

Subj: **Labor Peace Agreement**
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It is my understanding the City Council will be considering the Labor Peace Agreement put on your Agenda for Tuesday night's meeting placed on the agenda by outgoing Councilwoman Richardson.

Before you vote for this Agenda item, here are some facts to consider. These facts are contained in the current contract between the Los Angeles Hotel Employer's Council and the following: Millenium Biltmore Hotel, Sheraton Universal Hotel, Westin Century Plaza, Wilshire Grand Hotel & Centre, Hyatt West Hollywood, Regent Beverly Wilshire Hotel and the Westin Bonaventure:

On page 2, Section 2, paragraph A. states, "All such employees **as a condition of continued employment**, shall become members of the Union within thirty-one (31) days from the date of their employment or the date of this Agreement, whichever is later, and thereafter shall remain members in good standing with Union. For the purpose of determining member in good standing, it is agreed that this shall be interpreted to mean the **payment of initiation fees and regular monthly dues**. The Employer agrees to **discharge** any employee who fails to become and remain a Union member in good standing in accordance with the above provisions." Neither the initiation fees nor the regular monthly dues charged to members are provided in this contract. This leaves the Union open to charge anything it would like.

On page 2, Section 2, paragraph B. says, "The Union shall establish and maintain open and non-discriminatory **employment lists** for employment of workers covered by this Agreement. The Employer shall notify the Union in writing of all vacancies." This language establishes a "**Union Shop**" freezing out other sources of labor and directly competes with my company, EventPeople, Inc. This means my employees are out of a job. In fact on page 63, paragraph 1., the words "**hiring hall**" are used. In paragraph 4, it goes on to say, "The Union shall send the information of what servers are being dispatched from the **hall** or transmit said information by telephone."

On page 64, paragraph 9, it says, "The Hotel is required first to use its own steady banquet servers and then to use the **hiring hall** extras, and if the Hotel has exhausted both such sources and still needs additional workers, it may use its other workers on a voluntary basis or obtain workers from any other source, **provided all such workers will be covered by the terms and condition of the collective bargaining agreement**." These hotels currently order servers from my company, I am not going to provide names, addresses, and telephone numbers of my people. I will not require them to join any union, let alone this union. This Understanding on Banquets process leaves open for the Union to use illegal aliens to fill these positions in our hotels. There is not enough time to check their immigration status before they report for their assignments under this contract.

On page 5, Section 3, paragraph C. says, "No work customarily performed by employees covered by this Agreement may be **subcontracted**, transferred, or assigned by any person, **firm or entity**." That means EventPeople, Inc. and its employees are out on the street and the hotels have no flexibility.

On page 23, Section 13, says, "Wages shall be paid weekly or semi-weekly according to the present customary practice of Employers." Beginning the first of the year EventPeople will pay its employees daily. Can the Union do that? NO. In fact, on page 63, paragraph C., under the Memorandum of Understanding on Banquets, it says, "After the completion of a function all servers will receive their paychecks no later than

the next succeeding regular payroll.”

In Councilwoman Laura Richardson’s memorandum to the Mayor and City Council she states, (as quoted in the Press-Telegram) the adoption of a Labor Peace Agreement will protect the city’s economic interest by barring picket lines that disrupt business. She goes on to say the costs of strikes are significant enough to warrant the agreement because picket lines drive away potential guests and events. This union Unite Here is all ready trying to drive away business from Long Beach. On its website listed under its Boycott List is the Hyatt Regency Long Beach, it asks its members and the public with the words “Do Not Patronize”.

Unite Here has been targeting the hospitality industry with its organizing efforts for several years. Their tactics have been extremely aggressive. This union has poured resources into local political campaigns and are not shy about calling in favors from those they help elect. They have seen the fruits of a huge effort to time union contract expiration to hit at the same time in order to maximize leverage. At a micro level, the union has also stepped up their pressure-buying 5 or 6 shares of stock and playing havoc with public companies (for example, trying to sabotage the CNL public offering) creating web sites to “educate” investors about target companies (with abusive and damaging stories about bad management, poor investment returns) and to generally embarrass and financially harm employers and their management. Fortunately, for employers, there have recently been significant wins in the ongoing struggle (such as the Oakwood Healthcare case).

In a recent ruling by U.S. District Judge Stewart Dalzell ruled that Unite-Here violated federal privacy laws by writing down license plates from cars parked at Cintas Corp plant. The union’s intent was to track down the addresses of the car owners to try to contract them at home – outside their employer’s reach – in the hopes of organizing them. But some of the employees – and their relatives who owned the cars – didn’t like being bothered at home in the name of a union drive, creating a case that hotel owners everywhere should note.

On August 30, 2006, Judge Daizell ruled in favor of the plaintiffs that Unite-Here have violated the Driver’s Privacy Protection Act of 1994, a federal law that with few exceptions bars the release of personal information from driving records. He ordered the union to pay \$2,500 each to the employees who brought the original lawsuit.. The total statutory damages could range from \$2.5 million to 5 million for an estimated 1,000 to 2,100 workers in the class action.

Why is this case important to the hospitality industry? Here are a few reasons that come to mind:

1. Class action suits for invasion of privacy by employees against the overbearing union are OK even when paid for by employers.
2. The privacy law referenced in this case is federal law that will apply anywhere in the US.
3. Union executives should be prepared to be fined for their abusive tactics, and punitive damages are something to watch for in the future.
4. Unions are subject to discovery, and they may have a lot of embarrassing material in their record showing how the union planted trouble makers in the employer to stir up trouble just for the purpose of filing unfair labor practice claims.

This is also the union which believes in civil disobedience. This union blocked Century Boulevard near the Los Angeles International Airport at rush hour causing economic harm to airline passengers and surrounding businesses.

Unite-Here locals have ignored U.S. Supreme Court precedent by refusing to acknowledge objection letters sent by employees exercising their right to refrain from paying any more forced dues than the amount proven to cover collective bargaining costs.

On July 21, 2006, a Superior Court jury in rural Placer County California found Unite-Here guilty of “fraud,

malice or oppression". Unite-Here was caught red handed in its typical outrageous behavior. And it got slapped....but good. The jury hit the union with a \$17.3 million (actually \$17,292,850) verdict for intentionally and maliciously acting to harm the business of the Sutter Health not-for-profit hospitals and birthing clinics. Unite-Here was held legally accountable for recklessly frightening patients and the public through outrageous and false allegations.

It is my opinion, the Unite-Here has no standing or place in the City of Long Beach. The hotels that are being targeted by this union have **NO** history of labor unrest, period. This Labor Peace Agreement will effectively close these hotels to the employees of EventPeople, Inc., event-oriented workforce. It will unionize these hotels without their employees voting to be unionized. And will cause both damages to EventPeople, Inc. and its employees, who is one of downtown Long Beach's largest employers.

The question is *why would the City Council even consider this ordinance?* Could it be for the money for past and future political favors? Someone should check to see who received money and help from this union. This ordinance screams of political favors.

Event People, Inc. and its employees will not stand by allow their livelihood be taken over by people from Los Angeles. If you think the McClure lawsuit cost the city a lot of money, you have not seen anything yet.

Sincerely,

Matthew Venegas
President
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