A.C. Moore Arts & Crafts, Inc.
Form SC14D9C
October 04, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14D-9
SOLICITATION/RECOMMENDATION
STATEMENT UNDER SECTION 14(d)(4) OF
THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No.)

A.C. Moore Arts & Crafts, Inc.
(Name of Subject Company)

A.C. Moore Arts & Crafts, Inc.
(Names of Persons Filing Statement)

Common Stock, no par value
(Title of Class of Securities)

00086T103
(CUSIP Number of Class of Securities)

Amy Rhoades
Senior Vice President and General Counsel
c/o A.C. Moore Arts & Crafts, Inc.
130 A.C. Moore Drive
Berlin, NJ 08009
(856) 768-4930
(Name, address and telephone numbers of person authorized to receive notices and communications on behalf of the persons filing statement)

With copies to:
Alan H. Lieblich, Esq.
Keith E. Gottfried, Esq.
Yelena M. Barychev, Esq.
Blank Rome LLP
One Logan Square
Philadelphia, PA 19103
(215) 569-5500

þ Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

This Schedule 14D-9 consists of the following documents relating to a planned tender offer by Sbar s Acquisition Corporation, a Pennsylvania corporation (Merger Sub) and a wholly-owned subsidiary of Nicole Crafts LLC, a Delaware limited liability company (Parent), to purchase all outstanding shares of common stock, no par value per share, of A.C. Moore Arts & Crafts, Inc., a Pennsylvania corporation (the Company), to be commenced pursuant to an Agreement and Plan of Merger, dated as of October 3, 2011, by and among Parent, Merger Sub and the Company (the Merger Agreement):

1. Press Release of the Company issued on October 4, 2011.

2. E-mail letter from Joseph A. Jeffries, Chief Executive Officer of the Company, to associates of the Company dated October 4, 2011.

3. Frequently Asked Questions issued to associates of the Company on October 4, 2011.

4. E-mail letter from Joseph A. Jeffries, Chief Executive Officer of the Company, and David Abelman, Chief Merchandising and Marketing Officer of the Company, to vendors of the Company dated October 4, 2011.

The following is a press release issued by the Company on October 4, 2011 announcing the execution of the Merger Agreement.

FOR IMMEDIATE RELEASE

A.C. MOORE TO BE ACQUIRED BY SBAR S, INC. AFFILIATE

Shareholders to Receive $1.60 in Cash per Share

Berlin, New Jersey, October 4, 2011 A.C. Moore Arts & Crafts, Inc. (NASDAQ: ACMR) (*A.C. Moore* or the *Company*) today announced that the Company has signed a definitive agreement to be acquired by an affiliate of Sbar s, Inc. (*Sbar s*), one of the largest arts and crafts distributors in the United States, for $1.60 per common share in cash.

The Agreement and Plan of Merger was unanimously approved by A.C. Moore s Board of Directors, upon the unanimous recommendation of a Special Committee of the Board, which was comprised solely of non-employee independent directors. The Special Committee was formed in January 2011 to oversee a review of strategic alternatives that was initiated following the Company s receipt of unsolicited expressions of interest.

Today s announcement provides an outstanding opportunity for our key stakeholders and was the result of the Special Committee s comprehensive review of a range of possible strategic alternatives to enhance shareholder value and reposition the Company for stability and improved operations, said Michael J. Joyce, Chairman of A.C. Moore s Board of Directors and a member of the Special Committee.

Mr. Joyce continued, After conducting a thorough review of alternatives, the Special Committee and the Board of Directors unanimously concluded that this transaction with Sbar s is in the best interest of our key stakeholders. For shareholders, the agreement provides full liquidity at a price that represents a 68 percent premium to A.C. Moore s closing stock price on October 3, 2011. For customers, vendors and employees, this transaction expands the relationship with Sbar s that goes back more than two decades and provides a new foundation to support our business initiatives.

Sbar s is very excited about partnering with A.C. Moore to build the most dynamic and exciting retailer in the arts and crafts space, said Pepe Piperno, Chief Executive Officer of Sbar s. We are confident that Sbar s expertise and history of innovation in arts and crafts merchandising and sourcing will greatly benefit A.C. Moore s customers, vendors and employees.

Under the terms of the agreement, an affiliate of Sbar s will commence a cash tender offer for all issued and outstanding shares of A.C. Moore common stock at $1.60 per share, without interest.

