

NOW MORE THAN EVER

K.I.D.S. has responded to more natural disasters in 2011 than in any other year. To date, there have been 69 declared disasters in the United States with pleas for help coming from our local community based partners around the country. EVERY DAY OVER THE PAST YEAR WE HAVE BEEN RESPONDING TO NEW THREATS TO PEOPLE'S LIVES.

First, we helped the victims of the earthquake and tsunami in Japan with new merchandise. **New merchandise is still being shipped there.**

Following, K.I.D.S. responded to the unprecedented number of twisters that rained terror and destruction on Joplin, Mo, north Minneapolis, Kansas, Alabama and other locations in the South. The insurance industry reported more than 1,400 tornadoes for the first five months of 2011. The storms caused 515 deaths and billions of dollars of damage. **We are still collecting donations of new product for these areas.**

There were severe storms and major floods along the Mississippi and Missouri Rivers, in the Dakotas and in Montana that swamped cities and farmland and crippled families from making an income. **Requests are still coming in for help.**

And, in the beginning of September, K.I.D.S. geared up its relief efforts along the East Coast, as far north as Vermont and as far



In the wake of Hurricane Irene, thousands of people from communities along the Eastern Seaboard suffered significant flooding, wind damage and power outages. K.I.D.S. is working with these communities to help in local recovery. Photo: AP/SL

south as the Carolinas, following Hurricane Irene. **Every day we get requests to help destroyed communities overcome damage and despair.**

The Federal Disaster Relief Fund, the pot of money used to help communities and individuals hit by disasters, is nearly depleted. That means that both short and long-term reconstruction and rehabilitation will have to wait.

NOW MORE THAN EVER, K.I.D.S. is in desperate need of clothing, undergarments, shoes, books, baby items, household goods and home care products to help families. We cannot continue to make an impact without you.

PLEASE CONSIDER MAKING A PRODUCT OR CASH DONATION TODAY SO THAT FAMILIES CAN GET BACK ON THEIR FEET.



Tornado damage in Joplin, Mo.

Letter from the Chairman

Dear Members of the K.I.D.S. Community:

As we move into the fall months, K.I.D.S. is spreading its wings and reaching new friends and supporters. Our family is growing and we are grateful that you are a part of it.

Since last year at this time, we have had a 93% increase in Newsletter subscribers on our site, a 306% increase in Facebook fans, a 305% increase in Twitter followers, and a 300% increase in YouTube viewers. Please join us in learning daily about our developments, activities and opportunities to participate at the local level and pass the word on to your colleagues, friends, and family.

In addition to greater outreach through our digital and social resources, we have partnered with many retailers over the summer to expand opportunities for the public to be involved with K.I.D.S. We were the Charity of Choice for a multi-pronged cause marketing effort with **Lord & Taylor** including "Back to School" donation boxes in every store for customers to provide school supplies, a 1% return on proceeds of all children's items sold in every store during a three week period, and a cash for a cause promotion card. **Stride Rite** ran multiple promotions including a Facebook program, a mobile donation outreach and a special call out for disaster relief. And, as every summer, K.I.D.S. and **Scholastic** together conducted "Classroom Cares" in which, for every child who logged in to read a book, Scholastic provided us with a matching item.

In September we partnered with the Cal Ripken Sr. Foundation to provide new athletic product at the opening of ball parks around the country for inner city kids to practice on the fields. And, we were featured at the WWD Sourcing Summit for the first time, where we provided information about the organization to sourcing executives of major global manufacturers, at the National Retailers Federation Summit for the first time, where retailers had the opportunity to learn more about our services, and at the Earnie Awards ceremony that honors and celebrates the leaders within the children's wear industry.

All of these activities represent the range of K.I.D.S.' reach, from local stores to national conferences, from books to clothes, and from serving inner city youth to helping out during disaster relief.

