Important Update Regarding R.L. Mlazgar Associates

Dear Manufacturer Partners,

I want to share an important update with you directly. R.L. Mlazgar Associates will be filing for Chapter 11 bankruptcy protection.

This is not a decision we have taken lightly. We have been working through several difficult circumstances, and after discussions with our advisors and attorneys, we believe Chapter 11 is the best path forward for the company.

I want to make one thing very clear. **Mlazgar' s operations and business performance remain strong.** This decision is not the result of a downturn in our business, a lack of customers, or a lack of confidence in our organization. It is a direct result of the unfavorable outcome in the HLI litigation and our inability to reach an acceptable agreement to satisfy the judgment. After exhausting other avenues, we believe Chapter 11 is the best way to address this situation while continuing to operate and protect the business we have worked so hard to build.

Our intent is to continue operating our business, servicing our customers, supporting our associates, and representing our manufacturers. We have a strong team, longstanding customer relationships, and a business that we believe remains viable. This filing is intended to give us the opportunity to work through our financial and legal challenges while continuing to operate the business.

I want to be clear that we have not lost sight of what got us here. Our customers still need service, our projects still need attention, our associates still need support, and our manufacturer partners remain an important part of our business. We intend to continue doing what we do every day.

I understand this news may raise questions and concerns, and I don't expect everyone to simply take it at face value. We will be as transparent as we can throughout this process and will communicate as things develop. We may not have every answer immediately, but we will be straightforward with you.

We appreciate the relationships we have built over the years and the support you have given us. Those relationships matter, and we don't take them for granted.

Thank you for your continued support and for working with us.

Scott St. Marie

President

R.L. Mlazgar Associates Inc.