



May 7, 2012

As many of you know, the Steelworkers Union filed a handful of unfair labor practice charges against Stainless USA in its ongoing campaign to organize our company. Most of the charges were filed in December 2011, just prior to the election that was scheduled at that time. The union then used the charges to block the election from occurring, which prevented you from exercising your right to vote and have a choice.

Since the charges were filed, the Labor Board has been investigating. Some charges were dropped by the union or dismissed, and Stainless has not been found guilty of any of the allegations. However, due to reasons such as the inability to make a determination based on the facts the agent was able to collect, the Labor Board has determined that some of the charges should be further evaluated at a hearing.

Unfortunately, having a hearing would only delay your opportunity to have your voices heard by voting. Stainless USA has always held the opinion that you deserve the opportunity to vote and we have done everything in our power to move this process along since this campaign has been going on for over three years. Consistent with that goal, although Stainless USA believes it has not violated any laws, we agreed to resolve the remaining charges by posting a notice. Of the 9 charges, the union has withdrawn or the Labor Board has dismissed 3 and the remaining 6 are resolved by the posting. There are no fines, penalties or other monetary requirements as a result of this resolution. Plus now there is again a chance that an election will occur, although not until some time after the 60-day notice posting.

If all this sounds familiar to some of you, the same thing happened in 2010, which was the first time we tried to have your voices heard. At that time, the union filed charges that blocked the election. The Labor Board investigated the union's charges for months. Of the 40 charges filed in 2010, 36 were dismissed or were withdrawn by the union. The Company settled the few remaining charges in order to try to get to a vote. Unfortunately, the union filed newer charges before the December 2011 election that kept that from happening.

We would like to point out that the Labor Board has not found the Company guilty regarding the current charges. The Company believes that the charges would have been dismissed after a hearing. By resolving the charges now, however, the election can be pushed forward once again provided the union does not file new charges.

We will continue as always to keep you informed and we look forward to working together to build our company and get into full production with the Melt Shop.

  
David Scheid