

BUSINESS RECORD

EXECUTIVE SUMMARY

- Romney spent most of his business career as CEO of private equity firm Bain Capital – as of June 2007 he maintained an investor's stake in the company.
- Bain Capital has been criticized for relentless focus on bottom line at expense of workers and jobs.
- Romney describes himself as a “business legend” in his campaign ads and once said of himself: “I’m basically in the investor’s Hall of Fame.”
- Bain Capital and Bain & Co. employees donated at least \$171,000 to Romney’s presidential campaign in Q1 2007 and gave tens of thousands more in support of his previous political activities.
- Bain Capital financed 1988 buyout with junk bonds issued by Drexel Burnham – when SEC filed charges against the firm and CEO Michael Milken, Bain Capital maintained their business relationship; Romney later reminisced about “the glorious days of Drexel Burnham.”
- In 2004, Bain & Co. received a multi-million dollar contract from the National Iranian Oil Company.
- Romney sat on board of directors of Bain portfolio company Damon Clinical Laboratories, which in 1996 was fined over \$100 million for Medicare fraud committed during Romney’s tenure.
- Bain Capital owned company named Ampad that purchased an Indiana paper plant, fired its workers and offered to bring them back at drastically reduced salary and benefits – the firings became an issue in the 1994 Senate race when workers blamed Romney for their situation and appeared in Kennedy campaign ads.
- After Romney became governor, Bain Capital teamed up with Chinese appliance maker Haier Group in 2005 in effort to purchase Newton, IA-based Maytag Corp. and send jobs overseas.
- At least two Bain Capital companies – Stream International and Modus Media – focused on outsourced technical support services, expanding facilities abroad while contracting operations in the United States.
- Bain Capital operated steel company called GS Industries which went bankrupt in 2001 after years of labor strife, closing a plant in Kansas City and laying off over 700 workers.

GENERAL BAIN OVERVIEW

Romney Remains An Investor In Bain Capital, The Private Equity Firm He Funded In 1984 – Partners Running The Company Today Were Brought On Board During Romney’s Tenure

As Of June 2007, Romney “Remains An Investor In Bain Capital.” “Mr. Romney, who remains an investor in Bain Capital, said he had not been involved in those decisions but acknowledged that such payments became part of the buyout business ‘very early on.’” (David D. Kirkpatrick, “Romney’s Political Fortunes Tied To Riches He Gained In Business,” *The New York Times*, 6/4/07)

“Romney Started Bain Capital In 1984, Made His Fortune There, And Ran It Before Moving Into The Governor’s Office Four Years Ago.” (Brett Arends, “American Workers’ Bane,” *Boston Herald*, 6/22/05)

- **Current Bain Capital Managing Partner Josh Bekenstein Founded Company With Romney In 1984.** “Mr. Bekenstein joined Bain Capital at its inception in 1984. He has been a Managing Director since 1986. Prior to joining Bain Capital, Mr. Bekenstein spent several years at Bain & Company where he was involved with companies in a variety of industries.” (Bain Capital Website, www.baincapital.com, Accessed 2/26/07)

Romney Ran Day-To-Day Operations At Bain Capital From Its Inception In 1984 Through Early 1999, When He Left To Assume Control Of The Salt Lake Winter Games. “When Mr. Romney finally set up shop just across the hall from Bain consulting in 1984, his initial plan centered on providing venture capital – seed money –

for ideas spun off by Bain consultants. ... By the time Mr. Romney left the firm in 1999, the investments it had sold off had made enough money to deliver an average annual return that amounted to as much as 100 percent before fees, several of its investors said.” (David Kirkpatrick, “Romney Political Fortunes Tied To Riches He Gained In Business,” *The New York Times*, 6/4/07)

Romney Served As CEO Of Bain Capital Through August 2001, Even Though He No Longer Ran Daily Operations. “Although he gave up running day-to-day operations at the venture capital firm in order to head the Salt Lake Winter Olympics, he remained CEO and held his financial interest in the company through August 2001.” (Stephanie Ebbert and Yvonne Abraham, “Camps Spar Over Romney Word Choice,” *The Boston Globe*, 10/31/02)

Bain Capital Is “Remains Romney’s Creation” As Over Three-Quarters Of Its Partners Came On Board During Romney’s Tenure, Joining The “Corporate Culture ... He Nurtured Over 17 Years.” “Bain Capital remains Romney’s creation. The corporate culture is one he nurtured over 17 years. A *Herald* analysis of the firm’s leadership shows that more than three quarters of the managing partners joined when he was the boss.” (Brett Arends, “American Workers’ Bane,” *Boston Herald*, 6/22/05)

Romney: “I’m Basically In The Investors’ Hall Of Fame.” (John McElhenny, “Romney, O’Brien Spar At Gubernatorial Debate,” *The Associated Press*, 10/25/02)

Romney Relies On Employees At Bain Capital And Bain & Co. For Sizeable Campaign Contributions

Employees At Bain Capital And Bain & Co. Donated Over \$171,000 To Romney’s Campaign In The First Three Months Of 2007. According to the Center for Responsive Politics, persons affiliated with Bain Capital donated at least \$99,800 to Romney’s campaign in the first quarter of 2007 and he received another \$71,250 from employees of Bain & Co. (Center For Responsive Politics Website, www.opensecrets.org, Accessed 6/15/07)

“Republican Mitt Romney Received Almost \$100,000 From Staff At Bain Capital, The Private Equity Group That The Former Governor Of Massachusetts Founded.” (Alex Barker, “New Tycoons Are Taking A Not Entirely Altruistic Interest,” *Financial Times*, 5/30/07)

Bain Executives Also Donated Tens Of Thousands Of Dollars To Support Romney’s Pre-Presidential Campaign Activities. “[R]ecords of Mr. Romney’s political action committees indicate that he also accumulated a valuable Rolodex during his years at Bain. Executives of Bain Capital and its sister firm, Bain Consulting, contributed more than \$64,000 over the last two years to Mr. Romney’s federal political action committee, Commonwealth PAC, and in 2002 they gave more than \$14,000 to his campaign for governor.” (David D. Kirkpatrick, “Romney Reaps \$20 Million To Top G.O.P. Rivals,” *The New York Times*, 4/3/07)

Romney’s Background As CEO And Corporate Dealmaker Seen As Influence On His Political Tactics

Romney’s “Flip-Flops And Business Success” Are Connected Because “Abandoning Deeply Held Attitudes And Reversing Positions Are Job Requirements” For CEOs. “So, how are Romney’s flip-flops and business success connected? People suspect, perhaps correctly, that Romney really doesn’t believe all the things he’s saying. ... [S]uch hypocrisy, which turns off voters, is something like a job requirement for CEOs. In the executive suite, abandoning deeply held attitudes and reversing positions are job requirements. How often have you seen a CEO proclaim that a struggling unit is not for sale, only to put it on the block a few months later? A CEO will praise a product to the skies one day and then cancel it the next. He’ll boast, sincerely, that his company is No. 1 in the industry and then, when he quits the next day to run a rival, claim that the new firm is tops.” (Daniel Gross, “The CEO Candidate,” *Slate.com*, 2/26/07)

“Good CEOs ... Devise New Business Strategies And Business Plans To Cope With Changing Market Conditions.” “These business flips are fine, because in the corporate world, people don’t confuse advocacy of a company’s strategy or products and services with personal honor or integrity. ... Good CEOs don’t simply stake out public positions and stick to them for 20 years. They devise new business strategies and business plans to cope with changing market conditions.” (Daniel Gross, “The CEO Candidate,” *Slate.com*, 2/26/07)

Romney “Doesn’t Run In Elections, He Competes In Markets.” “It is clear that Romney approaches politics not as a crusade but as a business case study. He doesn’t run in elections, he competes in markets. In 1994, the former management consultant knew his market. ... Today, Romney correctly recognizes that what is appropriate for one market (Massachusetts voters) clearly is not appropriate for another market (Republican-primary voters).” (Daniel Gross, “The CEO Candidate,” *Slate.com*, 2/26/07)

Romney's Business Acumen Was "Forged In The Often-Overheated 1980s." "An examination of Romney's nearly 20-year business career in Boston – as a consultant, venture capitalist, entrepreneur and chief executive – shows a man whose uncanny ability to smell a deal, take a risk and turn a profit was forged in the often-overheated 1980s." (Mitchell Zuckoff and Ben Bradlee Jr., "Romney's Business Record Gives Larger Picture," *The Boston Globe*, 8/8/94)

As CEO, Romney "Insisted On Having Almost Dictatorial Powers. ... That Was Essential." "The Boston-based venture capitalist likes to be in control. '(At SLOC) I don't have the kind of control I'm used to in the business world,' he said. 'When I was involved in (the resurrection of the beleaguered international firm Bain Consulting), I insisted on having almost dictatorial powers. ... That was essential.'" (Lisa Riley Roche, "Mitt Exemplifies The New Openness Sought For SLOC," *Deseret News*, 2/12/99)

Former Business Colleague Said Romney Possessed "Ability To Identify People's Insecurities And Exploit Them To His Own Benefit." "[S]ome colleagues found Romney to be manipulative. Romney had an 'ability to identify people's insecurities and exploit them to his own benefit,' says a source who worked with Romney but refused to be quoted for 'fear of retribution.' This source says that Romney would vary bonuses among his partners just enough to put people on edge, giving \$3.1 million to one, \$3 million to another and \$2.9 million to another." (Evan Thomas et al, "Is Mitt Romney Ready For Prime-Time Politics?" *Newsweek*, 4/16/07)

Romney, On His Business Record: "I Won The Lottery ... I Was Absolutely In The Right Place At The Right Time." "Romney said he can afford to do this because 'I won the lottery. I got into something called venture capital just when the stock market went from, I don't know, a couple thousand to almost 10,000. I was absolutely in the right place at the right time.'" (Lisa Riley Roche, "Mitt Exemplifies The New Openness Sought For SLOC," *Deseret News*, 2/12/99)

Under Romney's Leadership, Bain Capital Had History Of Relentless Focus On Bottom Line, Improving Corporate Profits At Expense Of Local Workers

Under Romney's Stewardship, "Bain Left Companies In Bankruptcy Or Near Collapse After Selling Off Its Interests And Made Huge Profits." "Romney was tremendously successful as CEO of Bain Capital and he helped build many companies. But his work also involved controversial ventures ... that resulted in downsizing or layoffs. In some cases, Bain left companies in bankruptcy or near collapse after selling off its interests and made huge profits. Some companies Bain invested in, such as American Pad & Paper of Dallas, Stage Stores of Houston, and Dynamic Details (DDI) of Orange County, Calif., crashed after Bain went public with the company's stock, and then immediately sold its own interest." (Frank Phillips, "Romney Profited On Firm Later Tied To Fraud," *The Boston Globe*, 10/10/02)

- **Bain Culture: "Possessed By A Mission To Increase The 'Total Economic Value' Of Their Clients."** "Notoriously secretive about itself and its work for clients, Bain has over the years been labeled the 'KGB of Consulting' ... Bain consultants seem possessed by a mission to increase the 'total economic value' of their clients. Like religious zealots, they single-mindedly dedicate themselves to improving their customer's competitive position. Business is a holy war that the client must win and the competition must lose." (Nancy Perry, "A Consulting Firm Too Hot To Handle?" *Fortune*, 4/27/87)

"Bainies" Were Known For Company Songs And Secrecy, Compared To KGB. "Bain & Co. also was known for the strict discipline, team spirit - including company songs - and relentless work ethic of its troops. With their uniforms of white shirts and red power ties, the clean-cut Bain consultants were known as 'Bainies,' a knockoff of the term 'Moonies' for followers of Rev. Sun Myung Moon. Bain & Co. also was known for its secrecy, earning sobriquets like 'the KGB of consulting.'" (Mitchell Zuckoff and Ben Bradlee Jr., "Romney's Business Record Gives Larger Picture," *The Boston Globe*, 8/8/94)

- **Code Names And More:** "From the beginning, Bain cultivated a mystique around the secretive firm, which was once dubbed 'the KGB of consulting.' Partners didn't carry business cards and referred to clients by code names. ... And it inculcated in the recruits such a sense of mission that young consultants became known as Bainies, a reference to the Unification Church's Moonies." (Paul Hemp, "Did Greed Destroy Bain & Co.?" *The Boston Globe*, 2/26/91)

