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July 15, 2020

Department of Labor & Industrial Relations
Director
830 Punchbowl Street, Room 321
Honolulu, HI 96813

Mr. Harry Kim
Mayor
County of Hawaii
25 Aupuni Street
Hilo, HI 96720

RE: WARN Act Notice

Dear DLIR Director and Mayor Kim:

Big Island Candies is continuing to experience a downturn in business due to the COVID-19 pandemic. Although we have remained optimistic, the uncertainties have resulted in unforeseen difficulties and challenges.

Our business is reliant on both the local market and the tour industry and with current restrictions by federal, state and local government mandates, which have continued to change and/or be extended beyond their initial durations, the continuing lack of visitors to Hawaii has drastically impacted our operations.

In mid-March Big Island Candies commenced temporary layoffs of employees and temporarily closed operations as mandated with the intent to return to full capacity. Although we have resumed our on-line business and our Hilo and Ala Moana retail stores with a modified schedule, our pre-COVID-19 operations remain far from sight. We remained hopeful with the inter-island 14-day quarantine being lifted but with the recent uncertainties of the State's reopening, we face uncharted territory. Currently, a significant number of employees are on reduced hours or on temporary layoff. We truly expected this to be temporary and last less than six months but at this point we are unable to predict when we will be able to return to pre-COVID operations, and we fear the temporary layoffs will have extended beyond six months.

Due to the continued restrictions placed on out of state travelers and the recent uncertainty of reopening the state we have concluded that the impact to Hawaii's travel industry will last for an extended period of time. The recent increase in COVID-19 cases in Hawaii and various locations across the country creates even more of a challenge for Hawaii to recover. With the current

situation, Big Island Candies is issuing this WARN Act notice with respect to its Hilo Headquarters (585 Hinano Street, Hilo, Hawaii 96720) should it be necessary -- as currently seems to be the case -- for Big Island Candies to continue reduced hours and/or temporary layoffs beyond six months or to reduce a portion of its workforce permanently, but no earlier than 60 days from the above date. The specific number of employees affected is unknown due to the uncertainties surrounding the pandemic; however, the following is a list of potentially affected job classifications:

| Location - Hilo Headquarters | Job Classification | # of potentially affected employees |
|------------------------------|--------------------|-------------------------------------|
| Hilo | Sales | 20 |
| Hilo | Production | 68 |
| Hilo | Support | 19 |
| Hilo | Management | 4 |

There are no bumping rights and no union representation for affected employees.

Should you require additional information, you may reach me at 585 Hinano Street, Hilo, Hawaii 96720 or at 808.961.2199.

Sincerely,



Sherrie Ann E. Holi
President/COO

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2020 JUL 21 AM 10:24
RETURN RECEIPT
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Department of Labor & Industrial Relations
Attn: Director
830 Punchbowl Street, Room 321
Honolulu, Hawaii 96813

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