Reflecting our good work, K.I.D.S. was recently awarded the Gold Seal from Charity Navigator, the agency that ranks all not-for-profits on their performance. We are deeply grateful to all our supporters who make our achievements and accomplishments possible. We are particularly thankful to all of you who provided us with very needed product and cash as we addressed the multiple natural disasters that befell our communities this summer. On page 1 you can see the many ways in which we reached out to families uprooted, dislocated and desperate for help. For us at K.I.D.S., every day is a national disaster when families face poverty, disadvantage and despair.

Wishing all of you a wonderful and productive fall season and looking forward to seeing as many of you as possible at our gala on December 8th.

With gratitude,




Kids in Distressed Situations, Inc. Board of Directors 2011

*Executive Committee members denoted by **

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Trade Show Round Up

This year has been the busiest for K.I.D.S. in its trade show involvement. New opportunities have come up, new formats for involvement have been launched, and greater amounts of product have been made available for distribution to children in need.

At shows, large and small, K.I.D.S. is developing new relationships and offering better services in collecting product from exhibitors not interested in keeping their display product.

For the first time, K.I.D.S. was chosen as the charity of choice of the **NY International Gift Fair** held at the Jacob Javits Center and Piers 92 and 94 in New York City. Considered one of the largest product fairs in the country, the show includes 2,800 vendors in furniture, home goods, accessories, baby and children's products, books, leather goods and other items from all over the world.

The opportunity to provide children and families with items heretofore not available to K.I.D.S., such as needed home goods, small furniture, and personal care products represents a major new area of growth for our charity and one about which we are very excited.

As every year, K.I.D.S. maintains a presence at **MAGIC** at its many venues — WWD MAGIC, PROJECT, SOURCING, PLATFORM, etc. — where it provides exhibitors with information about the charity they need to contribute excess inventory when they return to their home bases. This year K.I.D.S. was fortunate to also display at the Buyer's Lounges so that stores and retail chains would be aware of the opportunities for them to relieve their warehouses, stores and distribution centers of excess inventory. This provided a major new source of visibility and opportunity for which we are deeply grateful to MAGIC for having made available to us.

K.I.D.S. has always served as the charity of choice at the **ABC Show** where it picks up product from the many juvenile product manufacturers who exhibit there. Held this year in Louisville, Kentucky, the show will bring together vendors, small scale retailers and large chain distributors. Immediately after the show, K.I.D.S. will distribute the merchandise collected to agencies in Louisville which serve children in need. The poverty levels of this state have been overwhelming over the past few years and having new, state of the art, branded juvenile products and baby gear will make a major difference in the lives of those who are the recipients of the industry's generosity. At the ABC Show K.I.D.S. will hold a reception for the highest product donors to K.I.D.S. to thank them for the invaluable support they provide year after year.



POP UP SHOPS

K.I.D.S. initiated this year, for the first time, pop up shops in several children's shows. Both at Playtime, an international specialty clothes show, and at the ENK Children's Show in October, exhibitors donated a portion of their goods for individuals to purchase, with the proceeds being contributed to K.I.D.S. The presence of the shop provided attendees with a welcome source of personal purchase and K.I.D.S. with a new revenue source. Volunteers and staff all participated with enthusiasm and pride for being able to represent K.I.D.S.

Major New Digital And Social Media Developments

Welcome to our redesigned website, Facebook, Twitter and You-Tube.

We are proud and pleased to announce that our digital and social media platforms have been upgraded and updated with new features for our users. All of our platforms have been coordinated by look and feel and content to create a reinforcing yet differentiated experience.

Our website now provides separate portals for entry and navigation for individuals, corporations and foundations so that each of our visitors has easy access to the information and activities of specific interest. Our website has new tools for responding, for joining our programs and for signing up for further information. In addition, our "Get Involved" section has been upgraded to provide a range of opportunities for the public at large to "give back" in local communities. As part of this section, our Campus Ambassadors program has taken off with students in colleges organizing through directions and tools on the site.