An affiliate of Sbar s has received a financing commitment from Wells Fargo Bank, National Association (*Wells Fargo*) to provide the debt financing necessary to close the transaction. In addition, concurrent with the execution of the agreement, a Sbar s affiliate has delivered $20 million in cash to be held in escrow and used to fund the transaction, as set forth in an escrow agreement between the parties and Wells Fargo as escrow agent.

The merger agreement requires that the tender offer commence within 10 business days of October 3, 2011. The tender offer is conditioned upon, among other things, satisfaction of the minimum tender condition of approximately 70.7 percent of A.C. Moore s common stock, the receipt of funding under the financing commitment and customary closing conditions. Following completion of the tender offer, assuming the minimum tender condition is met, a Sbar s affiliate will acquire the remaining outstanding shares of A.C. Moore common stock for $1.60 per share in cash, without interest, through a second-step merger. If the minimum tender condition is not met, and in certain other circumstances, the parties have agreed to complete the transaction through a one-step merger after receipt of A.C. Moore shareholder approval. The one-step merger is conditioned upon, among other things, receipt of funding under the financing commitment and customary closing conditions. The acquisition is expected to close during the fourth quarter of 2011. As a result of the transaction, A.C. Moore s common stock would no longer be publicly-owned or traded on the NASDAQ market. Further details will be provided in filings with the U.S. Securities and Exchange Commission (the *SEC*).

Janney Montgomery Scott LLC is acting as exclusive financial advisor to A.C. Moore in connection with its review of strategic alternatives and the transaction and has rendered a fairness opinion to A.C. Moore s Board of Directors in connection with the transaction. Blank Rome LLP is acting as legal advisor to A.C. Moore.

Bryan Cave LLP and Brown & Connery, LLP are acting as legal advisors to Sbar s in connection with the transaction.

A.C. Moore also reported that projections or predictions provided by the Company during the fiscal year ending December 31, 2011 can no longer be relied upon and are withdrawn.

About A.C. Moore

A.C. Moore is a specialty retailer of arts, crafts and floral merchandise for a wide range of customers. The Company currently serves customers through its 134 stores located in the Eastern United States and nationally via its e-commerce site, www.acmoore.com. For more information about A.C. Moore, visit its website at www.acmoore.com.

About Sbar s

Sbar s is one of the largest distributors in the United States supplying arts and crafts merchandise, including its proprietary Nicole Crafts products, to retailers. Sbar s began in 1952 as a small craft, hobby and school supply store in Camden, New Jersey and today operates from its 300,000 square foot distribution center located in Moorestown, New Jersey. In addition to being a merchandise distributor, Sbar s operates seven arts and crafts stores located in the Richmond, Virginia area. For more information about Sbar s, visit its website at www.sbarsonline.com.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, forward-looking statements can be identified by words such as anticipate, expect, believe, plan, intend, predict, will, may and similar terms. Forward-looking statements in this press release include, but a limited to, statements regarding the anticipated timing of filings relating to the transaction; statements regarding the expected timing of the completion of the transaction; statements regarding the ability to complete the transaction considering the various closing conditions; statements regarding prospective performance and opportunities; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. The forward-looking statements contained in this press release related to future results and events are based on the Company s current expectations, beliefs and assumptions about its industry and its business. Forward-looking statements, by their nature, involve risks and uncertainties and are not guarantees of future performance. Actual results may differ materially from the results discussed in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, but not limited to, uncertainties as to the timing of the tender offer and the merger; uncertainties as to how many of the Company s shareholders will tender their stock in the tender offer; the risk that the transaction may not be approved by the Company s shareholders were the transaction to be consummated as a one-step merger; the risk of litigation relating to the transaction; the risk that competing offers will be made; the possibility that various closing conditions for the transaction may not be satisfied or waived; the effects of disruption from the transaction making it more difficult to maintain relationships with employees, customers, vendors or other business partners; other business effects, including, but not limited to, the effects of industry, economic or political conditions outside of the Company s control; transaction costs; actual or contingent liabilities; and other risks and uncertainties discussed in documents filed with the SEC by the Company, including, but not limited to, the solicitation/recommendation statement and merger proxy statement to be filed by the Company. Investors and shareholders are cautioned not to place undue reliance on these forward-looking statements. Unless required by law, the Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Readers are also urged to review carefully and consider the various disclosures in the Company s SEC periodic and interim reports, including but not limited to its Annual Report on Form 10-K, as amended, for the fiscal year ended January 1, 2011, Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2011, Quarterly Report on Form 10-Q for the fiscal quarter ended July 2, 2011 and Current Reports on Form 8-K filed from time to time by the Company. All forward-looking statements are qualified in their entirety by this cautionary statement.

