

**BH S&B Holdings LLC**  
12 Harbor Park Drive  
Port Washington, NY 11050

November 28, 2008

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**VIA EXPRESS MAIL**

Mr. Jeffrey Calhoun  
Chief, Rapid Response Section  
Ohio Dep't of Job & Family Services  
4020 E. 5<sup>th</sup> Avenue  
Columbus, Ohio 43219

Dear Mr. Calhoun:

This is to inform you that BH S & B Holdings LLC and its affiliates (collectively, the "Company") will be closing its Distribution Center located at 4545 Fisher Road, Columbus, Ohio between December 30, 2008 and January 14, 2009. Employees will be terminated between December 12 and December 24, 2008. This action is expected to be permanent.

Unforeseeable business circumstances, including but not limited to the impact on the general economy, and specifically on retail spending, of the largest stock market crash since the Great Depression, receipt of notice of covenant default from the Company's senior lenders under its existing loan facility, and recent deteriorations in the general condition of the Company's business have mandated immediate implementation of these staff reductions and ultimate cessation of operations] by the Company, without allowance for any greater period of notice of termination to those individuals affected.

Any greater period of notice of termination to individuals affected also was not possible because the Company reasonably and in good faith believed that giving the required notice would have prevented the Company from obtaining the needed capital and/or business it unsuccessfully sought in attempting to keep the Company viable.

Approximately 216 employees at this location will be affected by this closure.

There are no bumping rights at this location and none of the affected employees are represented by a union.

You may contact Brian Kalmaer at (516) 267-7360, for further information.

Please note that this notice is being provided as a courtesy as all of the affected employees are "part-time employees" as defined by the WARN Act and accordingly this is not a WARN covered event. Further, please note that the Company will assert that it is liquidating and accordingly not subject to the WARN Act.

Very truly yours,

Tim Boates  
Chief Restructuring Officer  
BH S&B Holdings LLC