Our Facebook has been linked with other organizations' facebook in an effort to maximize outreach and we have established a separate wall for those fans who have not yet indicated that they like us. And, our twitter feed constantly provides updated information and shout outs that are also linked to other sources of resources and information. Finally, as we move around the country we are increasingly documenting our experiences on video for everyone to see the reactions of joy and gratitude among those who receive product from us.

Please visit any of our multiple sources of digital and social media to become an active member of our national community.



Agency of the Quarter

Children of Promise is a Brooklyn based, youth leadership program aimed at embracing and empowering children of incarcerated parents to break the cycle of intergenerational involvement in the criminal justice system. CPNYC's mission is to provide children of imprisoned parents with the guidance, support and the tools necessary to effectively develop leadership skills, form positive social relationships to enhanced academic performance. K.I.D.S. has been involved with Children of Promise for many years providing approximately 200 children from 150-175 families product to help them in the self development activities that they undertake at the organization.

This year Children of Promise joins an increasing number of self-funded agencies, agencies that grant K.I.D.S. funding to ensure a certain level and type of merchandise. The result has meant increased product for the agency as well as more targeted merchandise to serve the needs of their recipients.



K.I.D.S. believes strongly in the mission of this agency and is proud to partner with it in the extraordinary work that it does. We provide books for its after-school and mentoring programs, recreational gear for its sports programs and summer day camp and basic essentials to enhance the general functioning of those who are part of their center. Milou Gwyn, K.I.D.S. Board Member and VP of Domestic Licensing at Jockey International, said on a visit to Children of Promise: "I was truly awakened to the lack of compassion that these children experience because of the stigma associated with

imprisonment. Sharon Content has identified a need and has taken it on with passion and a support structure that can truly help those at Children for Promise."

Sharon Content, founder and Executive Director of Children of Promise, said: "Without K.I.D.S. we would never be able to meet the needs of our families. The product that they provide, such as winter wear, is invaluable in getting us through the challenges we face with the children we serve."

We value the role K.I.D.S. plays in helping the children that Children of Promise serves, recognizing that over 2 million children in the U.S. have an incarcerated parent and that 72% of incarcerated women in New York are mothers.

K.I.D.S. Gala – Save the Date!

Thursday, December 8th, 2011

Please join us for K.I.D.S.' 26th Anniversary Gala on Thursday, December 8th, which will be held at 583 Park Avenue, NYC, from 6-9 p.m.

This year, we are pleased to be honoring **Steve Lawrence, Executive Vice President and Senior GMM of jcpenny; Robert Hanson, President, Global Levi's® Brand;** and **Joe Shamie, Co-President of Delta Children's Products** for their compassion and commitment to helping children in need. To add even more excitement to the evening, we are delighted to announce that our keynote speaker will be **Andrew Sorkin**, Author of "Too Big To Fail," compelling NY Times journalist, and co-anchor of CNN Squawk Box.

Founded in 1985, K.I.D.S. is dedicated to providing new products to children in need and assisting in global relief efforts for major disasters. Over the past 26 years, K.I.D.S. has provided over **67 million underprivileged and disaster-struck children** with over one billion dollars of new clothing, toys, basic necessities, juvenile products, books and much more.

Join our honorees on December 8th for an unforgettable evening! For more information on sponsorship and journal levels and to reserve a table or ticket now, please click on the Save the Date and you will be directed to our reply card. Your support will enable K.I.D.S. to continue to provide new clothing, toys, books, and baby items to the more than 4.7 million kids in need every year.

Sincerely,

Meg Ostrom and Karen Bromley
Gala Co-Chairs

Kevin Burke
Chairman of the Board

12.8.11

Avionna, Age 3

The Caring Continues

KIDS IN DISTRESSED SITUATIONS
K.I.D.S.
Giving Back in Brand New Ways™

26th Anniversary Gala

Thursday, DECEMBER 8, 2011
583 Park Avenue, New York City

Honorees
jcpenny
Steven Lawrence
Executive Vice President and Senior General Merchandise Manager

