

Words from the President



HomeDeliveryLink continues to enjoy good revenue growth in spite of the lackluster economy. In the year ending December 31, 2010 the company's revenue grew by 42.7% over calendar 2009. In the six months ending June 30, 2011, we saw revenues increase by 25.9% over the comparable period in 2010. I am delighted to add that our profitability has also maintained acceptable levels; we feel that is quite an accomplishment in the face of numerous startups we have had recently and the financial support we have been providing our contractors because of their increased fuel expenses this year. The balance sheet reflects the fact that the company is on sound financial footing.

Most of our efforts since my last message have been spent on assimilating the significant new business that we took on late last year and so far in 2011 while making sure that the quality of our service did not deteriorate. So far this year we have started a new operation for Restoration Hardware based in Mira Loma, Ca from which we deliver to their customers from San Diego to Santa Barbara. Late in the second quarter, we were awarded contracts with Sears for operations in Austin and San Antonio, TX and Phoenix, AZ. Austin started in June and San Antonio and Phoenix started in July. Most recently, we were awarded a new operation in Sacramento for La-Z-Boy starting in early August. These new operations bring our total sites to 41. At this time, we have in excess of 100 associates and dispatch and coordinate the activities of approximately 335 delivery vehicles.

We are honored and proud to receive two awards for service quality in the first half of the year. First, we are the recipient of the Partners in Progress Award for 2010 presented to us by Sears Holdings. This award acknowledges that HomeDeliveryLink, Inc. is the best-in-class home delivery vendor serving Sears and its customers during 2010. Equally as exciting, La-Z-Boy gave us recognition as the leader in customer service excellence partner for 2010. My sincere thanks to all the associates and contractors who caused us to receive those awards. We continue to be thankful for the support provided by our independent contractors and their employees. Also, thanks to all of our clients for their continued commitment to our company; its associates and independent contractors.

Robert E. Fleisher
President and CEO
HomeDeliveryLink, Inc.

The HomeDeliveryLink Mission

To enhance our client's image by making a well-planned, on time, professional delivery each and every time. We set the service quality standard in our industry by providing the most efficient and transparent link between our retail client and our delivery customers. Our success is measured solely by the success of our clients, and the satisfaction of our mutual delivery customers.

Spotlight Client ▼



A major national retailer that HomeDeliveryLink has “courted” on and off for several years, finally became an official client in the Spring of 2011. Restoration Hardware is an exceptionally well merchandised world of high quality furniture, lighting, textiles, hardware and more. Their stated philosophy is indeed quite unique: “Surround ourselves with what we love, and inspire laughter as well as thought.” When you walk into one of their impeccably merchandised showrooms, this philosophy seems more than just their way of finding and selling products – it’s a way of life they are promoting.


Restoration Hardware was founded nearly 30 years ago when they opened their first store in Eureka, California. Today, they’ve become one of the leading purveyors of premium home furnishings. If you look at their locations and product mix, they operate a pretty complex multi-channel, multi-brand, multi-market business. An unyielding passion for quality, exceptional design, and impeccable craftsmanship have been constants over their 30 years in business.

They currently operate more than 100 retail and outlet store locations in the United States and Canada, as well as a rapidly growing direct-to-consumer business that includes stand-alone catalogs and e-commerce sites. Their well-known family of catalogs has grown to be a staple in upscale homes across North America, and even considered a “coffee table book” in many of these.

The HDL team that oversees our delivery operation in the Los Angeles area, has quickly learned that Restoration Hardware’s unyielding commitment to quality and amazingly detailed handling of each and every customer interaction, has earned them a very special place in our mutual delivery customers’ minds - and even their hearts! The truly “white glove” delivery experience that we provide for these quality-conscious customers, following the standards established by our newest client, has generated some of the most “over-the-top” letters and survey comments that we’ve seen. Attention to the smallest detail and a similarly unyielding demand for quality has been our delivery experts’ and office staff’s marching orders, and it didn’t take us long to see firsthand one of Restoration Hardware’s obvious keys to success over the past 30 years: that passion inspires passion...and quality is the key to a customer's heart.

