard to find a solution—including participation in mediation as proposed by Deco Lighting’s bankruptcy counsel.

Unfortunately, Babak (“Bob”) Sinai of Deco Lighting made the decision to unilaterally close Deco Lighting, terminate its employees, and shut down its servers. While PQL had been willing to continue the negotiations through participation in mediation, the drastic action of ceasing all operations by Deco Lighting severely affected PQL’s valuation of Deco Lighting. It is difficult to understand, other than through an emotional perspective, why Deco Lighting would cease operations on the verge of mediation and a possible resolution.

The Deco Lighting press release also states that ABS (ABS Capitol, LLC) will support Deco Lighting as a secured creditor and *potential asset owner*. Of interest, Babak Sinai, according to the latest California Secretary of State Statement of Information filed on August 31, 2021, is listed as an LLC Manager or Member of ABS. Thus, the same person who made the decision to cease Deco Lighting’s ongoing operations also has an interest in the company that is a potential asset owner. We will let you draw your own conclusions based on these facts.

Although the numerous unsupported allegations and threats in the press release do not merit a detailed response, we believe the events of June 15, 2023 are relevant:

- On June 15, 2023, Deco Lighting’s bankruptcy attorney, Raymond Aver, advised the bankruptcy court that the parties are still in negotiations and suggested mediation as a potential solution.
- Bankruptcy Judge Bluebond approved of the idea of mediation but decided not to mandate it.
- ABS bankruptcy attorney indicated to the court that they do not believe mediation would be worthwhile and advocated for conversion to Chapter 7 bankruptcy to allow for the administration of the Debtor’s assets.
- PQL’s bankruptcy attorney expressed PQL’s interest in pursuing mediation.

- U.S. Bankruptcy *Court Judge* Sheri Bluebond set a deadline of July 31 for the parties to reach an agreement and informed the parties that if no agreement was reached, the case would be converted to Chapter 7.
- On the afternoon of June 15, following the bankruptcy hearing, Babak (“Bob”) Sinai ceased Deco Lighting’s business operations, terminated its employees, shut down the computer server, and instructed all employees to turn in their keys and leave the premises.

Only after Deco Lighting’s executive ceased all operation, did PQL notify Deco Lighting’s bankruptcy counsel of the changed circumstances (Deco Lighting was no longer an ongoing concern) and withdrew its interest in mediation. The question arises why Deco Lighting would solicit mediation at the Court session and then cease operations the same afternoon?

Further, it is also important to note that in 2021, Deco Lighting contacted all of their sales representatives and provided written permission for PQL to ask the them to sell PQL products. PQL has been working with these representatives for two years, and they are well-known in the lighting industry.

The above facts present a clear picture of the events involving Deco Lighting’s bankruptcy. PQL’s employees, representatives, suppliers and customers know the integrity we bring to our everyday professional and personal relationships. PQL will continue to support the lighting industry, and we stand firmly on our principled reputation.