Levi's® brand
Robert Hanson
President

Humanitarian Award
Joe Shamie
Co-President
Delta Children's Products

Keynote Speaker
Andrew Sorkin
Author of "Too Big To Fail"
NYTimes journalist
CNN co-host of Squawk Box

SPONSORSHIP LEVELS
Grand Benefactor - \$50,000
Benefactor - \$25,000
Grand Patron - \$15,000
Patron - \$10,000
Individual - \$1,000

JOURNAL LEVELS:
Exemplar \$10,000 (Full page)
Role Model \$5,000 (Half page)

TICKETS & INFORMATION
Kids_gala@frontier.com
845-758-6403

26 Years of Giving
Over \$1 Billion in Product Donations
67 million smiling children

Additional event details to follow.

It starts with one... and reaches millions.

K.I.D.S. And Toys"R"Us Celebrate 15 Year Partnership

Toys"R"Us Inc. is the world's leading retailer dedicated to toy and juvenile products. The company is committed to serving its communities as a caring and reputable neighbor through programs dedicated to keeping its kids safe and helping them in times of need.

Because of this commitment, Toys"R"Us and K.I.D.S. have partnered together for nearly 15 years.

The relationship between this very generous corporation and K.I.D.S. involves three parts:

- Distribution of excess inventory to children in need around the United States and the world;
- Disaster relief; and
- Cash support for K.I.D.S.' activities with local agencies throughout the country and abroad.

Distribution of Product

Since the beginning of its partnership with TRU, K.I.D.S. has received nearly \$40 million in new, excess inventory. This product is picked up from the TRU offices, distribution centers and its over 800 stores in the United States.

Matched at every store site with a local "adopted" agency, community programs are able to avail themselves of the toys, games, sporting goods, electronics, software, baby products, children's apparel and juvenile furniture that the company sells.

Or, K.I.D.S. will pick up from distribution centers and TRU headquarters and distribute the product donations to locations in different parts of the country most badly in need.

The significant impact that this program has had on thousands of children and families over the years is hard to describe. Calls from agency directors, not-for-profit organizations and even families pay tribute to the influence having new toys at holidays, juvenile furniture during the developmental years, and baby gear for health and safety purposes has made on children and youth growing up poor.

Sister Gloria Perez, Executive Director of Eva's Village which provides services to the homeless in New Jersey writes, "Your gifts of toys allows us to continue our mission to serve our less fortunate brothers and sisters. You have enabled us to raise people up by treating both their bodies and souls. Without your help, none of this



good work could be done." Testimonies such as this are daily reminders that corporate social responsibility truly makes a difference.

Disaster Relief

Since its inception, K.I.D.S. has been involved in disaster relief, whether in Africa in 1985 to Joplin in 2011. Partnering with us in this endeavor has been Toys"R"Us, always willing to provide appropriate items for families devastated by, and suffering from, the aftermath of natural disasters. These donations have been expeditiously directed to locations requiring items ranging from cribs to baby garments at moments of crisis and helplessness.

Funding

Also since the beginning of the relationship, K.I.D.S. has received more than \$800,000 from the TRU Children's Fund to support programs directed at children and families in need. The annual support has been used to bring joy into the lives of homeless children, hope into the heart of military families, a sense of esteem to families on Indian reservations and an ability to cope for those without pampers, diapers, pacifiers and other basic necessities.

K.I.D.S. operates at a 2.5% overhead rate, with 97.5% of donated funds directly to the recipients of our programs. In addition, we provide a 10:1 match in product/cash for every financial contribution we receive. As a result, the \$800,000 of funding from TRU over the past fifteen years has translated into \$8 million worth of new product to the needy we serve. Funds are used for delivering the product, recording and reporting on the product use, and conducting evaluations of the impact the product has on the lives of those in need.

During this partnership many individuals have played a critical and invaluable role: Rick Markee, former president of TRU and former Chairman of the K.I.D.S. Board, Deb Derby, Senior Vice President at Toys"R"Us and a current K.I.D.S. Board member, Jerry Storch, CEO of Toys"R"Us and a wonderful supporter of our organization, Kathleen Wagh, Director of Marketing at TRU, and our closest collaborators in the multi-faceted relationship we have: Sloane Lucas and Carla Jeryck.