Notice to Investors

The tender offer for the outstanding common stock of the Company referred to in this press release has not yet commenced. This press release is neither an offer to purchase nor a solicitation of an offer to sell any securities. The solicitation and the offer to buy shares of the Company common stock will be made only pursuant to an offer to purchase and related materials that the Sbar s affiliate intends to file with the SEC. At the time the offer is commenced, the Sbar s affiliate will file a tender offer statement on Schedule TO with the SEC, and thereafter the Company will file a solicitation/recommendation statement on Schedule 14D-9 with respect to the offer. The tender offer statement (including an offer to purchase, a related letter of transmittal and other offer documents) and the solicitation/recommendation statement will contain important information that should be read carefully and considered before any decision is made with respect to the tender offer. These materials will be sent free of charge to all shareholders of the Company when available. In addition, all of these materials (and all other materials filed by the Company with the SEC) will be available at no charge from the SEC through its website at www.sec.gov. Free copies of the offer to purchase, the related letter of transmittal and certain other offering documents will be made available by contacting D.F. King & Co., Inc., 48 Wall Street, 22nd Floor, New York, New York 10005 (for information by telephone: Banks and Brokers Call Collect: (212) 269-5550; All Others Call Toll-Free: (800) 755-7250. Investors and shareholders also may obtain free copies of the documents filed with the SEC from the Company by contacting David Stern, Chief Financial and Administrative Officer, A.C. Moore Arts & Crafts, Inc., 130 A.C. Moore Drive, Berlin, New Jersey 08009, (856) 768-4943.

Additional Information about the Merger and Where to Find It

In connection with the potential one-step merger, the Company will file a proxy statement with the SEC. Additionally, the Company will file other relevant materials with the SEC in connection with the proposed acquisition pursuant to the terms of an Agreement and Plan of Merger between the parties. The materials to be filed by the Company with the SEC may be obtained free of charge at the SEC s web site at www.sec.gov. Investors and shareholders also may obtain free copies of the proxy statement and other relevant materials from the Company by contacting David Stern, Chief Financial and Administrative Officer, A.C. Moore Arts & Crafts, Inc., 130 A.C. Moore Drive, Berlin, New Jersey 08009, (856) 768-4943. Investors and security holders of the Company are urged to read the proxy statement and the other relevant materials when they become available before making any voting or investment decision with respect to the proposed merger because they will contain important information about the merger and the parties to the merger. The Company and its directors, executive officers and other members of management and employees, under the SEC rules, may be deemed to be participants in the solicitation of proxies of the Company shareholders in connection with the proposed merger. Investors and security holders may obtain more detailed information regarding the names, affiliations and interests of certain of the Company s executive officers and directors in the solicitation by reading the Company s Proxy Statement for its 2010 Annual Meeting of Shareholders and Annual Report on Form 10-K, as amended, for the fiscal year ended January 1, 2011, as well as the proxy statement and other relevant materials which will be filed with the SEC in connection with the merger when they become available. Information concerning the interests of the Company s participants in the solicitation, which may, in some cases, be different than those of the Company s shareholders generally, will be set forth in the proxy statement relating to the merger when it becomes available.

For More Information Contact:
A.C. Moore Arts & Crafts, Inc.
David Stern
Chief Financial and Administrative Officer
(856) 768-4943
D.F. King & Co., Inc.
48 Wall Street, 22nd Floor
New York, New York 10005
For information by telephone:
Banks and Brokers Call Collect: (212) 269-5550
All Others Call Toll-Free: (800) 755-7250

The following e-mail letter from Joseph A. Jeffries, Chief Executive Officer of the Company, was sent to associates of the Company on October 4, 2011.

To: A.C. Moore Associates
From: Joe Jeffries
Date: October 4, 2011
Re: Press Release

We just issued a press release announcing that A.C. Moore has entered into a definitive agreement to be acquired by an affiliate of Sbar s, Inc.

Sbar s is one of the largest distributors in the United States supplying arts and crafts merchandise, including its proprietary Nicole Crafts products, to retailers. Sbar s began in 1952 as a small craft, hobby and school supply store in Camden, New Jersey and today operates from its 300,000 square foot distribution center located in Moorestown, New Jersey. In addition to being a merchandise supplier, Sbar s operates seven arts and crafts stores located in the Richmond, Virginia area.

