

December 21, 2012

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Honorable Robert Drain
300 Quarropass St.
White Plains, NY 10601-4140

Your Honor:

I am writing you with concern about the liquidation of Hostess Brands. As the spouse of an employee of Hostess, I am concerned at the lack of care the senior leadership has given the workers who have been unemployed at the hardest time of the year. My Husband is an Iraq veteran, who is retired from the US Army, and was loyal to Hostess for four years. In the preceding months he asked to please stay on and help keep the company successful, he did so because he believed that Hostess was working hard to fix this problem. Once liquidation was inevitable he was asked to please stay on for three months after the shutdown to help wrap the company up; he was happy to do so as he is a loyal man who trusts his employers to be honest and upfront. Friday the 14th of December, my husband was told not to come back to work on Monday as they no longer needed him. He was told that he would be receiving his vacation pay on his last paycheck to pay for the vacation that he had earned (two weeks) over the last year. This morning when my husband received his paycheck, there was no vacation pay. He called the payroll department thinking that there must have been a mistake; he was told that he would not be receiving his vacation pay because, "The Judge did not allow for employees to receive vacation pay in the bankruptcy budget." I don't know if this is true, sir, but I wonder if this is just an oversight. I cannot see a highly educated and perfectly reasonable individual such as yourself, who asked Hostess to go back to the mediation table to try to bargain so employees wouldn't lose their jobs, say that vacation shouldn't be paid but a bonus for the upper level executives should be allowed.

In the grand scheme of things, although the union was the final straw for Hostess Brands, the execs of this company have been one of the biggest problems. At the exit of their last bankruptcy, in January of 2011, these individuals were given raises that range from 35% to 80%, according to the Wall Street Journal. The regular employee did not receive a raise at that time. The employees were given raises at a much lower rate that coincided with their employment date. These small raises given to the regular employee were taken in the 8% cut in October, which left their pay lower than it had been when they came out of bankruptcy. I understand getting bonuses for working hard, but this company has spiraled out of control after coming out of bankruptcy based on the actions of the higher level execs. The individuals who have suffered the most are the common worker. My husband and his coworkers are deserving of their vacation pay. These ladies and gentlemen worked hard to make sure that product was made and sent out to the stores for Hostess.

I know this letter is long and it points out some things that you already know but I felt compelled to weigh in. My family and our friends are going to be struggling based on the lack of pay. While our savings may keep us afloat, it is hard to say how long. I know that my family had many catastrophes this past year and were counting on Hostess to hold out (which in hindsight seems a bit stupid) and allow us to recreate our savings account. We also believed that Hostess would be upstanding and pay its employees what they were owed. At this point, we are going to be lucky to make it to February. While my husband is highly employable, he was not expecting to have to begin to look for work at the time he was forced to do so. His manager at the plant asked him to please hold out and now, although he is already been to 5 job interviews this week, no one will employ him until the beginning of the year.

The reason for this letter is to ask that you please consider vacation pay that is owed to the common employee to be added to the budget before you award bonuses to the execs. We are not rich and we all need a leg up after this catastrophic loss. Thank you so much for your time and if you have any questions please call me at 253-604-4843; I would be happy to talk.

Sincerely,

Patricia Saunders

Puyallup WA