RESTORATION
HARDWARE

The HomeDeliveryLink Values

- Make every delivery “outstanding”.
 - Respect all merchandise as if it were your own.
 - Respect every home to which we deliver as if it were our own.
 - Take personal ownership of HDL’s and our clients’ success.
 - Make our team better than it is today -- everyday.
 - Always act with integrity and honesty.
 - Find some fun at work each day.
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Meet the Team ▼



Rick Sierra

This issue's Meet the Team column is devoted to two of our top performers, a couple of gentlemen who were recently rewarded for the positive shift in the overall quality of our services realized during their tenure with HDL. While each approaches the job very differently, David Heckmann and Rick Sierra both mentor and motivate our growing list of Account Executives and field staff to consistently exceed our clients' and delivery customers' expectations. Join us in congratulating our two newest Vice Presidents. CEO Bob Fleisher made the decision to look inside the company first for the management resources needed to better support the company's growth over the

the past year. "It became clear we needed some additional leadership at the national level, and it was an easy move to make given all the talented, entrepreneurial leaders we have throughout the company. Both Rick and Dave have proven themselves as outstanding leaders, and both embrace the entrepreneurial spirit that is at the core of our organization."

In his new role as Vice President of Operations – West, David will oversee 18 different operations and supervise local field staff supporting approximately 125 independent delivery experts out on the road every day.



David Heckmann

A veteran of the delivery and logistics business, David started his professional career in 1992 as an Account Executive with Merchants Home Delivery Service. Before joining HDL in March of 2009, he spent 14 years in various roles, including General Manager and Vice President; at Western Studio Service/Academy Moving and Storage – an Allied Van Lines agent in Burbank, California. When asked about the promotion, David said, "I look forward to the challenges in my new position, and will do everything possible to maintain the highest quality service to our clients and our delivery customers." Dave lives in a small community in the Los Angeles area with his wife Betsy and their two kids.

Ricardo Sierra joined HDL in April of 2010, and brought with him a virtual lifetime of home delivery and logistics experience. In the time that Rick has been with the company, he has proven himself to be a leader who quickly earns the respect of those around him. Starting his career with Perry Transfer in 1996, Rick's resume is a "who's who" of top-notch 3rd party home delivery carriers, including, Affinity Logistics, 3PD and others. He will oversee 15 operations and support HDL staff that dispatch about 160 trucks each day in his new role as Vice President Operations – East. Rick lives with his wife Elena and their 3 children just outside of Denver, Colorado. "Help out as many people as you can every day," is Rick's philosophy on both business and life.

The HomeDeliveryLink Vision

To build a world class team of associates and independent contractors who take individual ownership of our responsibilities and results. By treating each client and customer as if we have only one, and each piece of merchandise as if it were our own, we will grow our reputation as "The Outstanding Delivery Team". We will match "can do" people with cutting edge technology to continually lead our industry in service and performance metrics.



In the News ▼

Top Performing HDL Associates Rewarded

Each Quarter, HDL associates are given the opportunity to recognize their colleagues who have gone “above and beyond the call of duty,” via the company’s **MostValuablePlayer**® program. Associates submit nominations for others who have done extraordinary things in the prior 3 months, then a committee of senior managers select an MVP. The program and committee also give recognition to the others who brought their “A game” to the business and made a meaningful contribution to the company and our clients – our PerformanceAllStars. Cash prizes, HDL branded apparel and gear, and public recognition are all part of the rewards for these over-achievers.



MVP Julissa Zamora

Q2 of this year saw home office billing clerk Julissa Zamora work like a mad-woman to not only absorb a huge workload increase resulting from new business startups, but also to avail herself at any time and in any way needed to help several new associates in the home office get up to speed. Congratulations to Q2 MVP Julisa Zamora!