Since 1985, when A.C. Moore opened its first store in Moorestown, Sbar s has been the Company s largest supplier, delivering industry knowledge, a range of quality products and merchandising creativity. The proposed merger will create opportunities for A.C. Moore to deliver enhanced value for our customers and improved business operations.

We expect the transaction to be completed during the fourth quarter of 2011. All associates should remain committed to executing their responsibilities in order to minimize distraction during this time. We need to remain focused on continuing to run the business by providing excellent service, value and an enjoyable shopping experience for our customers.

The news may generate attention from the media, investors or analysts. Please refer all inquiries to Dave Stern, Chief Financial and Administrative Officer, at 856.768.4943.

Please direct customers who inquire about the announcement to the investor relations section on www.acmoore.com for the press release or related information.

The press release and FAQs for associates are also attached. If you have any additional questions, please send them to questions@acmoore.com. If we have the information necessary to respond and there are no legal restraints preventing us from answering, we will reply by communication addressed to all associates.

Cautionary Statement Regarding Forward-Looking Statements

This letter contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, forward-looking statements can be identified by words such as anticipate, expect, believe, plan, intend, predict, will, may and similar terms. Forward-looking statements in this letter include, but are not limited to statements regarding the anticipated timing of filings relating to the transaction; statements regarding the expected timing of the completion of the transaction; statements regarding the ability to complete the transaction considering the various closing conditions; statements regarding prospective performance and opportunities; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. The forward-looking statements contained in this letter related to future results and events are based on the Company s current expectations, beliefs and assumptions about its industry and its business. Forward-looking statements, by their nature, involve risks and uncertainties and are not guarantees of future performance. Actual results may differ materially from the results discussed in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, but not limited to, uncertainties as to the timing of the tender offer and the merger; uncertainties as to how many of the Company s shareholders will tender their stock in the tender offer; the risk that the transaction may not be approved by the Company s shareholders were the transaction to be consummated as a one-step merger; the risk of litigation relating to the transaction; the risk that competing offers will be made; the possibility that various closing conditions for the transaction may not be satisfied or waived; the effects of disruption from the transaction making it more difficult to maintain relationships with employees, customers, vendors or other business partners; other business effects, including, but not limited to, the effects of industry, economic or political conditions outside of the Company s control; transaction costs; actual or contingent liabilities; and other risks and uncertainties discussed in documents filed with the SEC by the Company, including, but not limited to, the solicitation/recommendation statement and merger proxy statement to be filed by the Company. Investors and shareholders are cautioned not to place undue reliance on these forward-looking statements. Unless required by law, the Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Readers are also urged to review carefully and consider the various disclosures in the Company s SEC periodic and interim reports, including but not limited to its Annual Report on Form 10-K, as amended, for the fiscal year ended January 1, 2011, Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2011, Quarterly Report on Form 10-Q for the fiscal quarter ended July 2, 2011 and Current Reports on Form 8-K filed from time to time by the Company. All forward-looking statements are qualified in their entirety by this cautionary statement.

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The following Frequently Asked Questions about the execution of the Merger Agreement were issued to associates of the Company on October 4, 2011.

Associate FAQs

October 4, 2011

What entity is acquiring A.C. Moore?

A.C. Moore has announced today that the Company signed a definitive agreement to be acquired by an affiliate of Sbar s, Inc. Sbar s is one of the largest distributors in the United States supplying arts and crafts merchandise, including its proprietary Nicole Crafts products, to retailers. Sbar s began in 1952 as a small craft, hobby and school supply store in Camden, New Jersey and today operates from its 300,000 square foot distribution center located in Moorestown, New Jersey. In addition to being a merchandise supplier, Sbar s operates seven arts and crafts stores located in the Richmond, Virginia area. Since 1985, when A.C. Moore opened its first store in Moorestown, Sbar s has been the Company s largest supplier, delivering industry knowledge, a range of quality products and merchandising creativity.

Who at A.C. Moore made the decision to approve the acquisition by Sbar s?

Public companies regularly evaluate opportunities in the market that might improve stock price, business, operations, competitive position or overall value. In connection with its responsibility to review strategic alternatives, the Board formed a special committee comprised of independent non-employee directors to evaluate various opportunities. The special committee, assisted by its financial and legal advisors, negotiated the agreement and recommended the transaction to the full Board. The Board believes that the proposed transaction is in the best interest of A.C. Moore and its shareholders, vendors, customers and employees.