K.I.D.S. Launches Regional Centers

K.I.D.S. is a national organization. In order to service communities expeditiously throughout the country, the organization has established four regional centers: on the West Coast, in the Midwest, on the East Coast and in the South. From these centers, K.I.D.S. will distribute product directly to agencies that serve children in need. One of the reasons for having regional centers is also to ensure that we provide the product that our agencies need, rather than only what we have available at any given time.

On the West Coast, the regional center will be located at Shelter Partnership in Los Angeles; in the Midwest at Hope for the City in Minneapolis; on the East Coast at The Brooklyn Clothing Bank, in Brooklyn, N.Y. and in the South at Caring for Others in Georgia.

This development represents a major institutionalization of K.I.D.S.' enhanced outreach to different parts of the country. K.I.D.S. will have a visible presence at each of the regional centers, which will operate under the following guidelines:

1. They will hold K.I.D.S. donated product in their locations until a time designated by K.I.D.S. for them to be distributed. If a regional center needs space for other merchandise, it will notify K.I.D.S. two weeks in advance.
2. They will not commit K.I.D.S. donated product to sub agencies without a joint decision with K.I.D.S.
3. Regional centers will agree with K.I.D.S. as to the amount the center needs for its own purposes with each shipment of product to the center.
4. Regional centers will supply volunteers to sort, re-palletize and load product when necessary.

K.I.D.S. is deeply grateful to its partners – Shelter Partnership, Hope for the City, the Brooklyn Clothing Bank and Caring for Others – for their involvement and long-time relationship which will only grow under this new development.



Shelter Partnership in Los Angeles is one of the regional centers working with K.I.D.S.

New Opportunities/Old Friends

In 1985, K.I.D.S. was founded by the children's wear industry in response to the earthquakes in Ethiopia. Since that time, the **manufacturers** of children's apparel have supported and grown the charity from a small not-for-profit to an over \$100 million annual organization. As the years progressed, manufactures of other products, books, shoes, toys, juvenile products, home goods, etc. joined their clothing peers to help K.I.D.S. meet the needs of those in distressed situations.

One of the most significant areas of growth has recently been through the **retail** sector. Sears was one of the first and most generous chains to support K.I.D.S, followed by Kohl's and now Toys"R"Us, Gymboree, Carters/Oshkosh stores and Lord & Taylor. These chains, large and small, provide product from their stores, distribution centers, regional warehouses. In addition, they have worked closely with us to undertake cause marketing opportunities involving their customers in the "giving back" process.

This fall, for the first time, K.I.D.S. will be reaching out to the **sourcing** community to help it garner product. Through a forum sponsored and organized by the Women's Wear Daily, members of the sourcing community are given the opportunity to learn about new and emerging markets. At this occasion, K.I.D.S. will be identified and available to explain how multinational companies can avail themselves of our organization's distribution channels to distribute excess inventory to those in need. This opportunity represents the third phase of the organization's development into sectors that can provide product to meet K.I.D.S.' mission.

At the same time, returning to its roots, K.I.D.S. will be the Charity of Choice at the **Earnie Awards**. Sponsored by Earnshaw's Magazine, these awards honor companies for their work in different areas of achievement, design, execution, innovation, etc. Our organization will be able to thank the many vendors who make up the strong community of manufacturers who provide the product for millions of children around the world.

Gilt Children, one of the leading flash sites that offers hand selected luxury brands at member-only prices, will offer a private Buy-One Give-One sale that runs 10/24-11/2 for K.I.D.S. and Big City Mom's database clients with the creation of a private URL. For each unit purchased during the sale, Gilt will donate one unit of product to K.I.D.S. The sale will be communicated through 2 dedicated e-mail blasts from K.I.D.S. and BCM and through Facebook and Twitter posts from all three organizations.