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From: Stuart Korshak [<mailto:Stuart@kkks.com>]

Sent: Thursday, January 31, 2013 7:17 AM

To: Hager, Lee

Subject: RE: SWS Minnesota

What's the matter? Can't you sleep? We are both too old for this.

Rome was terrific yesterday. Johnson Brothers is the 800 pound guerilla and its Minnesota contract is up next month and it appears they will take this Teamster local on again and maybe break them or get another 5 year freeze. SWS either staying in the JJTaylor contract it agreed to months ago or locking into a new agreement for

3 years could put SWS at a serious costs disadvantage to Johnson permanently. Johnson is in their own, cheaper health plan and so is Wirtz. We are in JJTaylor's contract which is in Local 792's health plan which is more expensive. We told 792 that we won't get out of line with Johnson and couldn't care less what JJ Taylor is paying because they are in a different industry and that we don't care what Wirtz is paying because it is a bit player in liquor. We told him we wouldn't be his stalking course and lock into something rationale and long term now and then have Johnson take him apart again and have SWS be the high cost player and locked it high in Minnesota. He wanted to walk out on us all through the days but Rome wouldn't let him and finally forced him to take what we offered over the weekend for the first year, make it good for 14 instead of 12 months so we get 2 months behind Johnsons expiration date, and accept less of a bonus than the additional money we were prepared to give before the meeting as our final bottom line. He also committed publicly this time in front of Rome to recommend this deal and get it done. Bobby was fine on the surface but still bristling because he wasn't in control and because his first deal had been rejected and I wouldn't let him make his second proposal right before Christmas (which would have locked SWS in as the high costs player vis a vis Johnson permanently in Minnesota by the way). He has got to get over that control trip for his own good and accept his role as the client and not think he is also the strategist and practitioner, because those skills he will never have. I tried to stroke him but it isn't easy. You should get Dale's take off the record as to the role Rome played and what would have happened with Local 792 if you hadn't stopped what was going on and asked me to get Rome back in the middle and controlling this. He's scared of Bobby but will be candid with you if you tell him you want that.

Landing at 850 and call from the cab if I am not at the office by 930.

In California, new master contract is now clarified and being executed, new classification contract is done and about to be ratified, telemarketer section doesn't require ratification and is being implemented now. Given that, you and I should next turn to implementation of the evaluation system in California (since it is now being implemented by Pat) and to the promotional sales job, per Wayne's request. You and I can talk about that later today after we talk to Wayne about Rome and Washington State and California legislative issues.

Stuart

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