



NEWS RELEASE

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Private Equity vs. the People

Stella D'oro, Brynwood Found GUILTY by Federal Judge; Strikers ordered reinstated; concessions ordered rescinded

Stella D'oro Biscuit Company has been **found guilty** of labor law violations by a federal administrative law judge in a decision released late in the afternoon yesterday. The company is guilty of **refusing to provide the union with information and bargain in good faith**. The judge also found that the company had **prematurely declared negotiations at an impasse**, which forced a strike. The judge **ordered the strikers reinstated** at pay and benefit levels in effect before the strike began, and further ordered that **pay and benefit cuts unilaterally implemented after the strike be rescinded**. If the company refuses to reinstate the strikers, it will be liable for backpay with interest to May 6. The judge also **ordered the company to bargain in good faith with the union**.

"This decision vindicates the struggles and sacrifices of our members at Stella D'oro," said BCTGM Local 50 President Joyce Alston. BCTGM Local 50 has represented Stella D'oro workers since 1964. "The private equity predators at Brynwood Partners thought they could refuse to bargain with us, deny us information, break the law, tear up our contract, force a strike and break the union. But our members' solidarity has held with the help of the community and our many supporters around the country and world. And, finally, the slow justice of American labor law has found what we alleged all along, that the predators' actions were illegal. Now, hopefully, our members will be returned to work, we'll get the information we asked for and we can engage in legal, constructive bargaining about the future," said Alston.

Stella D'oro, owned by Brynwood Partners' investment fund had insisted on draconian cuts in wages and benefits in negotiations last summer. When the union asked to verify the company's claim that drastic cuts were needed to keep Stella D'oro in business, the company illegally refused to provide copies of the company's financial records, concluded Judge Steven Davis. The judge also found that the company prematurely and illegally declared negotiations at an impasse, forcing workers to strike. In May, when they made an offer to end the strike and return to work under the old contract, the company illegally insisted workers accept the concessions as a condition for returning. The union had repeatedly filed charges (the first in September 2008) with the National Labor Relations Board (which enforces US labor law) alleging the company's actions to be illegal. Investigators from the agency found that the charges had merit and issued a complaint (the equivalent of an indictment) on March 13 of this year. The Labor Board presented its case to Judge Davis in a hearing in mid May.

The company has the right to appeal the decision to the full National Labor Relations Board and to the federal courts. "We hope the company will accept this decision, put the members' back to work and return to the bargaining table," observed Alston. "Anything less would be a blatant attempt to extend the pain and suffering inflicted on the workers and their families. It's time to end that and look to the future."

Background

Some 136 bakery workers have been on strike since August 13, 2008 at iconic Italian-style cookie company Stella D' Oro Biscuit Company. The strike was triggered by what the federal Administrative Law Judge agrees was an **illegal refusal to provide information necessary to good faith bargaining** by the company. Company negotiators were demanding that long time employees take **WAGE CUTS** (slashing some workers' salaries by an average \$1 per hour in each year of the proposed 5 year contract); **HEALTH BENEFIT CUTS**: amounting to an average \$1.32 an hour wage cut for the first year alone; **REDUCED VACATION**; **ELIMINATION OF SICK DAYS, HOLIDAYS** and **SEVERANCE PAY** among other cuts. The company illegally implemented those terms after illegally "permanently replacing" the strikers.

Stella D'oro is owned by an investment fund managed by private equity firm **BRYNWOOD PARTNERS** of Greenwich CT. Brynwood managing partner Henk Hartong III serves as Chairman of Stella D'oro and according to the Judge, was directly involved in implementing the company's strategy of refusing to bargain with its employees. Stella D'Oro Company was acquired from Kraft Foods in January 2006 by Brynwood. The Bronx, NY facility was the only production plant and conveyed with the sale.

Workers at the Stella facility are represented by BCTGM Local 50. The local union is affiliated with the Bakery, Confectionery Tobacco Workers and Grain Millers International Union, headquartered in Kensington, MD. Contact information for Local 50 is above.