Bain Got "Their Hands Deep Into The Trousers Of A Company," According To One Executive. "How could a respected, albeit highly aggressive, firm like Bain have left itself open to being tainted by the scandalous behavior of a client? The answer may lie in Bain's approach to business: 'They get their hands deep into the trousers of a company,' says an executive who knows the firm well." (Nancy Perry, "A Consulting Firm Too Hot To Handle?" *Fortune*, 4/27/87)

- **“Like Religious Zealots ... Business Is A Holy War That The Client Must Win And The Competition Must Lose.”** “Notoriously secretive about itself and its work for clients, Bain has over the years been labeled the ‘KGB of Consulting,’ or a ‘Moonie commune’ run by the ‘Reverend’ Bain. Bain consultants seem possessed by a mission to increase the ‘total economic value’ of their clients. Like religious zealots, they single-mindedly dedicate themselves to improving their customer’s competitive position. Business is a holy war that the client must win and the competition must lose.” (Nancy Perry, “A Consulting Firm Too Hot To Handle?” *Fortune*, 4/27/87)
- **“Stand Aside, Asshole. Here We Come.”** “The real problem for Bain & Co., though, may be the firm’s tendency to alienate and weaken lower-level managers at the companies where it works. ... Notes the chairman of another management consulting firm: ‘Their product is brilliant. It’s the package that has been a problem. Five million Bainies saying, ‘Stand aside, asshole. Here we come.’” (Nancy Perry, “A Consulting Firm Too Hot To Handle?” *Fortune*, 4/27/87)

Romney “Often” Tapped Bain Partners For Management Roles In Bain Capital-Funded Companies, Raking In Millions In Fees For Bain & Co. “Romney still works very closely with his old company, often hiring Bain partners to take over management of the outfits he invests in. Last December Bain Capital Partners paid \$2 million for a 40% stake in GS Roofing Products, a division of GenStar Inc., which lost in excess of \$10 million in 1986. The company, under direction of majority stockholders Berkshire Partners, immediately hired – you guessed it – Bain & Co. to try to stem the losses. Fees so far: close to \$2 million.” (Laura Jereski, “Putting It On The Line,” *Forbes*, 11/30/87)

Romney Blasted Critics Of Bain Management Style For “Naivete,” Claiming “There Is Nothing Wrong With Companies ... Trying To Make Money” And “This Is Not Fantasy Land.” “Romney said yesterday that layoffs can be a part of doing business. ‘This is not fantasy land,’ said Romney. ‘This is the real world and in the real world there is nothing wrong with companies trying to compete, trying to stay alive, trying to make money.’ ... ‘Clearly there is a naivete which sometimes exists in people who have not been in the real world, working with real businesses with real competition trying to keep jobs and businesses alive,’ Romney said. ‘They live in a never-never land where not all businesses get better, not all businesses grow.’” (Frank Phillips, “Romney Firm Tied To Labor Fight,” *The Boston Globe*, 9/23/94)

Romney Defended Layoffs At Bain Capital-Controlled Indiana Paper Plant In 1994. “In July 1994, Ampad [a paper company Bain Capital controlled] bought an Indiana paper plant, fired the existing workers, and gave most employees their jobs back at reduced wages and benefits. Even though Romney was on leave from Bain for the campaign, the workers came to Massachusetts and dogged his campaign. Romney initially tried to justify the layoffs, defending them as necessary in corporate restructuring.” (Stephanie Ebbert, “Romney Seeks High Office With Confidence, Pedigree,” *The Boston Globe*, 8/14/02)

Bain Capital Called “Bully On The Block,” Blamed For Closing Of Kansas City Steel Plant In 2002. “Out-of-work steelworkers in Kansas City, for example, blame Romney and Bain Capital for decisions that led to last year’s bankruptcy of a steel mill that opened its doors in 1888. Bain bought the operation, GST Steel Co., in 1993. Workers said the new owners cleaned house and brought in an inexperienced management team. Dan Misel, who worked at GST Steel for 35 years, said Bain came in ‘like the bully on the block,’ assuming its managers knew how to run the operation better than anyone already in place. ... In 1997, two years before Romney left Bain to run the Winter Olympics, the Kansas City plant endured its first strike in four decades. After a 10-week walkout, union officials said they offered to work with managers to improve the plant’s competitiveness, but that the Bain-imposed managers weren’t interested. ... When the plant closed earlier this year, amid a generally gloomy climate for US steel companies, workers lost severance packages and health insurance coverage.” (Thomas Farragher and Scott Bernard Nelson, “Business Record Helps, Hinders Romney,” *The Boston Globe*, 10/24/02)

BAIN CAPITAL AND DREXEL BURNHAM

Romney Used Drexel Burnham Junk Bonds To Finance 1988 Leveraged Buyout, Right Around The Time SEC Officials Were Taking Formal Action Against The Company

Bain Capital Financed Mid-1988 Deal With Junk Bonds Issued By Drexel Burnham And Notorious Financier Michael Milken. “Sometimes, when Bain Capital was looking to make a deal, the bulk of the money came not from its investors but from other sources, such as junk bonds. In 1988, for instance, Bain Capital decided to buy two Texas department store chains, Bealls and Palais Royale, in a deal valued at \$300 million. To fund the purchase, Bain sought out Drexel Burnham corporate financiers, based in Boston, who were working

under junk bond impresario Michael Milken. Romney and the Bain Capital partner who oversaw the deal, Joshua Bekenstein, said they never dealt with Milken.” (Mitchell Zuckoff and Ben Bradlee Jr., “Romney’s Business Record Gives Larger Picture,” *The Boston Globe*, 8/8/94)

Two Months After Hiring Drexel, The SEC Filed Extensive Complaint Alleging Insider Trading And Market Manipulation – Romney Defended The Decision To Keep Using Drexel In Transaction. “On Sept. 7, 1988 - roughly two months after Bain Capital hired Drexel to issue junk bonds - the Securities and Exchange Commission filed a 184-page complaint against Drexel, Milken and others alleging insider trading schemes, manipulation of stock prices and other violations of federal securities laws. Bain Capital was put in the position of trying to close a deal with junk bonds from a company being sued by the SEC. Romney and Bekenstein defended their decision to hire Drexel before the SEC suit – at a time when rumors of the investigation were rife on Wall Street – as well as after the suit was filed.” (Mitchell Zuckoff and Ben Bradlee Jr., “Romney’s Business Record Gives Larger Picture,” *The Boston Globe*, 8/8/94)

- **Romney:** “We did not say, ‘Oh my goodness, Drexel has been accused of something, not been found guilty. Should we basically stop the transaction and blow the whole thing up?’” (Mitchell Zuckoff and Ben Bradlee Jr., “Romney’s Business Record Gives Larger Picture,” *The Boston Globe*, 8/8/94)

Romney And Bain Capital Continued Using Drexel Burnham To Refinance Bonds Well After SEC Suit Was Initiated. “Romney and Bekenstein said their main concern was whether the suit would damage Drexel so badly that it would be unable to sell the bonds for Bain Capital. As it turned out, the bonds sold quickly. Bain Capital then refinanced the bonds, also with Drexel, in mid-1989. Of 59 Bain Capital deals, only one involved Drexel.” (Mitchell Zuckoff and Ben Bradlee Jr., “Romney’s Business Record Gives Larger Picture,” *The Boston Globe*, 8/8/94)

Romney Later Reminiscenced About “The Glorious Days Of Drexel Burnham,” Saying “It Was Fun While It Lasted.” “The deal that jump-started Bain’s business came along in 1986, a \$200 million buyout of Accuride Corp., the wheel and rim manufacturing unit of Firestone Co., Phoenix. Bain financed the deal with just \$5 million of its own equity and borrowed the rest. Just 18 months later, Bain sold Accuride to Phelps Dodge Co. for \$320 million. Its return on its investment: \$130 million. ‘That was in the glorious days of Drexel Burnham,’ Mr. Romney recalled. ‘It was fun while it lasted, but fortunately, it came to an end.’” (Jennifer Goldblatt, “Boston Buyout Firm Cashes In by Adding Value,” *The American Banker*, 12/23/97)

BAIN & CO. AND IRAN

Bain & Company Was Hired By Iran’s National Oil Company In 2004 To Conduct Efficiency Study

In 2004, Bain & Co.’s Italian Branch Was Hired By National Iranian Oil Company To Conduct Study On “How To Make The Bureaucratic State Company More Efficient.” “[A]s oil minister, Bijan Namdar Zanganeh, an ally of powerful former president Ali Akbar Hashemi Rafsanjani, in the late 1990s pushed through billions of dollars in agreements with Shell, France’s Total, Italy’s Eni, Schlumberger and Halliburton to develop large and technically challenging projects, such as Iran’s huge South Pars field, which is believed to hold 7% of the world’s natural gas supply. ... [National Iranian Oil Company] once tried to put on more of a Western face. Zanganeh planned to streamline it along the lines of, say, Shell, and even hired Bain & Co. Italy to conduct a \$2.3 million study on how to make the bureaucratic state company more efficient. Bain & Co., headquartered in Boston, says its independent Italian unit did the work and no U.S. sanctions were violated.” (Daniel Fisher, “Running Dry,” *Forbes*, 7/3/06)

- **Bain & Company Italy – “The Italian Branch Of Bain & Company” – Opened In 1989 And Has Grown “To Become One Of Bain’s Leading Offices Worldwide.”** “Bain & Company Italy, the Italian branch of Bain & Company, opened in Milan in 1989. Over the years, Bain & Company Italy has grown to become one of Bain’s leading offices worldwide and the leader in strategic management consulting in Italy. Today Bain & Company Italy has 350 professionals and intends to further develop its success. Being part of an international group allows us to manage clients and projects at a multinational level, to develop practices and global themes, and to access information, research and supporting databases from Bain’s worldwide network. Our offices share Bain’s approach, values and experiences.” (Bain & Co. Website, www.bain.com, Accessed 2/22/07)
- **Bain & Company Italy Listed In “Contact Us” Section Of Main Bain & Company Website.** (Bain & Co. Website, www.bain.com, Accessed 2/22/07)

Romney Served A Stint As CEO Of Bain & Co. In The Early 1990s. “Bain & Co. said that it completed a financial restructuring and transfer of ownership from eight top-ranking partners to 75 senior partners. Concurrent

with the transaction, W. Mitt Romney will become chief executive officer of the Boston-based international management consulting firm. Romney has provisionally held that position since January.” (Paul Hemp, “Restructure At Bain Is Completed,” *The Boston Globe*, 6/19/91)

DAMON CLINICAL LABORATORIES

Romney Was Board Member Of Company Fined Over \$100 For Medicare Fraud – At The Time, It Was The Largest Criminal Fine For Health Care Fraud In History

Romney Sat On Board Of Damon Clinical Laboratories, A Bain Capital Portfolio Company Fined Nearly \$120 Million In 1996 Due To Medicare Fraud. “A Needham clinical laboratory agreed yesterday to pay \$119 million in criminal and civil fines after pleading guilty to charges that it defrauded the nation’s Medicare system by seeking reimbursements on millions of dollars worth of unnecessary blood tests. ... Damon Clinical Laboratories Inc. admitted it tried to boost its profits by submitting the unnecessary tests. The company, the government said, misled doctors into ordering the tests, ensuring that they would be covered by Medicare, the federal health care program for the elderly.” (Kimberly Blanton, “Needham Lab Fined \$ 119m For Fraud,” *The Boston Globe*, 10/10/96)

- **At The Time, Largest Criminal Fine In Massachusetts History:** “The settlement ... would mark the largest criminal fine ever levied in Massachusetts.” (Kimberly Blanton, “Needham Lab Fined \$ 119m For Fraud,” *The Boston Globe*, 10/10/96)
- **At The Time, Largest Health Care Fraud Criminal Fine In History:** “The \$35.3 million criminal fine in the Damon case, one piece of the \$119 million total settlement, is the largest ever recovered in a health care fraud case.” (Kimberly Blanton, “Needham Lab Fined \$ 119m For Fraud,” *The Boston Globe*, 10/10/96)

Romney Was On Damon’s Board Of Directors While The Fraud Took Place – He Initially Claimed He Was Unaware Of Any Criminal Investigation. “Mitt Romney, former Republican challenger to US Sen. Edward M. Kennedy, who was a member of Damon’s board, said he was unaware of any investigation. ... Romney said that [Damon’s then-CEO Robert] Rosen told the board in about 1992 ‘that all current practices at the company were now in conformity with government regulations and that in the past there may have been practices which would not be deemed appropriate.’” (Kimberly Blanton, “Needham Lab Fined \$ 119m For Fraud,” *The Boston Globe*, 10/10/96)

