



Kenroy Home's Employee Buyout Offers Story of Hope in the Midst of Recession

Jacksonville, FL, February 17, 2009—As the global financial crisis continues to impact businesses with rampant layoffs and division closures, Kenroy Home, a lighting and home décor design and marketing firm based in Jacksonville, FL, would like to share the inspiring story of its own unique success, which occurred after the company was marked for closure by New York investment bankers. Employees rallied together to buy the company, save their jobs, and create a visible example of how the little guys can succeed where their corporate parents can't. One year later, Kenroy Home is a profitable, independent company that is not just surviving, but thriving, even in the midst of hard economic times.

Founded as a chandelier manufacturer in the 1960s, Kenroy International moved to Jacksonville in the 1970s and was purchased by Hunter Fan Company in 1989. It was renamed Hunter Lighting Group in 1995. While the next decade was a time of successful growth for both parent company and division, Hunter's sale to a New York financial firm in 2007 looked like the



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beginning of the end for the company. After two down years, the division was deemed unprofitable by Hunter's new owners, and prior President Bob Pape, who had run the division for twelve years, was asked to return and oversee the liquidation of its inventory and the dismissal of its forty plus employees.

Dismayed by the loss of a company with over fifty years of history, and concerned for the careers of his friends and past co-workers in a tough job market, Pape, longtime Kenroy Controller Gary Winters, and several other key managers put in long hours of due diligence, wrote a business plan, contacted banks, negotiated for loans, and put together the offer to buy the company's assets from Hunter. The plan was approved, and in March 2008, Kenroy Home became an independent business. More than 50% of the employees believed in the business enough to make upfront cash investments, and management recently voted to dilute its ownership in order to grant stock options to all other employees. This aspect of Kenroy's business has created an enormous incentive for excellence, and an atmosphere that fosters contribution and collaboration.

Today, less than a year after the buyout, Kenroy Home designs, imports and sells over 2,000 models of chandeliers, lamps, outdoor lanterns, fountains and other lighting products, which are sold to a wide variety of lighting, furniture, specialty, and Internet retailers. The company is profitable, has paid its bankers back a significant portion of the principal on its loans, and is again enjoying its past popularity with the customers and consumers that it serves. Best of all, over forty employees whose jobs were saved can now testify to the strength of working together and believing in a dream. “Companies that don’t realize that people working together are a company’s greatest asset need to wake up, before it’s too late,” Pape said. “Kenroy Home is proof that sometimes, $1+1+1 = 10$.”

Kenroy Home is excited to share its story at a time when many companies and employees are feeling threatened, or anticipating closure. We hope it will inspire them. The combination of hard work, entrepreneurship, and belief in the power of community helped save the company in hard times, and inspired its new motto, “All Together Better.”

We invite you to learn more about Kenroy Home, and hope that you will consider featuring our story. For more information, visit our website, www.kenroyhome.com.

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