And due to the number and quality of profound achievements submitted as nominations, the selection committee had no choice but to also give the top honor to a second super-committed leader, Restoration Hardware Account Executive Tania Fabian. Tania started the Quarter as the Assistant AE at the at the La-Z-Boy operation in L.A., but her offer to handle double duty by

performing both her day job and a second nighttime job helping at the Restoration Hardware start up, turned into a well-deserved promotion and an MVP nomination that could not be ignored. These two women truly showed us the difference that a couple of dedicated and motivated associates can make.

The others deserving of recognition and reward for their “over and above” accomplishments in Q2, the PerformanceAllStars, are:

- Chris Catton – Corporate Staff
- Mike Carbajal – AE, Sears
- Victor Coria – AE, Living Spaces
- James Chavez – AE, Mor Furniture
- Rich Groess – AE, Macy’s
- Candy Levy – Corporate Staff
- Teddy Luna – AE, La-Z-Boy
- Ricardo Sierra – Corporate Staff



MVP Tania Fabian

Delivery Expert Gives “Over the Top” Service

A delivery contractor at our Sears operation in Janesville, Wisconsin showed us what a true commitment to getting the job done every time looks like, when he did a little gymnastics routine to finish the hook-up of a customer’s washer and dryer unit. “The only way to get to it was to climb over the top and slide down the back,” says Neil of his feet. Check out Neil Meyer literally giving this customer “over the top” service. Thanks to Account Executive Mike Carbajal for this submission.

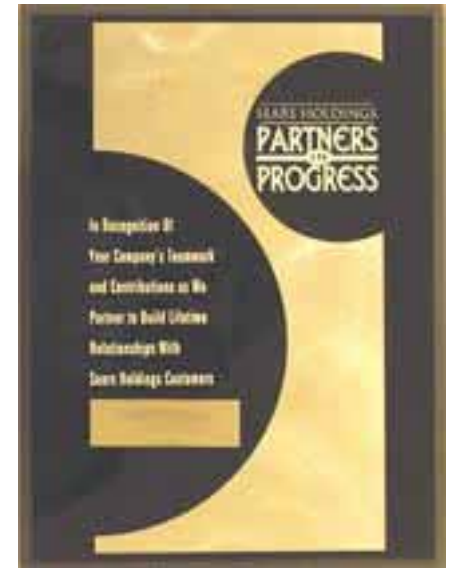


HDL Delivery Contractor Neil Meyer

In the News continued ▾

HDL Awarded Top Honors by Sears

Each year Sears Logistics Services, one of the nation’s largest providers of delivery and logistics services, reviews the performance of each of the dozens of 3rd party home delivery carriers contracted to provide delivery services to Sears customers, and selects the one carrier with the highest service quality and performance ratings from the prior year. The Sears “Partners in Progress” award is indeed one of the highest honors a delivery carrier can receive. With great pride and gratitude, CEO Bob Fleisher accepted the 2010 Partners in Progress award earlier this year. A delivery partner with Sears since 2002, HomeDeliveryLink currently runs 10 different Sears delivery operations across the country, and is in the process of starting up an 11th operation as this issue goes to press.



L to R Leona Ross, Ed Ross & Hugo Peña

La-Z-Boy Honors Lifesaving Driver with Helping Hand Award

On June 15, HDL delivery contractor Hugo Peña was delivering furniture in Chula Vista, California; when he saw that his customer's neighbor had collapsed. The neighbor, Ed Ross, was unconscious and alone in his front yard, suffering from heart failure. Peña checked on Ross, alerted his family and called 911, then stayed with Ross until the paramedics arrived. Thanks to Peña's quick and calculated response, Ross is now at home making a full recovery. La-Z-Boy recently honored Peña with its national Helping Hand Award. We are proud to have people like Hugo on our Team.

5 New Operations Won in Bids

In a reverse auction conducted by Sears, HDL was awarded 4 new operations, including: Austin, TX; San Antonio, TX; Phoenix, AZ; and Nashville, TN.

In addition to the La-Z-Boy Southern California and Nevada delivery operations run by HDL since 2010, the company was awarded a 3rd delivery area based out of Sacramento, CA in July.