- **“Made Large Profits ... From A Criminal Scheme To Fraudulently Bill The Federal Medicare System...”** “[Romney] and his venture capital firm made large profits from the 1993 sale of a Needham medical testing company whose robust revenues were generated in part from a criminal scheme to fraudulently bill the federal Medicare system for unnecessary blood tests.” (Frank Phillips, “Romney Profited On Firm Later Tied To Fraud,” *The Boston Globe*, 10/10/02)
- **“Pure And Simple ... Corporate Greed Run Amok.”** “Damon Corp. pleaded guilty in 1996 to a federal conspiracy charge of defrauding the government of \$25 million between 1988 and 1993. It paid a record \$119 million fine and penalty for a scheme that then-US Attorney Donald Stern labeled ‘a case, pure and simple, of corporate greed run amok.’” (Frank Phillips, “Romney Profited On Firm Later Tied To Fraud,” *The Boston Globe*, 10/10/02)

1993: Immediately Following Acquisition By Corning, Damon Closed Plant In Needham Heights, Laid Off 115 Massachusetts Workers. “Republican businessman Mitt Romney ... helped direct a Massachusetts medical diagnostics company toward a merger that resulted in the permanent closure of a Needham Heights plant and layoffs of about 115 Massachusetts workers. Damon Corp. was headquartered in Massachusetts for more than 30 years until it was purchased by Corning Inc. in 1993 and the Needham facility was closed. ... The day after the merger with Corning was completed, the new company notified the Massachusetts Department of Employment and Training that it was permanently closing the Needham plant and laying off about 115 people.” (Meg Vaillancourt, “Romney-Aided Deal Closed Damon Plant,” *The Boston Globe*, 10/9/94)

- **Romney “Feared” The Massachusetts Layoffs Would Come, But Voted To Approve Deal Anyway.** “As a board member, Romney pointed out he had a legally binding ‘fiduciary responsibility’ to get the best deal he could for the shareholders, though he acknowledged that at the time he feared Corning would close down the plant and lay off the Massachusetts employees. ... No one met Corning’s tender offer, which Romney described as ‘stunning.’ He said he voted to accept the offer, as did the vast majority of other shareholders. ‘There was nothing I could do.’” (Meg Vaillancourt, “Romney-Aided Deal Closed Damon Plant,” *The Boston Globe*, 10/9/94)

As A Gubernatorial Candidate, Romney Claimed He Helped “Uncover” And Stop The Fraud At Damon. “[R]omney said Thursday he helped uncover the fraud at Damon and hired an outside law firm to investigate it.

'We took action based on what was told to us by the law firm,' Romney said ..." (Ron DePasquale, "Romney Downplays Report He Profited From Firm Tied To Fraud," *The Associated Press*, 10/10/02)

- **Romney Tries To Take Credit:** "Mr. Romney said yesterday that he aided in uncovering and stopping the fraud one year before the sale. ... Mr. Romney said board members, including himself ... had started an inquiry that led to the disclosure." (John Monahan, "Ex-Presidents Stump For O'Brien, Romney," *Telegram & Gazette* [Worcester, MA], 10/11/02)
- **"Romney Has Said He Helped Uncover The Fraud But Never Reported It To Authorities."** (Tom Benner, "O'Brien Sees Savings Possible In Budget," *The Patriot Ledger* [Quincy, MA], 10/23/02)

Federal Investigators Rebuffed Romney's Claims, Saying The Fraud Continued Until Bain And Other Owners Sold Damon To Corning In 1993. "A spokesman for Romney, Eric Fehrstrom, said Thursday that Romney and other board members helped uncover the fraud at Damon after similar fraudulent practices were found at another laboratory in 1992. ... But court records, including statements by prosecutors and by Damon officials, indicated that the fraud continued until Corning purchased the firm. Prosecutors gave Corning sole credit for cleaning up the fraud." ("Report: Mass. Candidate Romney Profited From Sale Of Firm That Later Admitted Medicare Fraud," *The Associated Press*, 10/10/02)

- **"Federal Officials ... Have Disputed Mr. Romney's Claim That He Helped Stop And Correct The Practice."** "Mr. Romney was a director from 1990 to 1993 and said he and the board of directors learned of the problem in 1993 when its own legal staff investigated the billings. Federal officials who prosecuted the case have disputed Mr. Romney's claim that he helped stop and correct the practice, saying the company did not report the fraud to federal authorities and the practice was stopped by the company's new owners after it was sold." (John Monahan, "Romney Talks To Crowd At Fallon," *Telegram & Gazette* [Worcester, MA], 10/12/02)
- **"No Corrective Action Was Taken When Romney Was On The Board..."** "In the 1996 settlement, records show the [fraud] scheme was carried out between 1988 and the time that Damon was sold, indicating that no corrective action was taken when Romney was on the board and served as a member of its strategic planning committee." (Frank Phillips, "Romney Profited On Firm Later Tied To Fraud," *The Boston Globe*, 10/10/02)
- **Officials Gave Corning Sole Credit For Cleaning Up Damon's Fraudulent Practices.** "[C]ourt documents – and Damon's admission – reveal that the fraudulent activity was occurring right up until the time Corning purchased the company from Bain and other owners. ... [D]amon's filings with the federal Securities and Exchange Commission during the weeks and months just prior to the sale contain no mention of possible legal problems over its billing system, or potential negative impact that would require downward revenue revisions." (Frank Phillips, "Romney Profited On Firm Later Tied To Fraud," *The Boston Globe*, 10/10/02)

"Damon's Activities Cost US Taxpayers Nearly \$40 Million, The Government Said." (Kimberly Blanton, "Needham Lab Fined \$ 119m For Fraud," *The Boston Globe*, 10/10/96)

Romney Personal Profit From Bain's Sale Of Damon: More Than \$470,000. "Republican gubernatorial candidate Mitt Romney and his venture capital firm made large profits from the 1993 sale of a Needham medical testing company whose robust revenues were generated in part from a criminal scheme to fraudulently bill the federal Medicare system for unnecessary blood tests. Romney personally made \$473,000 when Corning Inc. purchased Damon Corp., on whose board he served between 1990 and 1993." (Frank Phillips, "Romney Profited On Firm Later Tied To Fraud," *The Boston Globe*, 10/10/02)

- **Romney Earned Nearly \$40,000 In Directors' Fees Alone.** "Romney's firm, Bain Capital, and Romney himself were minority investors in Damon from 1990 through August 1993. The Belmont businessman sat on Damon's board of directors, earning nearly \$40,000 in directors' fees, and was a member of the company's strategic planning committee when Damon was sold to Corning." (Meg Vaillancourt, "Romney-Aided Deal Closed Damon Plant," *The Boston Globe*, 10/9/94)

Bain Capital Tripled Its Investment On The Deal: "[Romney's] firm, Bain Capital, tripled its initial investment, making a profit of \$7.4 million over a four-year period for its investors, according to copies of Bain documents obtained by the *Globe*." (Frank Phillips, "Romney Profited On Firm Later Tied To Fraud," *The Boston Globe*, 10/10/02)

Romney "Proud" Of Role With Damon. "'I'm proud of the small part I played in the growth of Damon,' Romney said yesterday. 'It's something that Ted Kennedy doesn't have a clue about – creating real jobs in the private sector.'" (Meg Vaillancourt, "Romney-Aided Deal Closed Damon Plant," *The Boston Globe*, 10/9/94)

AMPAD

Romney's Firm Owned Company Named Ampad That Purchased Indiana Paper Plant, Fired Its Workers And Offered To Bring Them Back At Drastically Reduced Salary And Benefits

In 1994, Bain Capital-Controlled Company Named Ampad Bought An Indiana Paper Plant And Promptly Laid Off Hundreds Of Workers – Firings Became An Issue In Romney's Senate Race. "Romney's business background became a liability in his unsuccessful 1994 challenge to US Senator Edward M. Kennedy ... The issue erupted over Ampad Corp., a paper company Bain Capital controlled. In July 1994, Ampad bought an Indiana paper plant, fired the existing workers, and gave most employees their jobs back at reduced wages and benefits." (Stephanie Ebbert, "Romney Seeks High Office With Confidence, Pedigree," *The Boston Globe*, 8/11/02)

- **Layoffs Came On Top Of Wage And Benefit Cuts, "Sparking A Bitter Strike."** "Bain owned 80 percent of Ampad when it bought the Marion plant in July 1994, slashing wages, cutting benefits and sparking a bitter strike. Workers were fired and forced to re-apply for their old jobs at less money." (Andrew Miga, "Plant Workers May Resurface," *Boston Herald*, 4/4/02)

After First Defending Layoffs, Romney Later Tried To Convince Striking Workers He Was Not Involved By Showing Them Flowchart Of Bain Capital Management Structure. "Romney initially tried to justify the layoffs, defending them as necessary in corporate restructuring. Prodded by the workers to meet with them in Boston, Romney eventually did so, but even then, he further distanced himself, showing a diagram of Bain Capital's corporate structure, claiming he was not to blame." (Stephanie Ebbert, "Romney Seeks High Office With Confidence, Pedigree," *The Boston Globe*, 8/11/02)

Romney Claimed He Was On Leave From Bain Capital When Ampad Layoffs Began, But Former Bain Executive Said Romney Bore Responsibility. "In 1994, Romney tried to distance himself from the Ampad controversy, since he was on a leave of absence during the initial downsizing. But [former Bain Capital executive and Ampad board member Marc] Wolpov, who came to Bain in 1990 from Drexel Burnham, the infamous junk bond company, says: 'I reported directly to Mitt Romney ... You can't be CEO of Bain Capital and say, 'I really don't know what my guys were doing.'" And what were Romney's guys doing? 'My job was to maximize the profits to Bain Capital's partners from the Ampad transaction,' says Wolpov..." (Joan Vennoch, Op-Ed, "Questions Romney Shouldn't Dodge," *The Boston Globe*, 10/24/02)

Three Months After Plant Controversy Roiled 1994 Election, Ampad Decided To Close The Plant Altogether

Union Officials Say Romney Was Running Bain Capital When The Plant Ultimately Closed In February 1995. "Workers blamed Romney for shutting down the Ampad plant in Marion, Ind., three months after he lost to Sen. Edward M. Kennedy (D-Mass.), eliminating some 200 jobs and sowing misery for hundreds of families. ... [U]nion officials said Romney returned to Bain after the Nov. 8 election and was there when the plant closed Feb. 15, 1995." (Andrew Miga, "Plant Workers May Resurface," *Boston Herald*, 4/4/02)

Candidate Romney Promised He Would Look Into Workers' Complaints After The Election, Then Sat By As Ampad's Board (40% Of Which Answered To Him) Voted To Close The Plant. "Romney was routed despite promising the Indiana workers that he would 'look into' their complaints after the election. So when Ampad's five-member board, two of whom answer to Romney via Bain Capital, voted to give up and let the paper plant close, the defeated candidate felt little need to make noise on labor's behalf. 'That was a local decision made on local merits,' he said after the Ampad plant received its death warrant. 'My record on creating jobs here in Massachusetts speaks well for itself.'" (Tom Mashberg, "Romney Backers, Foes Spar Over Plant Closing," *Boston Herald*, 2/21/95)

Then-State AFL-CIO Head Joseph Faherty Promised He Would Remember Romney's Actions And "Expose His Record For The Sham It Is." "If payback is sweet, then Mitt Romney enjoyed his with extra icing last week when the 250 Indiana unionists who helped scuttle his Senate bid finally saw their own jobs go under. ... Joseph C. Faherty, head of the state's AFL-CIO, [indicated] that the political payback could keep going around, and coming around. 'Romney has exacted the final retribution against Ampad workers,' he said. 'Should he decide to seek office in the future, we will be there to expose his record for the sham it is.'" (Tom Mashberg, "Romney Backers, Foes Spar Over Plant Closing," *Boston Herald*, 2/21/95)

- **“The Plant Closed ... With Hardly A Whimper Of News. ‘We Won’t Forget,’ Faherty Said Yesterday. ‘Be Warned.’”** (Tom Mashberg, “Romney Backers, Foes Spar Over Plant Closing,” *Boston Herald*, 2/21/95)

