



VIA OVERNIGHT MAIL AND EMAIL

April 26, 2021

Mayor Miro Weinberger
City Hall, Room 34
149 Church Street
Burlington, VT 04501
Mayor@burlingtonvt.gov

Vermont Department of Labor
Michael A. Harrington, Commissioner
5 Green Mountain Drive
P.O. Box 488
Montpelier, VT 05601-0488
Michael.Harrington@vermont.gov

Agency of Commerce and Community Development
Lindsay Kurrle, Secretary
One National Life Drive
Deane C. Davis Building, 6th Floor
Montpelier, VT 05620-0501
802-828-3080
lindsay.kurrle@vermont.gov

Re: Notice of Layoff / WARN Act Notification

Dear Mayor Weinberger, Commissioner Harrington and Secretary Kurrle:

In accordance with any obligations under the federal Worker Adjustment and Retraining Notification Act ("WARN") this letter is to inform you that Koffee Kup Bakery, Inc. and its subsidiary Vermont Bread Company ("Koffee Kup"), 436 Riverside Ave., Burlington, Vermont 05401, has announced that it will be terminating all operations, effective April 26, 2021. This action is expected to affect 156 employees who will be permanently terminated effective April 26, 2021 at this location.

All affected employees have individually been provided required notice of this action via hand delivery and/or regular mail.

Koffee Kup has been operating at a loss for some time. It has been in default of certain terms and conditions of its outstanding loans with its lenders. The lenders had allowed the company to continue operating pursuant to a forbearance agreement that has expired.

In light of that, and as you may know, Koffee Kup had undertaken very substantial efforts to obtain additional financing or investors. We have had many discussions and negotiations with our lenders aimed at sustaining operations and we have introduced the lenders to additional potential investors. However, none of these investors have made an offer acceptable to the senior lender and they have declined to further extend the forbearance agreement and declined to loan any additional funds to the company. Because of this, continuing operations is no longer commercially reasonable or prudent.

Last Thursday, Koffee Kup received default notices from the lenders to the company demanding immediate payment of outstanding loans, asserting its rights to take possession of our assets and confirming that it would no longer extend credit to cover operating costs of the company including payroll.

Therefore, although many promising avenues were explored that we were cautiously optimistic would have allowed Koffee Kup to survive, those efforts have now been exhausted without success and Koffee Kup no longer has sufficient capital to continue operations. We were unable to provide you with this notice any earlier as we were uncertain of the success of the efforts that we have been making to continue operating. Earlier notice of this unfortunate outcome would have been premature and would have jeopardized those very efforts.

None of the affected employees are represented by a union, and none are entitled to bumping rights pursuant to a collective bargaining agreement or otherwise.

A listing of the job titles of the positions to be affected, and the number of affected employees in each job classification at this facility is attached to this letter.

For further information, please feel free to contact me at [REDACTED]
or at [REDACTED]

Sincerely,



Dorset Partners, LLC, agent for Koffee Kup Bakery
By: Jeff Sands, Managing Member