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September 18, 2020

VIA FEDEX AND EMAIL

NV Department of Employment, Training & Rehabilitation
2800 E. St. Louis Ave.
Las Vegas, NV 89104
detradmin@detr.nv.gov

Carolyn G. Goodman, Mayor
495 S. Main St.
Las Vegas, NV 89101
officeofthemayor@lasvegas.gov

Marilyn Kirkpatrick, Chairman
Board of County Commissioners
500 S. Grand Central Pkwy
Las Vegas, NV 89155
ccdistrib@clarkcountynv.gov

RECEIVED

SEP 21 2020
SO NV ADJUDICATION #170
LAS VEGAS, NV

Re: Employment Status

Dear Ms./Mr.:

We are writing to inform you that Production Resource Group, LLC ("PRG" or the "Company") will suffer employment separations at its facility located at 4155 W. Russell Rd., Suites E, F & G, Las Vegas, NV 89118. PRG was forced to place employees on furloughs initially announced on March 22, 2020 due to the sudden and unprecedented effects that the COVID-19 pandemic and the resulting restrictions that federal, state and local governments have placed on travel and public and private gatherings and the resulting sudden and dramatic loss of business for the Company. While we continued to hope these layoffs would be temporary, in light of the current and unexpected circumstances, we no longer feel that we are able to predict how long our business will be impacted. Accordingly, and in an abundance of caution, we want to let you know that these layoffs may become permanent.

Most of the temporary furloughs in connection with the COVID-19 pandemic commenced on March 22, 2020. Although we expected to and continue to hope to return our employees to work within a short period of time and certainly within six months of the start of the temporary furloughs, it now appears that our original plan may not be possible. Accordingly, in the event that we are unable to bring our employees at this facility back to work by September 21, 2020, we want to let you know that these layoffs will be deemed permanent for purposes of federal



law as of September 21, 2020. Despite these temporary layoffs being deemed permanent for purposes of federal law, for internal purposes, we will continue to view many of these employees as continuing temporary layoffs and intend that when business returns, they will be rehired.

Enclosed as Exhibit 1 is a listing of the job titles and positions that would be affected by this action and the number of affected employees in each job classification, along with their anticipated separation date, and whether the layoff is deemed temporary or permanent. The affected employees are not represented by a union. There are no bumping rights for employees at this facility.

We apologize that we were unable to provide to you more advance notice of this action. Although we initially were confident that the furloughs would be for a short period of time and certainly less than six months in duration, the unfathomable extent and impact of the COVID-19 pandemic and the fact that even events that were rescheduled have now been cancelled or postponed for long periods of time, requiring furloughs for longer than six months recently became apparent to us.

As we all know, this pandemic has been a rollercoaster of everchanging restrictions on public gatherings and travel and tourism disruptions and thereafter re-openings and relaxation of some restrictions and closure orders restrictions, followed by imposition of restrictions again – actions and events which have been outside of the Company's control. Throughout this period, we have worked internally, across our markets and with our clients across the spectrum to identify business opportunities. We reached out to former, current, new and prospective clients and brainstormed ideas to generate business and to meet the ever-changing needs of the industry, as we all navigated COVID-19. We were receiving lots of inquiries, RFP's, and quote opportunities from our clients and monitored predictions that summer and fall 2020 would be flush with events. We were excited to work on the return of TV/Film, collegiate and professional sports, awards shows, drive-in concerts and our other live events, even if in a different format due to the pandemic. We even pivoted some of our shops to the manufacture of face shields, worked with a thermal scanner manufacturer to make casings for scanners to be used by venues, schools and businesses, and helped build temporary hospitals. While some projects have come to fruition in a limited capacity or as a virtual event, many events have been canceled or postponed unexpectedly due to COVID-19 case surges (such as in colleges), and the ever-changing public health guidance and government restrictions on travel and gatherings.

We have done our best to anticipate business conditions, but none of us could have predicted how this pandemic would unfold, especially in light of the many opportunities clients presented to us. Since this pandemic hit, we have tried to plan for workflows based on our best business judgment and to be prepared for the work at hand with sufficient peoplepower, all with the added complications imposed by COVID-19 (e.g., unpredictability in shipping, wellness and quarantine status of staff, and countless government orders). Despite the hurdles presented due to COVID-19, clients continued to engage us for work throughout this entire period, leading us to believe that we would be able to restore our workforce levels. Even as events were being cancelled and postponed, other events were being planned. We know what it takes to put on a



show, and anticipated and planned for staff recall based on the work we had booked on our schedule; however, the recent and rapid cascade of clients' cancellations and long term postponements (decisions that were out of our control) of several big events: such as tech and pharma company corporate events, a major car manufacturer event, several cable, independent and network TV series, major rock and country music tours, association events, theater and other Broadway type tours (all noticed to us in August through early September) have left the Company with fewer jobs forecasted for the short term. This sudden and unprecedented occurrence of having insufficient work has forced us to conclude that the likelihood of recalling employees in the short term is no longer predictable, and not practicable.

The speed and vast reach of the COVID-19 pandemic as well as continuing government orders and directives and client cancellations and postponements were unforeseeable and caused, and will continue to cause, a drastic impact on our business and ability to resume our pre-pandemic operations. After reassessing the likelihood that our Company's business levels and staffing needs will not increase in short order and in light of these recent events, we are providing this notice to you at the earliest possible time. We hope you understand.

You may contact Beth Messer at (702)942-4486 or bmesser@prg.com, if you require additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "m yang".

Michelle Yang
Assistant General Counsel

Enclosures: Exhibit 1



EXHIBIT 1
Russell Road, LV
Impacted Positions
(as of September 21, 2020)

- Total number laid off - 107 (both permanent and temporary)
- Permanent job loss -69 Job title of impacted positions and # affected in each position
- Temporary job loss -- 38 Job title of impacted positions and # affected in each position

EMPLOYEES WHO JOB ACTION IS INTENDED TO BE PERMANENT:

<u>Job Title Description</u>	<u>Position Count -:</u>
Applications Document Specialist Count	1
Asset Coordinator I Count	3
Dispatch Manager Count	1
Dispatcher Count	2
Driver CDL Class A Count	6
Driver Non CDL Count	1
Helpdesk Specialist II Count	1
Inventory Clerk Count	1
Logistics Coordinator Count	1
Order Coordinator Count	1
Outbound Coordinator Count	1
Outbound Lead Count	1
Product Specialist Count	1
Project Manager I Count	1
QC Technician Lead I Count	1
QC Technician Lead II Count	1
Service Technician I Count	1
Shipping & Receiving Clerk Count	3
Shop I Count	4
Technician I Count	27
Technician II Count	8
Technician III Count	1
Warehouse Associate Count	1
<u>Grand Count</u>	<u>69</u>



EMPLOYEES WHO JOB ACTION IS INTENDED TO BE TEMPORARY:

<u>Job Title Description</u>	<u>Position Count</u>
Asset Coordinator I Count	5
Department Head I Count	2
Driver CDL Class A Count	2
Inbound Coordinator Count	1
Inbound Lead Count	1
Inventory Administrator Count	1
Logistics Manager Count	1
National Logistics Coordinator Count	1
Order Coordinator Count	3
Product Specialist II Count	1
QC Technician Lead I Count	2
QC Technician Lead II Count	4
Service Technician I Count	2
Shop I Count	2
Shop II Count	2
Shop Manager I Count	2
Sub Rental Coordinator Count	1
Technical Production Manager Count	1
Technician II Count	3
Warehouse Associate Count	1
Grand Count	38