Will A.C. Moore remain a public company?

A.C. Moore is currently owned by its public shareholders. Following the transaction, A.C. Moore will be owned by an affiliate of Sbar s. A.C. Moore stock will then no longer be traded in the public stock market.

When will the transaction be final?

The acquisition is expected to close later in the fourth quarter of 2011.

Will we receive details on the status of the transaction?

We will keep you as informed as we can. Of course, there are legal restraints that may prevent us from communicating about developments.

What does this announcement or the transaction mean to me?

This announcement does not change your daily responsibilities. All members of the A.C. Moore team should continue doing what they have always done and are expected to do for A.C. Moore and its customers. We understand that news like this may cause distraction. However, continue to work hard and remain focused on achieving our strategy. Any business acquisition involves a period of transition and assessment of each organization s structure, resources and business needs, along with related opportunities. Upon completion of the transaction, management will update you about any finalized transition plans.

Will today s announcement or the transaction affect my pay or benefits?

Consistent with business needs and resources, the Company will continue to recognize the importance of competitive pay and benefits that reward and motivate associates. As described in the merger agreement, for a period equal to the lesser of one year following the transaction closing or through the end of February 2012, the employee benefit plans provided will be at the same levels in effect currently. The Company s benefit plan year ends in February of each year and, during the ordinary course of business, A.C. Moore would conduct its benefits renewal review process during the fourth quarter of each year.

What do I tell customers?

Please direct customers who inquire to the investor relations section on www.acmoore.com for the announcement or related information. You should not comment on the announcement.

What should I do if I am contacted by the media, investors or analysts?

This news may generate attention from the media and investors or analysts. Please refer any inquiries to Dave Stern, Chief Financial and Administrative Officer, at 856.768.4943. You should not comment on the announcement.

If I have other questions, who should I ask?

Attached is a copy of the press release and FAQs for associates. If you have any additional questions, please send them to questions@acmoore.com. If we have the information necessary to respond and there are no legal restraints preventing us from answering, we will reply by communication addressed to all associates.

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The following e-mail letter from Joseph A. Jeffries, Chief Executive Officer of the Company, and David Abelman, Chief Merchandising and Marketing Officer of the Company, was sent to vendors of the Company on October 4, 2011.

To: A.C. Moore Vendors
From: Joe Jeffries
David Abelman
Date: October 4, 2011
Re: Press Release

We just issued a press release announcing that A.C. Moore has entered into a definitive agreement to be acquired by an affiliate of Sbar s, Inc. Attached is a copy of the press release.

Sbar s is one of the largest arts and crafts distributors in the United States. Sbar s began in 1952 as a small craft, hobby and school supply store in Camden, New Jersey and today operates from its 300,000 square foot distribution center located in Moorestown, New Jersey. In addition to being a distributor, Sbar s operates seven arts and crafts stores located in the Richmond, Virginia area.

Since 1985, when A.C. Moore opened its first store in Moorestown, Sbar s has been the Company s largest supplier, delivering industry knowledge, a range of quality products and merchandising creativity. The proposed merger will create opportunities for A.C. Moore to deliver enhanced value for our customers, vendors and employees, along with improvement in business operations.

We expect the transaction to be completed during the fourth quarter of 2011. We are committed as a team to remaining focused on operating our business by providing excellent service, value and an enjoyable shopping experience for our customers.

If you have any questions, please feel free to contact Joe Jeffries, Chief Executive Officer, at (856) 768-4946, or David Abelman, Chief Merchandising and Marketing Officer, at (856) 768-4956.

You may also refer to the investor relations section on www.acmoore.com for the announcement or related information.