Ampad CEO Had No Doubt Romney Authorized “Rollup” Strategy That Cost Workers Their Jobs. “[Charles Hanson III] was CEO of Ampad from 1992 until 1998, when Bain asked for his resignation. Hanson said that though he had had no direct contact with Romney after Bain took over Ampad in 1992, it was clear to him that ‘any significant direction we received would certainly have been authorized by him.’ Bain Capital, he said, was interested from the start in a ‘rollup’ of Ampad, a consolidation of its resources that clearly involved the layoffs the workers decried yesterday. And Hanson said he had no doubt Romney approved of that strategy.” (Yvonne Abraham, “Workers Press Romney On Layoffs,” *The Boston Globe*, 10/29/02)

Ampad Went Public In 1996, Earning Bain Capital Over \$100 Million, Then Declared Bankruptcy Four Years Later

A Year After Indiana Paper Plant Was Shuttered, Bain Capital Made Over \$100 Million Profit By Bringing Ampad Public. “Ampad raised \$243 million when it went public in July 1996. Bain Capital earned \$107 million by selling its shares, a sizable profit over its initial \$5 million investment in 1992, according to a Bain Capital sales brochure obtained by *The Associated Press*. The document did not say how much Romney himself earned.” (John McElhenny, “Democrats Revisit Labor Deal That Hurt Romney In 1994,” *The Associated Press*, 10/22/02)

“In January 2000, Ampad Declared Bankruptcy.” (Joan Vennoch, Op-Ed, “Questions Romney Shouldn’t Dodge,” *The Boston Globe*, 10/24/02)

HAIER GROUP AND MAYTAG

Romney Touts Business Experience While Campaigning In Iowa, Says Jobs Are Leaving State

In February 2007 Des Moines Event, Romney “Touted His Experience In The Business World.” “Former Massachusetts Gov. Mitt Romney formally announced his run for president Tuesday in Iowa, promoting his status as a Washington outsider ... ‘If ever a time for innovation and transformation were needed in American government, it’s now,’ Romney said. ... At the Des Moines event, Romney touted his experience in the business world ...” (Lisa Rossi, “Romney Touts Values As He Unveils ‘08 Bid,” *Des Moines Register*, 2/14/07)

- **Romney TV Ad That Was Scheduled To Run In Iowa Called Him A “Business Legend.”** (Romney For President, “Romney for President Launches First Television Ads,” Press Release, 2/21/07)

Romney, In Dubuque Last August: “These Are Challenging Times For Iowa ... Jobs Are Leaving Iowa.” “Nussle made his comments Thursday night in Dubuque at a fundraiser that yielded about \$50,000 for the Nussle campaign. The keynote speaker was Massachusetts Governor Mitt Romney, a Republican who painted the same dim picture of Iowa’s economy that Nussle sketched. ‘These are challenging times for Iowa. You’ve figured that out. Jobs are leaving Iowa,’ Romney said.” (O. Kay Henderson, “Nussle: Iowa At Number Three On Act Not Good Enough,” *Radiolowa.com*, 8/16/06)

In 2005, Chinese Appliance Maker Haier Group, Working In Tandem With Bain Capital, Attempted – And Ultimately Failed – To Take Over Newton, IA-Based Maytag Corp.

Haier Embarked On \$1.3 Billion Takeover Bid For Iowa-Based Appliance Manufacturer Maytag. “For years, American workers have worried about losing their jobs to low-cost workers in China. Now a new trend is emerging that could be nearly as big: Wealthy Chinese companies are coming to the U.S. looking to swallow American companies whole. Maytag Corp., the maker of such quintessentially American products as Maytag refrigerators, Amana microwaves and Hoover vacuum cleaners, disclosed Monday night a \$1.28 billion takeover bid from a group led by Haier America Trading, a unit of China’s Haier Group.” (David Greising, “Chinese Firm Wants Maytag,” *Chicago Tribune*, 6/22/05)

- **Haier’s Effort Described As “One Of The Most High-Profile Attempts By A Chinese Company To Enter The U.S. Market.”** (John E. Morris and Shu-Ching Jean Chen, “Haier Retreats,” *The Deal*, 7/25/05)

In Attempted 2005 Buyout Of Maytag, Haier Teamed Up With Bain Capital. “Bain Capital, the venture capital firm that Romney started and made him a multimillionaire, teamed up with the Haier Group, a Chinese appliance maker that has a factory in Iran, in an unsuccessful 2005 buyout effort. The target of their \$1.28 billion bid – the

Maytag Corp., based in the lead presidential caucus state of Iowa.” (Glen Johnson, “Company’s Links To Iran Undercut Romney’s Call For Divestment,” *The Associated Press*, 2/23/07)

Haier Is A Mammoth, State-Controlled Company With Opaque Financial Structures, Undisclosed Ownership Interests, Ties To Communist Party Elites And Manufacturing Facilities In Iran

Observers Struggle To Discern Shareholding Structure Of Company – No Information About Haier’s Ownership Is Public. “Notwithstanding that deference by Haier’s press office to Qingdao officials, it’s not clear if Haier is government owned. Zhang, its CEO and top manager since 1984, has told foreign journalists in numerous interviews that it’s difficult to explain the shareholding structure of the company, and exactly who owns it. ... Technically, Haier is a ‘collective factory,’ a hybrid between state-owned enterprises and privately held corporations, according to a company spokesman in China. According to its Web site, it was founded by ‘street side’ governments, a layer of government one step beneath a city. But no information about its ownership is public.” (John E. Morris and Shu-Ching Jean Chen, “Haier Retreats,” *The Deal*, 7/25/05)

- **“Haier’s Ownership Structure And Finances Are Opaque...”** (David Barboza, “From China, A New Bid For Maytag And Status,” *The New York Times*, 6/22/05)
- **“Haier ... Is Privately-Managed But Still Controlled By The State ...”** (Francesco Guerrera And Richard McGregor, “Price Concerns A Factor In Haier Withdrawal,” *Financial Times*, 7/21/05)
- **Haier “Government-Owned And Based In Qingdao.”** “Haier America is the U.S.-based division of Haier Group, which is government-owned and based in Qingdao.” (“AMC, Loews Cineplex To Merge,” *The Kansas City Star*, 6/21/05)
- **“Haier Is A State-Owned Company That Controls Shanghai-Listed Qingdao Haier Refrigerator And Hong Kong-Listed Haier Electronics.”** (David Teather, “Hoover Is Next On China’s Wish List,” *The Guardian* (London, England), 6/22/05)

Haier Also Has A Manufacturing Presence In Iran. “Haier, which is based in the eastern Chinese city of Qingdao, was one of the first Chinese companies to expand internationally, setting up factories in Algeria, Mexico, Iran and Southeast Asia before it started up its first U.S. factory, in Camden, South Carolina, in 2000.” (Elaine Kurtenbach, “China Cos. Show Appetite For Brand Names,” *The Associated Press*, 6/22/05)

Haier “Largely Government-Owned” And A “Favorite” Of The Chinese Ruling Party. “Haier is also a consumer goods goliath. The company is still largely government-owned, but has a publicly listed division. ... The company, which has about 50,000 employees, is also a favorite of the Beijing government.” (David Barboza, “From China, A New Bid For Maytag And Status,” *The New York Times*, 6/22/05)

Haier’s Longtime CEO Was First Businessman Named To Communist Party’s Elite Central Committee. “[Haier’s] longtime chief executive, Zhang Ruimin, has even fashioned himself as a Chinese version of John F. Welch Jr., the hard-driving former chief of G.E. Mr. Zhang is the first businessman named to the Communist Party’s elite ruling committee, the Central Committee.” (David Barboza, “From China, A New Bid For Maytag And Status,” *The New York Times*, 6/22/05)

- **“[Haier] CEO Zhang, For Example, Doubles As The Company’s Internal Communist Party Secretary General...”** (John E. Morris and Shu-Ching Jean Chen, “Haier Retreats,” *The Deal*, 7/25/05)

Haier’s U.S. Spokesman Instructed By Chinese Superiors To Say The Company Does Not Comment On Anything. “[I]t was hard to get any information from or on Haier – unusual given that it was bidding for a public company. A woman at Haier’s U.S. headquarters says there is no press officer and that she is instructed to say that the company does not comment on anything. The information flow is only marginally better at the home office in Qingdao, in Shangdong province, where foreign journalists need clearance from the foreign affairs department of the local Qingdao government before the company will consider replying to written or e-mailed questions.” (John E. Morris and Shu-Ching Jean Chen, “Haier Retreats,” *The Deal*, 7/25/05)

Haier Wanted To Leverage Maytag’s Brand Identity While Shipping Manufacturing Jobs From Iowa To China

“If The Chinese Acquire Maytag With Bain Cash, They Would Be Expected To Cut Thousands Of U.S. Jobs And Move The Manufacturing To Cheaper Locations Back Home.” (Brett Arends, “American Workers’ Bane,” *Boston Herald*, 6/22/05)

Haier Expected To Have Moved Most Maytag Production From Iowa To China. “Haier would be expected to move production of most of Maytag’s branded products to China. Company officials have indicated an interest primarily in Maytag’s strong distribution and product-repair networks and not necessarily its brands.” (David Greising, “Chinese Firm Wants Maytag,” *Chicago Tribune*, 6/22/05)

- **Washington Post:** “Analysts saw Haier’s interests in Maytag as ... a deal that would have used the venerable U.S. brand name to sell machines that could be made in the Chinese company’s existing factories.” (Peter Goodman and Ben White, “Haier Withdraws Maytag Bid,” *The Washington Post*, 7/20/05)

Haier’s Business Plan “Envisaged ... Moving Manufacturing To Low-Cost China.” “Haier was also worried about the problems in implementing its business plan – which envisaged keeping Maytag’s sales and distribution teams in the US while moving manufacturing to low-cost China – in the face of opposition from a highly unionised workforce.” (Francesco Guerrera And Richard McGregor , “Price Concerns A Factor In Haier Withdrawal,” *Financial Times*, 7/21/05)

- **“Haier’s Initial Plan For Maytag Envisages Cutting Costs By Moving Its Manufacturing From Its US Base, While Investing In Maintaining The Brand And Sales Channels In America.”** (Richard McGregor and James Politi, “Haier Might Consider Joint Bid,” *Financial Times*, 6/15/05)
- **“Haier Could Leverage The Deal By Shipping Its Own Branded Appliances Through Maytag’s Distribution Channel.”** (David Greising, “Chinese Firm Wants Maytag,” *Chicago Tribune*, 6/22/05)
- **Newton [IA] Daily News Editor Peter Hussman Expressed Concern:** “We’ve got this thing hanging over us ... A lot of people feel that if Haier acquires Maytag there would be no chance of future production locally...” (Jeremy Grant And James Politi, “Haier Offer Casts A Chill Over Maytag Home Town,” *Financial Times*, 6/22/05)

Haier Interested In Shifting Production “Back To Its Far Cheaper Home Base” In China And Elsewhere. “Haier’s interest in Maytag would be far more in acquiring distribution and brand than more production facilities in the U.S. One advantage of a Chinese purchaser for the troubled U.S. maker is the ease with which it could shift production back to its far cheaper home base. ‘Paying workers \$40 an hour, you can’t compete with workers offshore who are paid \$4 a day. This fits the trend,’ says one banker.” (Dennis Berman and Henny Sender, “Private Equity Heavyweights To Join Haier Bid For Maytag,” *The Globe And Mail* [Canada], 6/21/05)

- **“Haier Would Be Able To Significantly Reduce Maytag’s Costs By Shifting Production To Its Asian Factories.”** (David Teather, “Hoover Is Next On China’s Wish List,” *The Guardian* (London, England), 6/22/05)

Deal Had “Added Significance” Of Chinese Company Not Only Buying Legendary American Brand, But Also Moving Jobs Abroad. “Any move by Haier would be a politically fraught one. Manufacturing jobs such as the ones in Maytag’s Newton, Iowa, headquarters, have for years been moving abroad to Mexico and Asia. But there would be an added significance of a Chinese-based company arriving in the American Heartland only to move many or most of those jobs abroad.” (Dennis Berman and Henny Sender, “Private Equity Heavyweights To Join Haier Bid For Maytag,” *The Globe And Mail* [Canada], 6/21/05)

