KAM MANUFACTURING, INC.

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March 18, 2008

Ohio Department of Job & Family Services Worker Adjustment Retraining Notification (WARN) Act P.O. Box 1618 Columbus, OH 43216-1618

Notice of Mass Layoff/Facility Closing

This notice is being provided to you on March 18, 2008 pursuant to the Worker Adjustment and Retraining Notification Act of 1988, which requires employers to give official notice to certain government units or officials of a pending mass layoff or facility shutdown.

KAM Manufacturing, Inc. ("KAM"), a Van Wert garment and accessories producer with over 140 employees, will be forced to discontinue most or all of its operations as a result of a customer's decision to terminate its business relationship with KAM.

Vera Bradley Designs, Inc., a manufacturer and designer of women's handbags and accessories and KAM's largest customer, recently notified KAM that it will be terminating its relationships with all domestic sewing contractors by the end of 2008. Regrettably, Vera Bradley's decision will impact all 140 employees at KAM's only manufacturing facility that mainly produces Vera Bradley products.

While no exact date has been established for the mass layoff/facility closing, it is anticipated that mass layoffs will start to take place on May 18, 2008 at KAM's only facility located at 1197 Grill Road, Van Wert, Ohio 45891-9387. Attached is a list of the affected positions and number of employees holding each position. Affected employees do not have bumping rights and are not represented by a union. KAM notified all employees of the impending mass layoffs/facility closing and the reasons therefore at a March 11, 2008 meeting.

Should you have any questions, please contact Ollie Adams at (419) 238-6037.

Position Title	Number of Affected Employees
Bundler	3
Inspector	14
Laborer .	6
Maintenance	1
Material Handler	4
Office Manager	1
Operation Manager	1
Owner/Operator	3
Receptionist	1
Scheduler	1
Sewing Machine Operator	87
Shipping/Receiving Clerk	1
Sub Assembler	10
Supervisor	5
Trainer	2
Total	140