



25 Louisiana Avenue, N.W.
Washington, D.C. 20001

TEAMSTERS

National Automobile Transporters Industry Negotiating Committee

June 2, 2010

Dear Allied Teamster Employees,

Allied Systems Holdings (“Allied”) and the Teamsters Union are in disagreement over the wage “snap-back” that was scheduled to take effect on May 29, 2010. On Thursday, May 27, 2010, Allied filed a motion with the federal court that handled its bankruptcy case seeking an interpretation of the Term Sheet that is very different from the Union’s. Allied now claims that the “snap-back” does not provide for the full restoration of NMATA rates and benefits. We urged them to reconsider this position but late yesterday evening I was informed that Allied would be sending a letter to you today, June 2, indicating that they intend to follow through with the court motion.

While the language in the Term Sheet reads “the parties will meet to negotiate a transition to the full terms and conditions of the NMATA” the Union has consistently taken the position that the transition would happen immediately upon the Term Sheet’s expiration on May 28, 2010.

Allied formally requested negotiations with the Teamsters National Auto Transport Negotiating Committee (“TNATINC”) to discuss the transition to the full NMATA wages on Thursday, May 20, 2010. The company requested a one year extension of the current Term Sheet. Though we understand that business conditions may dictate that Allied cannot afford to “snap-back” to the full rates – Allied waited far too long to notify TNATINC of its position. The Union notified Allied that we would not agree to an extension of the Term Sheet. In light of the unique financial difficulties facing the automotive industry, we offered to sit down immediately for early industry negotiations (the NMATA expires June 1, 2011) but that anything other than immediate compliance would trigger a dispute over non-payment of contractual wages.

On Wednesday, May 26, TNATINC representatives met with representatives of Yucaipa, Allied’s principal equity and debt holder, to further articulate Allied and Yucaipa’s need to comply with the term sheet and the NMATA. Allied’s response was to file the motion in federal court the next day.

By filing the motion Allied and Yucaipa are taking the position that the wages will not “snap-back” upon the expiration of the Term Sheet and are asking the court to require the Union to negotiate over wage rates. Our legal team has filed papers in court vigorously opposing the company’s position and stating emphatically that our members are entitled to the full “snap-back”. The court has scheduled a hearing for Wednesday, June 9, 2010.

To be clear, the Union expects your paychecks for work done on and after 5/29/2010 to reflect the full contractual wages earned and we will take all necessary and appropriate actions to enforce the company’s obligations.

We will work to keep you informed and updated of all developments through your local unions and on www.Teamster.org.

Fraternally,

A handwritten signature in black ink that reads "Fred Zuckerman". The signature is written in a cursive style with a large, stylized 'F' and 'Z'.

Fred Zuckerman, Co-Chairman, TNATINC
National Carhaul Division Director

FZ/km