History Of Maytag Is Part Of The Fabric Of Newton, Iowa

New York Times, On Newton: “Nearly Everyone ... Here Has A Maytag Memory.” “Nearly everyone along the streets here has a Maytag memory: the Maytag Queen being crowned in the Maytag Bowl amphitheater at Maytag Park; the arrival of the stackable washer and dryer; the way the company’s ‘suits’ from headquarters once prided themselves on knowing the names of all of their workers at the plant on the other side of town.” (Monica Davey, “With Loss of Maytag, Town Faces the Loss of Its Identity ,” *The New York Times*, 6/7/06)

Former And Current Maytag Workers React To News Of Impending Closing Of Maytag Plant In 2006

40-Year Maytag Worker Leland Smith: “Everything That Has Happened Here Has Depended On Maytag.” “In the cool, echoey halls of the history museum in this company town, the display cases are full of washing machines. ... In many ways, said Leland Smith, who guided a visitor through the exhibit halls, the story of the Maytag Company is the story of Newton. ... ‘Directly or indirectly, everything that has happened here has depended on Maytag,’ said Mr. Smith, 75, who, long before he began showing people around the museum, worked for some 40 years as an industrial engineer -- at Maytag, of course.” (Monica Davey, “With Loss of Maytag, Town Faces the Loss of Its Identity ,” *The New York Times*, 6/7/06)

Former Maytag Worker Craig Miller Sr.: “Like Everything Else, I Guess, They Went Corporate And You Were No More Than A Number, Period.” “‘That’s when it was more of a family business,’ said Craig Miller Sr., who retired as an electrician from the Maytag plant, whose wife still works there in sheet metal and whose father worked there briefly in 1946. ‘But as things progressed, like everything else, I guess, they went corporate and you were no more than just a number, period. That’s when it started going downhill.’ Mr. Miller said people in Newton had quietly fretted about what might become of Maytag as times got hard and competition was stiff. Suddenly, the company that had driven the town’s stability and spared it from forces, like the farm crisis, that every town nearby wrestled with seemed to have trouble of its own.” (Monica Davey, “With Loss of Maytag, Town Faces the Loss of Its Identity,” *The New York Times*, 6/7/06)

Laid-Off Maytag Worker Denny Hosting: “I Guess I’ll Go Back To Trimming Trees.” “Denny Hosting sat at another table, looking numb. Hosting isn’t retired. In fact, he’d gone to work at 7 a.m. to do what he always does, assemble front-loading Neptune washers. There’d been a big layoff two weeks ago. Then a bunch more got the word Friday. The only people left, he said, were the ones with the most seniority. Now they were left hanging, too. ‘The company had been laying people off around every three months,’ Hosting said. ‘Fifteen hundred over the last 18 months. I figured they’d do what the meatpacking plants have done for years. Shut it down, break the union, then start it back up. The only thing that shocks me is the permanent closing. I guess I’ll go back to trimming trees.’” (Marc Hansen, “Long-Expected Punch Still Subdues Newton,” *Des Moines Register*, 5/11/06)

18-Year Maytag Worker Tim Hartgers: “Where Else Am I Going To Find A Job That Pays That Well?” “Casualties include Tim Hartgers, 42, who has worked at the plant for 18 years. He is a sheet-metal worker, making between \$18 and \$19 an hour. Hartgers said he knew there was a chance the plant would close after Whirlpool bought it March 31. ‘There’s not a thing you can do about it,’ he said. ‘But where else am I going to find a job that pays that well?’” (William Ryberg, “Whirlpool To Newton: You Never Had A Chance,” *Des Moines Register*, 5/11/06)

Second-Generation Maytag Worker Rick Holmes: “At Least We Know Now.” “‘At least we know now,’ said Rick Holmes, who worked at Maytag, as did his grandfather. Mr. Holmes said he and his family were likely to move away, perhaps to somewhere in the South, depending on where he found work. Plenty of houses in town now have for-sale signs on them, and as Mr. [Craig] Miller, the Maytag retiree, lamented, ‘Who is going to buy any of them?’” (Monica Davey, “With Loss of Maytag, Town Faces the Loss of Its Identity,” *The New York Times*, 6/7/06)

Former Military Wife – And Current Maytag Wife – Manuela Holmes: “Maytag Always Took Care Of Their People, Or So We Heard. ... We’ve Moved So Many Times.” “All day, Manuela Holmes waited by the telephone, anxious for news about her family’s future. A military wife since age 19, Holmes has had to relocate every two or three years or so throughout her adult life. Then, seven years ago, her husband, Rick, retired from the military and took a job at Maytag’s headquarters in Newton. Holmes figured it would be a more stable life for the couple and their two children, now ages 13 and 18. ‘Maytag always took care of their people, or so we heard,’ she said. ... The thought of leaving Newton made her cradle her face in her hands. ‘We’ve moved so many times,’ she said. ‘This was our first place for seven years straight.’” (Jennifer Jacobs, “Uncertain Days Fill Their Futures,” *Des Moines Register*, 5/11/06)

38-Year Maytag Worker Curt Jackson: “What Will 1,000 People Do In This Town?” “Curt Jackson, who spent 38 years with Maytag, said it’s a little strange seeing the name ‘Whirlpool’ on his pension checks. He still cashed them, but it wasn’t the same. ... ‘They made all their money in Newton,’ Jackson said, ‘and now they tell us Newton is the problem. What will 1,000 people do in this town? They can’t all work at the racetrack.’” (Marc Hansen, “Long-Expected Punch Still Subdues Newton,” *Des Moines Register*, 5/11/06)

Former Maytag Worker Mary Cass: “This Has Been Really Stressful.” “Mary Cass was laid off a few months ago. Her husband was a supervisor. He took a buyout and went to Ohio for a job. Mary stayed back and tried to sell the house. In the meantime, her marriage fell apart. She was already starting over when the news came Wednesday. She’s taking classes at DMACC, studying to be an accountant and still trying to sell her house, which has been on the market for a year. The plant closing isn’t going to help. ‘There are so many homes for sale,’ she said. ‘I just lowered the price this week. This has been really stressful.’” (Marc Hansen, “Long-Expected Punch Still Subdues Newton,” *Des Moines Register*, 5/11/06)

Former Maytag Worker Joe Keeler: “There Are Going To Be A Lot More Houses On The Market.” “Joe Keeler’s former house in Colfax sits empty, as it has for months, with a for-sale sign out front and a price tag that’s been slashed three times. The most recent drop came last week, when Keeler – who left his mechanical engineering job at Maytag last November – heard that the factory and headquarters would shut down. ‘The first thought was: There are going to be a lot more houses on the market,’ said Keeler, who now lives near Milwaukee with his wife and young daughter.” (Bonnie Harris, “For Sale Very Soon: A Lot More Houses,” *Des Moines Register*, 5/14/06)

Third-Generation Maytag Worker Bill Hull: “Everyone At Work Was Kind Of Numb.” “Bill Hull was shocked but not crestfallen by Wednesday’s announcement that his job of 12 years would be gone by October 2007. ‘We’ve known for some time that this could happen, and I guess that’s the way we have lived our lives since the strike back in 2002,’ said Hull, who represents the third generation of his family to work at Maytag. His father, Don Hull, 57, of Knoxville, retired from Maytag a little more than nine years ago, after 30 years of service. Don Hull’s father, the late Beryl Hull, worked at Maytag at least 20 years before leaving the company in the mid-1970s. ‘Maytag has been a provider for many, many Hull and Walters families for years,’ Bill Hull said. ... [Hull] said the first thing he did after learning the plant would close was call his wife, Dawn, who stays home with their four children. ‘Everyone at work was kind of numb,’ he said.” (Juli Probasco-Sowers, “We Aren’t In Limbo Anymore,” *Des Moines Register*, 5/11/06)

Local Officials Reacted To News Of Maytag Plant Closure With Sadness And Disappointment

Newton Mayor Chaz Allen: Sense Of Disappointment At News Of Plant Closing. “When it comes down to it, this possibility has been on people’s minds ever since I’ve been here,’ said Chaz Allen, the mayor of Newton, who moved here six years ago. Still, that did not diminish the sense of disappointment and worry that Mr. Allen felt when he received a call from company officials on May 9 at 10:23 p.m. – a time that he says is etched in his memory.” (Monica Davey, “With Loss of Maytag, Town Faces the Loss of Its Identity ,” *The New York Times*, 6/7/06)

Newton Daily News Editor Peter Hussman: Residents Are “Sorting Through The Rubble And Wondering What The Aftershocks May Be.” “For now, Newton is ‘sorting through the rubble and wondering what the aftershocks may be,’ said Peter Hussmann, the editor of The Newton Daily News. The signs are mixed in recent days: a new bank said it would come to town, Mr. Hussmann said, but a local printer, which had long done business with Maytag, announced that it would close. And if new companies do come, in a diversified economy, will any of them mean what Maytag meant? ‘I think that’s what Newton is trying to find out – what its identity will be,’ Mr. Hussmann said. ‘I don’t think our identity is formed yet. I think we’re looking for one.’” (Monica Davey, “With Loss of Maytag, Town Faces the Loss of Its Identity ,” *The New York Times*, 6/7/06)

UAW Official Dennis Williams: “It’s Sad For The Community.” “A leader of the union representing Whirlpool’s Newton union on Thursday praised Gov. Tom Vilsack’s efforts to save former Maytag jobs in Newton. United Auto Workers Regional Director Dennis Williams doubts Iowa leaders had a serious chance to influence Whirlpool’s decision. ... He expressed bitterness about former Maytag Chairman Ralph Hake’s role in Maytag’s sale, which he felt many UAW members share ... ‘It’s sad for the community,’ Williams said. ‘Newton is a great community to live in. I have family there.’” (Dave Dewitte, “Leader Of Newton Union Praises Vilsack,” *The [Cedar Rapids, IA] Gazette*, 5/12/06)

STREAM INTERNATIONAL, INC.

Stream International Provided Outsourced Customer Support Services To Corporations

Stream Called “One Of The Bigger Players” In The Outsourced Call Center Industry. “Canton’s Stream International offers its call centers to corporations on an outsourced basis, and is one of the bigger players in the industry. The company employs 7,500 call center agents in nine countries, and last fall it bought a system that will allow its agents to interact with clients using VOIP technology.” (C.A. Soule, “Telco’s New Center Of Growth,” *Mass High Tech*, 4/30/01)

Bain Capital Invested In Stream International’s Predecessors As Early As 1993 And Held Majority Stake In Company From November 1999 Through October 2001

Bain Bought Corporate Software Inc. In 1993, Merged It With R.R. Donnelley & Sons Unit (With Bain Holding Minority Stake) In 1995 To Create Stream International; Bain Purchased Majority Stake In Stream In November 1999. “Bain’s Stream investment is an offshoot of the firm’s purchase of Corporate Software Inc., a supplier of software services, for \$94 million in late 1993. In 1995 Bain merged Corporate Software with R.R. Donnelley & Sons Co.’s global software services unit to create Stream International Holdings Inc. At that point, Donnelley owned 87% of Stream and Bain just 4%, according to a U.S. Securities and Exchange Commission filing. In early 1998 Stream spun off its Modus Media International unit, a supplier of supply-chain management services. Bain, which owns about 39% of Modus, bought out Donnelley’s holding in Stream for \$96 million in November 1999.” (David Carey and Sarah Cohen, “Solectron To Buy Bain Capital Unit,” *Daily Deal*, 9/25/01)

Bain Capital Became “Primary Equity Holder” In Stream After Borrowing Over \$82 Million To Finance LBO. “Lehman Brothers, acting as the sole lead arranger, administrative agent and syndication agent, launched

into the market at a bank meeting in New York on Oct. 13 an \$82.5 million credit facility for Stream International Inc. ... Proceeds from the deal will be used to fund the company's leveraged buyout by private equity investment firm Bain Capital Inc. Stream's primary equity owner is R.R. Donnelley & Sons Co., which owns 87% of the company. Once the transaction is completed, Bain Capital will become the primary equity holder in the company." ("Bain Taps Lehman For Stream LBO," *Bank Loan Report*, 10/25/99)

Bain Reportedly Paid \$96 Million To Acquire Majority Interest In Stream. "Stream International split off from its larger parent, now Modus Media International and Corporate Software, prior to the Bain VI investment in 1999. (However, Bain IV was already an investor in Modus Media since 1993, and still holds a 39% stake.) Bain purchased R.R. Donnelley & Sons Co.'s stake in Stream International for \$96 million." (Christa Fanelli, "Bain Capital Sends Company Upstream," *BuyOuts*, 10/8/01)

