

Jacqueline Conklin

From: Robert Lange <rlange@gulfpackaging.com>
Sent: Thursday, May 28, 2015 12:50 PM
To: Trinitee G. Green
Cc: Kevin Martin; Jeremy VanEtten; Joe Rabensteine
Subject: discussion on Inventory
Attachments: PastedGraphic-1.tiff

GPI maintained inventory on a perpetual system, warehouses were responsible for performing periodic cycle counts throughout the month, the general rule was to cycle count the entire inventory at least quarterly.

Warehouse managers would generally schedule cycle counts weekly to bi weekly trying to count about 10% of the inventory on a rotating basis. The individual in charge of the warehouse was responsible for mainining their notes and count sheets of their cycle counts.

In addition First capital each quarter would visit various warehouses and perform their own physical inventory count based upon a sample they would choose. All counts were reconciled with the auditor for no discrepancy to the count.

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