



DEPT. OF LABOR AND
INDUSTRIAL RELATIONS
DIRECTOR'S OFFICE

2020 SEP 24 PM 12: 23

September 21, 2020

Ms. Anne Perreira-Eustaquio
830 Punchbowl Street
Honolulu, HI 96813

RE: WARN Act Notice

Aloha Ms. Perreira-Eustaquio:

At the onset of COVID-19, little did I imagine then, that months later, this pandemic would have far-reaching consequences that would severely impact our economy locally and nationally.

We initially anticipated a relatively short-term disruption in business and therefore encouraged employees to use their vacation during the month of April and even offered an advance of up to 80 hours to keep employees whole. Subsequently, we secured a loan under the SBA Payroll Protection Program and maintained wages and benefits for all employees through the end of June.

By then, we thought that the reopening of our hotel would be imminent as there was promise of our economy reopening as the state ramped up its capacity for testing and the interisland quarantine lifted.

When our employees at the Kā'anapali Beach Hotel, located at 2525 Kā'anapali Parkway, Lahaina, Hawaii were furloughed starting July 1, our genuine expectation was that the furlough was going to be less than six months. As the pandemic continues to evolve with the surge in cases, orders still being extended, and the great deal of uncertainty that lies ahead, we have not been able to reopen the hotel. Under these circumstances, regrettably, we now reasonably believe that the furlough will extend beyond six months (i.e., beyond 12/31/20) and we are notifying you pursuant to the WARN Act.

It's inconceivable to think that we are faced with a pandemic of this magnitude that puts the visitor industry in such a precarious state and it saddens me to be writing a letter of this nature, for the first time, after 51 years in the hotel industry.

I hope you have come to understand that my goal is, and always will be, to keep our employees gainfully employed and any layoffs will be my last resort. At this time, we are not laying anyone off in the hope that business will ramp back up and will allow us to bring employees back to work (although at this time, we cannot predict whether, when or the schedule on which a return to work might occur). To that end, we are committed to maintaining medical coverage through January 31, 2021.

Please do not hesitate to reach out to me at 808 667-0211 or mwhite@kbhmaui.com if you have any questions.

Warmest regards,

Mike White
General Manager