Bain's Total Capital Outlay In Stream Was Not Publicly Determined. "Bain's capital outlay in Stream isn't quantified in financial statements. The firm has received at least one capital distribution, of \$12.3 million, following its initial investment." (David Carey and Sarah Cohen, "Solectron To Buy Bain Capital Unit," *Daily Deal*, 9/25/01)

In October 2001, Bain Sold Its Majority Interest In Stream For What Was Assumed To Have Been A "Substantial Gain" For Bain Investors

Bain Capital Sold Its 60% Equity In Stream To Solectron Corporation For An Undisclosed Sum. "Boston-based Bain Capital last month agreed to sign off its investment in Stream International Inc., a customer care and technology support company for online and technology companies, to Solectron Corp. Terms of the deal, which is expected to close by the end of October, were undisclosed. Bain will be selling its full ownership stake of approximately 60% of the company." (Christa Fanelli, "Bain Capital Sends Company Upstream," *BuyOuts*, 10/8/01)

Bain "Probably" Turned Substantial Profit From Its Investment In Stream. "Although the magnitude of Bain's profit from the sale isn't clear, the firm will probably register a substantial gain considering Stream's recent performance. Kathleen Nordgren, a Stream press official, said that revenues climbed 36% from 1999 to 2000 and are on track to grow more than 20% this year. Stream's Ebitda, she said, is in the black. 'If the company weren't healthy, I doubt Solectron would have been interested in us,' she said." (David Carey and Sarah Cohen, "Solectron To Buy Bain Capital Unit," *Daily Deal*, 9/25/01)

Stream Experienced "Significant Growth" Under Bain's Management. "Under Bain's ownership, Stream International has seen significant growth, mainly through acquiring new clients and building up the accounts of existing clients. Last year the company, based in Canton, Mass., had \$323 million in sales. Kathleen Nordgren, a spokesperson for Stream International, said the company grew 'well over 30% last year' and is seeing growth again this year, though to a lesser extent." (Christa Fanelli, "Bain Capital Sends Company Upstream," *BuyOuts*, 10/8/01)

Solectron Itself Sold Stream To Portfolio Firm Of Private Equity Concern H.I.G. Capital In April 2004. "Originally a unit of Garland-based Software Spectrum, a software reseller, the business that is now called Stream was purchased for an undisclosed amount in June 2003 by a Miami private equity concern, HIG Capital. At the time, the business operated under the name ECE, an acronym for 'Exceptional Customer Experience.' In April, HIG purchased Stream International from California-based Solectron Corp., merged the 8,000-employee Stream with the 2,000 employee ECE and gave them the Stream name. Terms of that purchase weren't disclosed." (Jeff Bounds and Christine Perez, "Stream Picks Richardson For Consolidated Offices," *Dallas Business Journal*, 7/16/04)

- **Solectron's Divestment Was Complete By April 2004.** "Solectron Corporation, a leading provider of electronics manufacturing and integrated supply chain services, said today it completed the sale of its Stream International call center business to the parent company of ECE Holdings, Inc., a leading global provider of outsourced technical support and customer service and funded by H.I.G. Capital. Stream and ECE provide technical support and customer service to high-technology companies and their customers." (Solectron Corporation, Press Release, 4/14/04)

Stream International Filed IPO In 1997, Withdrew Offering Four Years Later

Stream Filed For IPO In April 1997 But Withdrew Filing On September 17, 2001. "In the wake of the Sept. 11 terrorist attacks, the psychological impact on how the attacks will affect the economy of the United States is still a large question mark. When the stock markets tumbled last week, many companies planning their initial public offerings decided to hold out until markets stabilized, while some pulled out altogether. ... Stream International Holdings Inc., a technical support outsourcing company, filed a \$51.6 million IPO in April 1997 with Deutsche Banc Alex. Brown serving as lead underwriter, but withdrew its offering Sept. 17. The company simply stated it

does not intend to conduct the offering of shares of common stock contemplated, according to its Form-RW.” (Frank Musero, “IPOs On Hold As Market Remains Uncertain,” *IPO Reporter*, 9/24/01)

In Letter To SEC Dated Sept. 14, 2001, Stream Offered No Explanation For Withdrawing Its IPO Registration. “In accordance with Rule 477 promulgated under the Securities Act of 1933, Stream International Inc. (the ‘Company’) hereby withdraws its Registration Statement on Form S-1 (Registration No. 333-26185), which was originally filed with the Securities and Exchange Commission on April 30, 1997. The Company is withdrawing the Registration Statement because it does not intend to conduct the offering of shares of Common Stock contemplated in the Registration Statement at this time. No shares of Common Stock of the Company have been issued or sold under the Registration Statement.” (Stream International Inc., Letter To The Securities And Exchange Commission, 9/14/01)

At Time Of Stream’s IPO Filing In 1997, Two Bain Capital Employees Sat On Company’s Board Of Directors

Bain Capital Principal Jonathan Lavine Served As Director Of Stream International. “Mr. [Jonathan] Lavine serves as a Director of the Company. He has been a Principal at Bain Capital, Inc. since 1995 and was an Associate at Bain Capital, Inc. from 1993 to 1995. ... Previously, Mr. Lavine worked in the mergers and acquisitions department of Drexel Burnham Lambert, Incorporated. Mr. Lavine is also a Director of Clarity Telecom, Inc. and American Pad & Paper Company.” (Stream International Inc., SEC Form S-1/A, Registration No. 333-26185, Filed 12/23/97)

Bain Capital Managing Director Mark Nunnelly Served As Director Of Stream International. “Mr. [Mark] Nunnelly serves as a Director of the Company. He has served as a Director of the Parent Company since 1995. Mr. Nunnelly has been a Managing Director of Bain Capital, Inc. since 1992, and a General Partner of Bain Venture Capital since 1990. Prior to joining Bain Venture Capital, Mr. Nunnelly was a Partner at Bain & Company, where he managed several relationships in the manufacturing sector...” (Stream International Inc., SEC Form S-1/A, Registration No. 333-26185, Filed 12/23/97)

Both Lavine And Nunnelly Were Members Of Stream’s Audit Committee And Compensation Committee. (Stream International Inc., SEC Form S-1/A, Registration No. 333-26185, Filed 12/23/97)

Bain Capital Financed Position In Stream International Thru Bain Capital Fund VI In 1999

Bain VI Closed In 1998 – While Romney Ran Daily Operations – With \$200 Million Committed By Firm’s Partners And \$1.1 Billion In Total Capital Commitments. “Bain Capital’s Fund VI closed in 1998 with \$1.1 billion in committed capital and the Coinvestment Fund of Fund VI raised \$400 million. Bain’s general partners committed \$200 million to the final closing.” (Christa Fanelli, “New Funds: Bain Capital Fund VII Aims For \$2B,” *BuyOuts*, 5/29/00)

Stream International Was Among Investments In Bain VI Portfolio. “Bain Capital will continue its tradition of investing in high-cap companies in various industries. The firm’s recent investments include Interpath, an e-commerce unit of Carolina Power & Light, Mattress Discounters, ChipPac Inc., a semiconductor assembly and test provider, and Stream International Inc., a technical support provider.” (Christa Fanelli, “New Funds: Bain Capital Fund VII Aims For \$2B,” *BuyOuts*, 5/29/00)

Bain Capital Took 30% “Carry,” Or Share Of Profits, From Bain VI. “With tight lips, Bain Capital this month began marketing its seventh buyout fund. Bain Capital Fund VII LP, like Fund VI, will be raised simultaneously with a Coinvestment Fund. ... Reports have indicated that Bain Capital will again charge a 30% carry for Fund VII, as it did for Fund VI.” (Christa Fanelli, “New Funds: Bain Capital Fund VII Aims For \$2B,” *BuyOuts*, 5/29/00)

Months After Bain’s Acquisition Of Stream, Bain Capital “Point Person” Scott Murray Was Hired As Stream’s President And Chief Operating Officer

February 2000: Three Months After Being Acquired By Bain Capital, Stream Appointed Longtime Bain Capital Business Associate Scott Murray As President And COO. “Stream International announced today the appointment of R. Scott Murray as President and Chief Operating Officer reporting to Steve Moore, Chairman and Chief Executive Officer. As President and Chief Operating Officer, Murray will be responsible for Stream’s North American operations, which account for the majority of Stream’s revenues and employees and will be part of the overall corporate executive team.” (Stream International, Press Release, 2/9/00)

The Deal Called Murray “A Point Person” For Bain Capital “As It Deals With Its Portfolio Companies.” “Knowing that private equity firms like to operate privately, Scott Murray, CEO of Modus Media International Inc., doesn’t want to say too much about Bain Capital LLC. But over the past several years he has emerged as a point person for the Boston-based private equity firm as it deals with its portfolio companies.” (Dennis Fitzgerald and Heidi Moore, “Movers & Shakers,” *The Deal*, 4/5/04)

Before Being Tapped To Run Stream, Murray Served As CFO At Bain Capital Portfolio Company “The Learning Company.” “Before joining Stream, Murray was the Executive Vice President and Chief Financial Officer of The Learning Company. TLC was the largest consumer software company in the world developing and marketing educational, productivity and entertainment software for the retail, OEM, direct response, International, school and e-commerce channels.” (Stream International, Press Release, 2/9/00)

Murray Held Senior Positions For At Least Three Bain Capital Portfolio Companies By The Age Of Forty – Including His Stint At Stream. “Before Murray, 40, joined Modus two years ago, he was president and COO of Stream International Holdings Inc., a call center company and Bain investment that in the mid-'90s included Modus. ... Prior to Stream, Murray was chief financial officer of Learning Co., an educational software company and an investment of Thomas H. Lee Co., Bain and Centre Partners Management LLC.” (Dennis Fitzgerald and Heidi Moore, “Movers & Shakers,” *The Deal*, 4/5/04)

Murray Said Bain Capital Had “Asked Me To Work With Them.” “Murray says his continued affiliation with Bain is largely serendipitous. ‘I have been available, and they have asked me to work with them,’ he says.” (Dennis Fitzgerald and Heidi Moore, “Movers & Shakers,” *The Deal*, 4/5/04)

As Of October 1, 1997 – Before Bain Capital Assumed Majority Stake – Stream Employed Over Seven Times As Many Full-Time Workers In The U.S. As It Did Overseas

Stream International Workforce (As Of Oct. 1, 1997) *	
Location	Full-time Employees
Beaverton OR (Gemini)	100
Beaverton OR (Murray)	560
Canton MA	650
Dallas TX (LBJ)	820
Dallas TX (Trinity)	960
Memphis TN	*
Domestic Employees	3,090
Amsterdam, Netherlands	220
Londonderry, Ireland	110
Velizy, France	90
Overseas Employees	420

* Source: Stream International Inc., SEC Form S-1/A, Registration No. 333-26185, Filed 12/23/97

Under Bain Capital’s Guidance – And As Result Of “Booming” Outsourcing Business – Stream Announced Ambitious Expansion Plans In Summer Of 2000

June 2000: Under Bain Management, Stream Announced Plans To Nearly Double Number Of Employees From 7,000 To 13,000, Including Over 200 New Jobs In Hometown Of Canton, Massachusetts. “Stream International Inc. of Canton will build up to a dozen new call centers worldwide as part of a \$60 million expansion it plans to announce today. Closely held Stream provides technical support for customers of companies including Microsoft Corp. and Excite@Home. It now has about 7,000 employees at 14 centers, including about 1,000 workers in Canton. An expansion over the next year will add another 6,000 employees, including about 255 in Canton, executives said.” (Ross Kerber, “Canton, Mass.-Based Tech Support Company To Announce Major Expansion,” *The Boston Globe*, 6/27/00)

- **Included In Stream’s Expansion Plans: 600 New Jobs In Mumbai, India.** “New sites will include buildings in Montana, New Mexico, Canada, and northern Spain, among other places. Stream also said it will hire 600 workers in Bombay, to provide support via e-mail. In Canton, Stream plans to upgrade its infrastructure and

add about 55 corporate staff employees, 100 software support workers, and 100 employees for hardware support.” (Ross Kerber, “Canton, Mass.-Based Tech Support Company To Announce Major Expansion,” *The Boston Globe*, 6/27/00)

