

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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NOTICE

November 9, 2012

TO: The Officers and Members of Local 120
Blaine, Minnesota

FROM: James P. Hoffa, General President

On November 9, 2012, the Independent Review Board ("IRB") recommended that Local 120 be placed in Trusteeship. IRB cited in its report, among other things, the following concerns:

1. Apparent irregularities in connection with the Local's purchase of real estate and construction of a new Union hall in 2007 and 2008, which resulted from breaches of fiduciary duty by the Local's Secretary-Treasurer and President. These include, but are not limited to, the following:
 - a. the failure to disclose the details of, or obtain proper approval for, a loan obtained to finance the building construction, and an increase in that loan;
 - b. the failure to require an audit of costs charged to the Local by the building project's General Contractor, and the failure to monitor and maintain appropriate records concerning the project;
 - c. the allegedly improper payment of a \$90,000 "finder's fee" to a close family friend by the building project's General Contractor;
 - d. The unapproved retention of American Pride Home Services to handle mortgage brokerage and funds disbursement services in connection with the building project, and the execution of two sham collective bargaining agreements with this Company;
 - e. The unauthorized diversion of over \$189,000 from the Local's strike fund to pay for the building project, without disclosure to or approval by the Executive Board or membership.
2. Apparent irregularities in the operation of a bar and gaming operation (known as the "Teamsters Club") in Fargo, North Dakota, which resulted from breaches of fiduciary duty by, among others, the Local's Secretary-Treasurer and President. These include, but are not limited to, the following:
 - a. The unauthorized payment of stipends to members of a Bar and Gaming Board, which oversaw the operation of the Teamsters Club without accountability to the Local's Executive Board;

- b. The unauthorized employment of a close family friend of the Local's Secretary-Treasurer and President as a consultant to the Teamsters Club, whose compensation was paid by the Local without disclosure to or approved by the Local's Executive Board;
 - c. The unauthorized use of Local Union funds to subsidize the Teamsters Club's substantial and continued business losses, all without disclosure to or approval by the Local's Executive Board or membership.
3. The attempts by the Local's President to avoid paying personal debts owed to two of the Local's vendors by promising them additional business from the Local in return for waiving his personal obligations.
 4. The efforts of the Local's President to obstruct IRB's investigation by soliciting a Local employee to provide false testimony and by himself testifying falsely under oath concerning his efforts to extinguish his personal debts to Local vendors by promising them future business.
 5. A pattern by some of the Local's officers and business agents, including the Secretary-Treasurer and President, of causing the Local to pay for expenses for which there was no Union purpose.

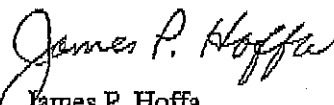
I have reviewed IRB's report and the reasons cited for IRB's recommendation. It appears that there is credible evidence that supports the foregoing concerns, and others described in the report.

Accordingly, and because the foregoing breaches of fiduciary and their effects appear to be pervasive and ongoing, I have determined that an immediate trusteeship of Local 120 is necessary for the purpose of correcting corruption or financial malpractice and otherwise carrying out legitimate objects of the Local Union. I am therefore imposing an Emergency Trusteeship over the affairs of Local 120, effective on November 13, 2012.

I have appointed Brother William Moore to serve as Temporary Trustee. Pursuant to Article VI, Section 5 of the International Constitution, the members of Local 120 will soon be receiving notice of a hearing to determine whether the temporary trusteeship should be extended or dissolved. Separate notice of the hearing shall be posted by the Temporary Trustee and any member of the Local will have the opportunity to address the hearing panel or submit written comments.

A copy of this notice shall be posted immediately in the Local Union headquarters, the Local's other offices and such other places as will ensure that the members of Local 120 will be informed of the imposition of this Emergency Trusteeship.

Fraternally yours,


James P. Hoffa
General President