



July 31, 2019

TO: Gleason's Students and Families

I wanted to take some time to update you on recent developments at Gleason's Gymnastic School. As many of you are already aware based on recent news articles, Gleason's Gymnastic School filed for Chapter 11 bankruptcy last week. I had hoped to communicate this to you prior to it becoming a newsworthy event, however due to unforeseen circumstances around the timing, this was not possible and I apologize for that.

As the news articles have stated, a Chapter 11 bankruptcy is a reorganization and restructuring of a company's financial obligations and expenses to help a company address their financial issues while continuing day-to-day operations. This is very different than a full bankruptcy (Chapter 7) and I want to re-iterate that Gleason's is not going out of business. We had some challenges this past year that impacted our financial situation, primarily driven by unexpected expenses due to the move from the Maple Grove location to our current location in Brooklyn Park.

Even prior to filing for Chapter 11, we have taken steps to reduce our overall expenses in both of our locations, and we had solid attendance and registration this past summer. Additionally, we always see an increase in enrollment start to happen the year prior to the Summer Olympics, which is coming in 2020. My hope is that the above items, along with the Chapter 11 financial restructuring will help us get through the current challenges and back on track for this upcoming season.

I understand that this raises many questions for you and the students you have in our program, and I want to reassure you that we are doing everything possible to demonstrate that both of our locations (Eagan and Brooklyn Park) will be profitable in the upcoming year, and my desire is to maintain both locations on a long-term basis, while we continue with the process to restructure our financials. Having said that, the restructuring process will take several weeks before a plan is finalized and approved by the court. Until we know more, we will continue to operate business as usual, and move forward with our 2019-2020 school year season.

I want to assure you that I, along with our coaches and staff, remain dedicated to our program. Our hope is that you continue to do so as well, so that we can all keep doing as we have for the last 53 years strengthening children in mind and body through successful gymnastics experiences!

I appreciate your understanding, support, and patience as we work through this, and will continue to update you as we have more information we are able to share.

In the interim, if you have any questions, please do not hesitate to contact me directly.

Thank you for your continued support and participation in our programs!

Regards,

Larry Gleason