Stream’s “Outsourcing” Business Was Described As “Booming.” “Stream’s call-center business is booming as hardware and software companies hire outsiders to answer questions about their products. The business is known as ‘outsourcing,’ and it spares companies from having to talk to live customers.” (Ross Kerber, “Canton, Mass.-Based Tech Support Company To Announce Major Expansion,” *The Boston Globe*, 6/27/00)

OUTSOURCING AMERICAN JOBS

Under Bain Management, Stream Declined To Open Call Centers In Idaho And Wyoming As It Opened Or Expanded Facilities In Canada, Spain, France, Ireland And India

In April 2000, Stream Declined Not To Open Call Facility In Gillette, Wyoming Because Local Unemployment Was Too Low And Workers Were Too Skilled. “The city will not be the location of a call center for Internet service providers because residents tend to be overqualified and want more pay than Stream International intended to provide. Susan Bigelow, executive director of the Campbell County Economic Development Corp., told the city council the news Wednesday. ... ‘Not many of the applicants at the open house indicated a willingness to work for less than \$10 per hour, which is consistent with the high skill level that was represented,’ she said.” (“Call Center No Longer Considering Gillette,” *The Associated Press*, 4/13/00)

- **“In April, Stream International Decided Against Opening A Computer Service Call Center In Gillette Because Workers Wanted Too Much Pay And The Local Economy Was Too Healthy.”** (“Two Telecommunications Companies Now Considering Gillette,” *The Associated Press*, 7/12/00)

Later That Summer, Stream Declined To Open Call Center In Twin Falls, Idaho. “Twin Falls had the telecommunications upgrades on the way. It pulled together a handsome package of incentives. And it had a site all picked out. But the city’s unemployment news was just too good to land a certain call center’s jobs for Twin Falls, which lost out to cities with higher jobless rates. Now that Dave McAlindin has a definitive ‘no’ from Stream International Inc., he consented recently to talk about the one that got away.” (Virginia Hutchins, “Low Unemployment Rates Doom Idaho Town’s Quest To Land Telecom Call Center,” *Times-News* [Twin Falls, ID], 9/19/00)

- **Stream’s Reasoning: Local Unemployment “Just Wasn’t High Enough.”** “[S]tream itself on Monday granted its first brief interview to *The Times-News*. ‘We were looking at the demographics of locating a contact center in your area,’ said Kathleen Nordgren, Stream’s director of public relations. ‘But I guess the good news for you is that one of the demographics that we look at is unemployment, and unemployment just wasn’t high enough to justify the size of contact center that we would be looking to open.’” (Virginia Hutchins, “Low Unemployment Rates Doom Idaho Town’s Quest To Land Telecom Call Center,” *Times-News* [Twin Falls, ID], 9/19/00)
- **Local Chamber Official Said Stream Officials Were “Pretty Aloof The Whole Time, Pretty Tough To Talk To.”** “Though Stream seemed satisfied with the location package, [Twin Falls chamber executive Kent] Just said he thinks an immediately ready building could have made a difference. But he never got to talk to Stream about it. ‘They were pretty aloof the whole time, pretty tough to talk to,’ Just said. ‘We talked to them through consultants, mostly.’” (Virginia Hutchins, “Low Unemployment Rates Doom Idaho Town’s Quest To Land Telecom Call Center,” *Times-News* [Twin Falls, ID], 9/19/00)

Later That Year, Stream Announced It Would Open New Facility In La Coruna, Spain. “To respond to the need for additional Spanish capabilities, Stream will open a customer interaction center in La Coruna, Spain, in the fourth quarter of this year. La Coruna was chosen due to the availability of customer service and technical skills in the labor force, the quality of the data and telecommunications infrastructure, and the proximity to local universities. Because La Coruna is near the Portuguese border, the site will also be able to enhance Stream’s Portuguese capabilities in Europe.” (Stream International, Press Release, 10/12/00)

- **“[I]n The Second Half Of 2000, Stream Will Have Opened A Total Of 6 New Customer Interaction Centers Worldwide, In The U.S., Canada, Spain, And India.”** (Stream International, Press Release, 10/12/00)

September 2000: Stream Launched New E-Service Facility In India, Offering “Cost-Efficient” Services To Worldwide Client Base. “Stream International ... today launched its expanded e-service offering through its new Virtual Interaction Center in India. The e-services will be offered by Stream Tracmail India Ltd, a joint venture formed to provide 24x7 electronic customer service and technical support solutions to Stream’s world-class client

base. ... The Virtual Interaction Center in Mumbai will provide high quality, cost-efficient eCRM services initially via e-mail, and in the future, chat, collaboration and knowledge authoring.” (Stream International, Press Release, 9/14/00)

- **President And COO Scott Murray:** “Our decision to expand our services to India provides clients with access to a unique labor market, which is not only highly skilled, but also has a strong work ethic. Customers will benefit from our guaranteed timely 24 hours response even though their questions are being answered from half way around the globe.” (Stream International, Press Release, 9/14/00)
- **India Facility “Will Be Managed By Stream’s North American Operations.”** “Stream Tracmail India Ltd. will be managed by Stream’s North American Operations. This structure will provide Stream’s clients with the same dependable high quality services that they experience from existing operations.” (Stream International, Press Release, 9/14/00)

March 2001: Stream Announced It Would Add Up To 300 Jobs – On Top Of 1,000 Existing Jobs – At Its Facility In Ontario, Canada. “Stream International, Inc. ... announced it will expand its operations in Belleville, Ontario, by adding capacity for up to 300 additional employees. Belleville currently hosts more than 950 employees who provide customer care and technical support using voice and Internet technologies. ... According to the company, Canada is a critical component of Stream’s North American expansion plans.” (“Canadian Expansion For Stream International,” *Customer Interaction Solutions*, 3/1/01)

In July 2001, Stream Selected Angers, France As Location For 200-Person Call Center. “Stream International, a global Customer Relationship Management (CRM) outsourcing and support services provider for leading technology companies and e-businesses, today announced that it has selected Angers, France, as the location of its newest European Customer Interaction Center. Stream’s second French Center will host 200 new workstations for customer care and technical support agents using leading edge voice and Internet-based technologies.” (Stream International, Press Release, 7/17/01)

- **An Existing Call Center Located Near Paris Already Employed 400 People.** “The move to Angers is a key component of Stream’s French expansion strategy. The first French center located in Velizy, near Paris, employs 400 support agents and is near capacity.” (Stream International, Press Release, 7/17/01)

August 2001: Stream Announced Opening Of New Facility In Nova Scotia, Expected To Create Up To 900 Canadian Jobs. “Stream International ... announced today that Stream has selected Glace Bay, Nova Scotia, for its next Canadian Customer Interaction Center. Once fully operational, Stream expects the Customer Interaction Center to employ up to 900 employees. Stream has begun recruiting for all levels of employment positions, including customer interaction agents, mentors, team managers and service delivery managers. The company expects to be able to fill its site management positions primarily from the local Cape Breton Region.” (Stream International, Press Release, 8/10/01)

September 2001: Stream Opened Call Center In British Columbia, Creating Roughly 900 New Canadian Jobs. “CRM outsourcing and support services provider Stream International opened its third Canadian customer interaction center in Chilliwack, British Columbia. At full capacity, the company expects to employ approximately 900 people. ... Stream expects to fill its site management positions primarily from the local Chilliwack area.” (“Stream Online In British Columbia,” *Customer Interaction Solutions*, 9/1/01)

October 2001: Stream Announced It Would Expand Its Derry Facility In Ireland, Which Already Employed More Than 600 People Providing Support For Dell And H-P Product Users. “Stream International has announced plans to expand its workforce in Londonderry. The company is currently recruiting technical support representatives and is also looking for team managers. ... The Derry operation started in January 1996 and now employs over 600 people making it the third largest employer in the city. Each day around 14,000 customer service and technical support issues are handled by telephone and e-mail for the end user customers of companies such as Dell or Hewlett Packard. Steve Moore, CEO Stream, views the Derry operation as one of the company’s key worldwide reference sites in terms of the quality of the local workforce and the world-class reputation the Derry site has developed with its clients.” (Joe Harkin, “Northwest Focus,” *Belfast Telegraph* [Ireland], 10/16/01)

October 2001: Stream Formed New Business Structure To Manage Canadian Operations In Wake Of New Facilities In British Columbia, Nova Scotia And Ontario. “Stream International, a global Customer Relationship Management (CRM) outsourcing and support services provider for leading technology companies and e-businesses, today announced a new organizational structure to lead its Canadian Management Team. ... This success has resulted in the opening of two additional Canadian sites in Chilliwack, British Columbia, and Cape Breton, Nova Scotia, in the past year.” (Stream International, Press Release, 10/10/2001)

- **President And COO Scott Murray Praised Company's Plans To Expand In Canada.** "We are very excited about the success we've had in Canada, which has prompted the formation of this new management structure for our Canadian Operations ... With over 1,000 employees currently working in Belleville and a combined 1,600 positions set to be filled in Chilliwack and Cape Breton, we felt it was necessary to put a dedicated team in place that would work to manage the day-to-day Canadian Operations." (Stream International, Press Release, 10/10/2001)

November 2001: Stream Announced It Would Expand Its Facility In Mumbai, India To Include Voice Support Services In Addition To Existing E-Mail Services. "Stream International ... today announced that the company will expand its capabilities to provide voice support at its Mumbai, India, site. ... Stream opened its Mumbai contact center in October 2000 to handle e-mail-based customer care. In only one year, the site reached a significant milestone by handling more than one million e-mail support requests. Based on this success and an increased demand for voice services from clients, Stream has expanded its telecommunications infrastructure in India and expects to handle voice-based support by December 2001." (Stream International, Press Release, 11/12/01)

- **Stream President And COO Scott Murray:** "We work closely with our clients to understand their needs, which is why we have developed a cost-effective way to deliver voice support via our Mumbai location ... The success of our off-shore customer care solution in India illustrates our ability to use a global infrastructure to develop cost-effective solutions that also meet our clients' needs for high-quality support." (Stream International, Press Release, 11/12/01)
- **Stream Provided Its Indian Workers With "Three Weeks Of Training On American English And Culture."** "Stream provides each agent with three weeks of training on American English and culture, in addition to client-specific training that they receive. Stream India is linked to Stream's North American IT infrastructure with both dedicated and virtual network connections for speed, quality, reliability and redundancy." (Stream International, Press Release, 11/12/01)

After Bain Capital Sold Stream International To Solectron In 2001, Company Proceeded To Shed Thousands Of American Jobs

Stream Once Employed More Than 3,000 People In Dallas, TX Area – By 2003 That Number Had Fallen To 350. "While under the Solectron umbrella, Stream had a huge Metroplex presence, at one time employing more than 3,000 in a 250,000-squarefoot building in Carrollton. That number had dropped to about 350 workers by October 2003, when the company shuttered its local operations and shipped the jobs offshore. During fiscal 2003, Stream generated an estimated \$400 million in revenue for Solectron." (Jeff Bounds and Christine Perez, "Stream Picks Richardson For Consolidated Offices," *Dallas Business Journal*, 7/16/04)

In July 2003, Stream Closed Call Center In Silver City, New Mexico And Laid Off Nearly 800 People. "A new call center here expects to have hired 100 people by February and will employ more than 500 once the center is in full operation. Teleperformance USA of Salt Lake City, one of the largest contact center outsourcers in the country, said its call center will provide customer services for telecommunications giant Sprint. ... Teleperformance will take over a building vacated when Stream International shut down its call center in July 2003 after less than three years in Silver City. That shutdown cost 770 jobs." ("Silver City Getting New Call Center," *The Associated Press*, 12/29/05)

- **Three Years Earlier – Under Bain Management – Stream Officials Trumpeted Possibility Of Providing Up To 1,100 New Jobs For Local Residents.** "The new call center here will triple the number of jobs it originally promised, said Michael Padilla, director of New Mexico operations for Stream International. The company said it would hire 300 when it applied for and received \$1.8 million of state in-plant training funds this summer. But Padilla told the *Journal* on Tuesday night that Stream expects to employ 620 by the end of October and could employ 900 to 1,100 by the end of December. 'This will be a huge diamond in the rough for Silver City,' he said." (Diane Velasco, "Stream Tripling Its Hiring," *Albuquerque Journal*, 9/29/00)

In August 2003, Stream Closed Call Center In Kalispell, Montana, Laying Off 330 People. "Montana's numbers for call centers appear decidedly in decline after suffering a huge blow when a Stream International Inc. call center in Kalispell closed last year, putting 330 people out of work." (Frank Jossi, "Dialing Up Call Centers," *Fedgazette*, 5/1/04)

