



**FROM DENNIS SHAW
CONTRACT
ADMINISTRATOR**

**TEAMSTERS LOCAL
UNION NO. 186
805.644.0070**

Memo

To: Young's Market and Southern Wine Teamsters Sales Personnel

From: Dennis Shaw

Date: 5/24/2011

Re: Contract Proposal

I have scheduled meeting to discuss the Company's final offer.

For Southern Wine Sales personnel:

When: Tuesday March 31, 2011
5PM

Where: Teamsters Local Union No. 186

For Young's Market Sales personnel:

When: Wednesday June 1, 2011
5 PM

Where: Teamsters Local Union No. 186

The offer will also be posted on our website at teamsters186.com.

California Statewide Liquor Sales Negotiating Committee

Locals 166-186-381-683-848-853

Enclosed please find the details of what Young's Market Company and Southern Wine & Spirits have characterized as their "Last and Final" offer. This offer is presented to all represented sales persons within California, and will be voted on by mail referendum, with all ballots being co-mingled and counted on June 8, 2011. ***This offer is unanimously recommended by all Locals involved in the negotiations.***

Each Local will schedule meetings to discuss the proposal in their own geographic areas. Please make every attempt to attend one of these meetings.

As you know the negotiations for the hourly members (drivers, warehouse, and clericals) finished last summer, and the contract proposal was overwhelmingly ratified. While the negotiations for the hourly was contentious and difficult, we eventually came to agreements which modified some minor language issues and provided for economic increases over a five year period. One of our goals is to make sure that the sales agreement continues to have a common expiration date with the hourly.

The sales negotiations are, and continue to be very complicated. The companies want to completely change the compensation method for sales members (we believe this is being driven by the suppliers) and want to put the burden of the cost of health benefits on your shoulders. This has also been complicated by the ill-advised lawsuit which has been filed by a few people who do not work in the industry any longer and which immediately worked to undermine your strength as a group. Additionally, as you may have noticed, the represented sales force has not grown, while the non-represented sales force (merchandisers, account representatives, etc) has increased considerably over the years. This lack of density within the represented group has the potential to threaten our bargaining leverage in the future. Bringing many of these functions under the Union contract is a major priority to guarantee our future. This all is exacerbated by the fact that the two companies do not necessarily get along.

We have utilized different tactics and procedures during the ongoing negotiations. One of which was to use a number of our sales members in a process sponsored by the *Federal Mediation and Conciliation Service* to work out issues on various work day problems that you asked for relief on. This has proved to be somewhat successful and we intend to continue to involve members in the process going forward.

Our goal in bringing this short-term agreement to you is simple; we felt that it is important to lock in some areas that you have voiced concern over, and put some money in your pockets while we continue the progress toward coming to a long term agreement that expires along with the hourly agreement. Given the state of the economy, and more importantly, the uncertainty of your industry, we believe that this short-term agreement is in everyone's best interests. This will allow us to continue to negotiate toward an agreement that accomplishes security for you and the companies well into the future. The economics of the offer match the same increases that the hourly members accepted, along with assuring your health plans will continue at no cost to you. Please review the materials and follow the directions to send in your ballot.

Additionally, you will find a statement that we would like you to return by separate envelope that will assist us in undermining the lawsuit brought against both companies. This attempt to undermine the Union's bargaining power has, and will continue to affect our ability to make sure your contract remains the best in the country. Nothing in this world is free, and these types of cases have only cost our members money in the long run. Please send this in at the same time you mail in your ballot.

**Your Union bargaining committee is recommending a
YES
Vote on this contract**

(OVER FOR VOTING INSTRUCTIONS)