



June 14, 2019

Dear Valued Customer,

The Jacob Holtz Company (a wholly owned subsidiary of Hudson Lock LLC) has experienced significant supply chain cost pressures over the last 18 months. Section 232 tariffs, section 301 tariffs, raw material, and ocean freight cost increases have eroded our margins beyond the level that we can continue to absorb. Also, many of our valued customers do not provide sufficient forecasts or purchase standard products that facilitate the best possible price.

As a result, The Jacob Holtz Company will increase prices by an average of 12.5% on all items that ship from one of our U.S. facilities after July 26th, 2019. Over the next few weeks, one of our customer service or sales teammates will provide you with revised pricing and necessary adjustments for all impacted open purchase orders.

We do look forward to working with you to identify opportunities to reduce your costs over the next 12-18 months and believe that there is substantial opportunity to do so. In particular, we believe that better forecasts and associated order commitments, the use of standardized products where possible, re-evaluating product applications to determine a more cost-effective alternative and achieving cost savings through design optimization are all actions that can be taken to achieve a win-win outcome. Ultimately, these actions will work to offset the price increase by achieving higher volume discounts, lower inventory carrying costs, and reduced freight charges.

We look for to working with you to identify profitable solutions to grow together and appreciate your interest in our caster and furniture related products.

Sincerely,

Grant J. Etter
Chief Operating Officer

CC: Robert J. Sylvia, President and General Manager