Cautionary Statement Regarding Forward-Looking Statements

This letter contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, forward-looking statements can be identified by words such as anticipate, expect, believe, plan, intend, predict, will, may and similar terms. Forward-looking statements in this letter include, but are not limited to statements regarding the anticipated timing of filings relating to the transaction; statements regarding the expected timing of the completion of the transaction; statements regarding the ability to complete the transaction considering the various closing conditions; statements regarding prospective performance and opportunities; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. The forward-looking statements contained in this letter related to future results and events are based on the Company s current expectations, beliefs and assumptions about its industry and its business. Forward-looking statements, by their nature, involve risks and uncertainties and are not guarantees of future performance. Actual results may differ materially from the results discussed in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, but not limited to, uncertainties as to the timing of the tender offer and the merger; uncertainties as to how many of the Company s shareholders will tender their stock in the tender offer; the risk that the transaction may not be approved by the Company s shareholders were the transaction to be consummated as a one-step merger; the risk of litigation relating to the transaction; the risk that competing offers will be made; the possibility that various closing conditions for the transaction may not be satisfied or waived; the effects of disruption from the transaction making it more difficult to maintain relationships with employees, customers, vendors or other business partners; other business effects, including, but not limited to, the effects of industry, economic or political conditions outside of the Company s control; transaction costs; actual or contingent liabilities; and other risks and uncertainties discussed in documents filed with the SEC by the Company, including, but not limited to, the solicitation/recommendation statement and merger proxy statement to be filed by the Company. Investors and shareholders are cautioned not to place undue reliance on these forward-looking statements. Unless required by law, the Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Readers are also urged to review carefully and consider the various disclosures in the Company s SEC periodic and interim reports, including but not limited to its Annual Report on Form 10-K, as amended, for the fiscal year ended January 1, 2011, Quarterly Report on Form 10-Q for the fiscal quarter ended April 2, 2011, Quarterly Report on Form 10-Q for the fiscal quarter ended July 2, 2011 and Current Reports on Form 8-K filed from time to time by the Company. All forward-looking statements are qualified in their entirety by this cautionary statement.

Notice to Investors

The tender offer for the outstanding common stock of the Company has not yet commenced. This letter is neither an offer to purchase nor a solicitation of an offer to sell any securities. The solicitation and the offer to buy shares of the Company common stock will be made only pursuant to an offer to purchase and related materials that the Sbar s affiliate intends to file with the SEC. At the time the offer is commenced, the Sbar s affiliate will file a tender offer statement on Schedule TO with the SEC, and thereafter the Company will file a solicitation/recommendation statement on Schedule 14D-9 with respect to the offer. The tender offer statement (including an offer to purchase, a related letter of transmittal and other offer documents) and the solicitation/recommendation statement will contain important information that should be read carefully and considered before any decision is made with respect to the tender offer. These materials will be sent free of charge to all shareholders of the Company when available. In addition, all of these materials (and all other materials filed by the Company with the SEC) will be available at no charge from the SEC through its website at www.sec.gov. Free copies of the offer to purchase, the related letter of transmittal and certain other offering documents will be made available by contacting D.F. King & Co., Inc., 48 Wall Street, 22nd Floor, New York, New York 10005 (for information by telephone: Banks and Brokers Call Collect: 1 (212) 269-5550; All Others Call Toll-Free: 1 (800) 755-7250. Investors and shareholders also may obtain free copies of the documents filed with the SEC from the Company by contacting David Stern, Chief Financial and Administrative Officer, A.C. Moore Arts & Crafts, Inc., 130 A.C. Moore Drive, Berlin, New Jersey 08009, (856) 768-4943.

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Additional Information about the Merger and Where to Find It

In connection with the potential one-step merger, the Company will file a proxy statement with the SEC. Additionally, the Company will file other relevant materials with the SEC in connection with the proposed acquisition pursuant to the terms of an Agreement and Plan of Merger between the parties. The materials to be filed by the Company with the SEC may be obtained free of charge at the SEC s web site at www.sec.gov. Investors and shareholders also may obtain free copies of the proxy statement and other relevant materials from the Company by contacting David Stern, Chief Financial and Administrative Officer, A.C. Moore Arts & Crafts, Inc., 130 A.C. Moore Drive, Berlin, New Jersey 08009, (856) 768-4943. Investors and security holders of the Company are urged to read the proxy statement and the other relevant materials when they become available before making any voting or investment decision with respect to the proposed merger because they will contain important information about the merger and the parties to the merger. The Company and its directors, executive officers and other members of management and employees, under the SEC rules, may be deemed to be participants in the solicitation of proxies of the Company shareholders in connection with the proposed merger. Investors and security holders may obtain more detailed information regarding the names, affiliations and interests of certain of the Company s executive officers and directors in the solicitation by reading the Company s Proxy Statement for its 2010 Annual Meeting of Shareholders and Annual Report on Form 10-K, as amended, for the fiscal year ended January 1, 2011, as well as the proxy statement and other relevant materials which will be filed with the SEC in connection with the merger when they become available. Information concerning the interests of the Company s participants in the solicitation, which may, in some cases, be different than those of the Company s shareholders generally, will be set forth in the proxy statement relating to the merger when it becomes available.