- **Three Years Earlier – Under Bain Management – Stream Official Boasted That Company Would Create Between 500 And 650 Jobs At Kalispell Facility.** "Renovation work on Stream International's 60,000

square-foot call center is scheduled to be completed in late June, but already the company may have a space problem. Stream promised to provide 500 full-time jobs within three years, but it appears the firm will create substantially more jobs within months, officials said. 'Certainly there's a likelihood that we'll employ more than 500 people,' said Reed Garrett, a company vice president. Stream currently employs 225 people in Kalispell, and Garrett said hiring between 500 and 650 employees by the end of the year is reasonable." ("Stream May Hire Between 500 And 650," *The Associated Press*, 6/14/00)

- **Stream's Jobs Leaving Montana Were Likely To Head "To Foreign Lands."** "Wages might be low in Montana's Flathead Valley, but for the folks managing Stream International, they still aren't low enough. 'The entire industry is moving toward lower-cost locations,' said Bob Kula. 'It's the reality of the marketplace. We're definitely restructuring our business and adding capacity outside the United States and North America.' That is to say, when 330 Stream International jobs leave Kalispell next month, they'll likely head to foreign lands." (Michael Jamison, "Stream Jobs Flow Overseas," *Missoulian* [Missoula, MT], 7/11/03)
- **"The Shutdown Comes Just Three Years After City Leaders Granted Stream A \$4 Million Incentive Package To Entice The Company To Town."** (Michael Jamison, "Stream Jobs Flow Overseas," *Missoulian* [Missoula, MT], 7/11/03)

In October 2003, Stream Shuttered Its Facility In Suburban Dallas, Firing 354 People As Local Official Lamented Industry's Move "Offshore." "Massachusetts-based Stream International is apparently riding the wave of technology support companies relocating jobs overseas, as the giant customer service supplier exits the Metroplex, closing its Carrollton center and laying off 354 people. ... 'I've been aware they were downsizing,' [Carrollton, TX economic development official Brad] Mink said. 'That industry is moving offshore. It's very commonplace nowadays.'" (Margaret Allen, "Stream International Closes, Lays Off 354," *Dallas Business Journal*, 10/3/03)

- **Stream Had Been Major Employer In Metroplex Area For At Least Five Years.** "Mink said Stream had been in the 250,000-square foot building, formerly occupied by Texas Instruments, for five years or more. During that time, the company had consolidated and downsized its other Metroplex operations into the center." (Margaret Allen, "Stream International Closes, Lays Off 354," *Dallas Business Journal*, 10/3/03)

In 2004, Stream Shuffled Between 100 And 200 Jobs From Oregon Into Canada. "Stream International plans to move between 100 and 200 Beaverton call-center jobs out of the United States. ... Between now and July, Stream will move 100 to 200 jobs from Beaverton to Chilliwack, B.C., company officials said Tuesday. Stream, which employs about 800 people in Beaverton, will move technical support work that it handles for Hewlett-Packard." (Jeff Kosseff, "Beaverton Jobs Bound For B.C.," *The Oregonian*, 4/7/04)

Former Stream Employee Wade Padgett: "Their Tactics, In My Mind, Are Very Predatory, Taking Advantage Of Towns That Are Really Hurting." PADGETT: "They continue to look for somewhere cheaper. If the benefit of leaving outweighs the penalties, they cut and run for the next cheap labor pool. Their tactics, in my mind, are very predatory, taking advantage of towns that are really hurting. ... It's like a shell game. It lets them say they aren't moving jobs overseas, but all the new jobs are created overseas while the jobs here are eliminated." (Michael Jamison, "Stream Jobs Flow Overseas," *Missoulian* [Missoula, MT], 7/11/03)

MODUS MEDIA, INC.

Bain Capital Held Controlling Stake In Outsourced Manufacturing Services Provider Modus Media, Inc. (Formerly Known As Modus Media International, Inc.) From Early 1998 Through Mid-2004

In 1997, Outsourcing Services Company Stream International – Also A Bain Capital Investment – Announced It Would Split Into Three Separate Entities, One Of Which Was Modus Media. "But by April of 1997, Stream announced it was reorganizing into three independent businesses, citing 'marketplace assumptions that ... unfolded in ways different than originally envisioned.' While its Outsource Technical Support division would retain the Stream International name, its Outsource Manufacturing Services division would become Modus Media, a global manufacturing and fulfillment business. Its Corporate Technologies group would revert back to Corporate Software and Technology to concentrate on software resale and technology services." (Christa Degnan, "Net Technology Yields Midstream Split For Donnelley," *Mass High Tech*, 1/5/98)

Bain Capital Assumed Full Ownership Stake In Early 1998. "Modus spokeswoman Donna Tolley said the company is investing heavily in new facilities to fuel worldwide expansion, including operations in Ireland, Scotland and the Netherlands. ... She said in the next few weeks the company will be fully-owned by Bain

Capital, an original minority investor in Stream.” (Christa Degnan, “Net Technology Yields Midstream Split For Donnelley,” *Mass High Tech*, 1/5/98)

Bain Capital Had Taken Control Of Modus By February 1998. “Modus Media International, headquartered in Westwood, MA, recently completed its incorporation as an independent company. Following the ownership restructuring of Stream International Holdings Inc., a unit of R.R. Donnelley & Sons Company, Modus Media International Inc. is now a privately held corporation owned by private equity investment firm Bain Capital, Inc., Modus Media management and certain other stockholders.” (“Modus Media Now Independent,” *Tape-Disc Business*, 2/98)

In March 2004, CMGI Announced It Would Purchase Modus For \$230 Million In Cash/Stock. “Former high-tech highflier CMGI Inc., now based in Charlestown, leaped back into the limelight yesterday by acquiring Modus Media Inc., a Westwood supply-chain management company, for \$230 million in cash and stock. It’s a significant comeback for CMGI, a marketing company once based in Andover whose Internet venture capital business became one of the most spectacular stars of the 1990s Internet boom and a major victim of the ensuing bust.” (Hiawatha Bray, “CMGI Buy Marks A Comeback,” *The Boston Globe*, 3/25/04)

- **Bain Capital Was “Largest Shareholder” In Modus Media.** “CMGI Inc. scraped off the dust left from the dot-com bust yesterday, unveiling a \$230.5 million deal to buy rival Modus Media International Inc. that will essentially double CMGI’s revenue. ... The future of the top managers at Modus, whose largest shareholder is Boston private equity firm Bain Capital, also remains unclear.” (Jon Chesto, “CMGI Says Buy-Buy To Sidelines,” *Boston Herald*, 3/25/04)

CMGI’s Acquisition Of Modus Media Was Completed By August 2004. “CMGI, Inc. (CMGI) has completed the acquisition of Modus Media, Inc. Following the acquisition, CMGI will combine the supply chain management businesses of SalesLink Corporation, a wholly-owned subsidiary of CMGI, with that of Modus Media, and the combined business will operate as ModusLink Corporation.” (“CMGI: Completes Acquisition Of Modus Media Inc.,” *Knobias.com*, 8/2/04)

Modus Media Operated Outsourced Manufacturing Support Centers For Clients In The Technology Space

Modus Provided “Outsourcing Services” To Tech Companies. “Modus Media provides outsourcing services like customer order and fulfillment, packaging and hardware assembly to high-tech companies like Dell Computer Corp., Hewlett-Packard Co., IBM and Sun Microsystems Inc. It also offers e-commerce transaction processing services.” (Kelly Holman, “Modus Media Withdraws IPO,” *The Daily Deal*, 8/15/00)

Modus Had “Complex” Corporate History, Originally Part Of Larger Company Also Owned By Bain Capital Before Being Spun Off As Independent Firm In 1997. “Modus Media has a complex history. It was the documentation services division of R.R. Donnelley & Sons and in 1993 it was merged with Corporate Software Inc., a company that Bain Capital owned, to create Stream International Holdings Inc. In 1997, Stream was recapitalized instead as Modus Media International Holdings Inc. Bain earned a \$1.7 million advisory fee in connection with the recapitalization, and Modus Media paid Bain \$3 million in fees between 1998 and 1999. During that time, the company’s growth was minimal. Its Ebitda increased only 2.6% to \$36.8 million in 1999 from \$35.9 million in 1998.” (Kelly Holman, “Modus Media Withdraws IPO,” *The Daily Deal*, 8/15/00)

Bain Capital Worked Closely With Modus Media On Strategic Business Planning Throughout Period Of Its Ownership Stake

December 1997: Modus Chairman And CEO Terry Leahy Said He Would Be “Working Closely With Bain” On Strategic Expansion Plan. LEAHY: “Today marks an exciting beginning for Modus Media as a well-financed, independent corporation with a strong balance sheet and a leading market position ... Working closely with Bain, we move into 1998 with a clear strategic direction and capital investment plans that will continue to enhance the scope of our global supply chain management solutions for customers.” (Modus Media International, Press Release, 12/16/97)

August 2000: “Bain Capital Managing Directors Jonathan Lavine, Mark Nunnely And Robert White Sit On Modus Media’s Board Of Directors.” (Kelly Holman, “Modus Media Withdraws IPO,” *The Daily Deal*, 8/15/00)

In August 2002, Modus Hired Former Stream International President Scott Murray As CEO. “Modus Media International, Inc. (MMI) announced today the appointment of R. Scott Murray as Chief Executive Officer. ... Prior to joining MMI, Murray was President and COO of Stream International of Canton, Mass, a leading outsourcer of technical support, formerly affiliated with Modus Media. ... From 1994 to 1999, Murray served as Executive Vice

President and Chief Financial Officer of The Learning Company (TLC), a public company that, at the time, was one of the largest consumer software companies in the world.” (Modus Media International, Inc., Press Release, 8/19/02)

Murray Held Senior Positions For At Least Three Bain Capital Portfolio Companies By The Age Of Forty – Including His Stint At Stream. “Before Murray, 40, joined Modus two years ago, he was president and COO of Stream International Holdings Inc., a call center company and Bain investment that in the mid-’90s included Modus. ... Prior to Stream, Murray was chief financial officer of Learning Co., an educational software company and an investment of Thomas H. Lee Co., Bain and Centre Partners Management LLC.” (Dennis Fitzgerald and Heidi Moore, “Movers & Shakers,” *The Deal*, 4/5/04)

The Deal Called Murray “A Point Person” For Bain Capital “As It Deals With Its Portfolio Companies.” “Knowing that private equity firms like to operate privately, Scott Murray, CEO of Modus Media International Inc., doesn’t want to say too much about Bain Capital LLC. But over the past several years he has emerged as a point person for the Boston-based private equity firm as it deals with its portfolio companies.” (Dennis Fitzgerald and Heidi Moore, “Movers & Shakers,” *The Deal*, 4/5/04)

1997-1999: Bain Capital Received Payments Of At Least \$6.2 Million From Modus Media For Services Rendered

Management Agreements Resulted In Bain Capital Receiving Sum Payment Of \$1.7 Million In 1999 And Annual Payments Totaling \$4.5 Million From 1997-99 For “Certain Financial And Managerial Services.” “Management Agreement: In connection with the reorganization, Modus Media paid to Bain Capital, Inc., for prior services, the sum of \$1.7 million, of which \$710,000 was paid in cash and \$1.0 million was paid by issuance of 1,722,514 shares of our common stock. Also in 1997 we entered into a management agreement with an affiliate of Bain which required us to pay a fee of \$1.5 million in each of 1997, 1998 and 1999 in exchange for certain financial and managerial services. This agreement terminates upon the closing of this offering.” (Modus Media International Holdings, Inc., SEC Form S-1, Filed 12/10/99)

Bain Capital Held Roughly 39% Of Modus’ Common Stock At Time Of IPO Filing In Dec. 1999. “Bain Capital is an affiliate of the Bain Capital Funds, which hold approximately 39% of our common stock. Three of our directors, Jonathan Lavine, Mark Nunnally and Robert White, are Managing Directors of Bain Capital.” (Modus Media International Holdings, Inc., SEC Form S-1, Filed 12/10/99)

As Of Dec. 1999, Bain Was Invested In Modus Through Bain Capital Funds IV And V. Bain Capital Funds owned 5,024,402 shares of Modus Media’s common stock at the time of its 1999 IPO filing, including “956,826 shares held by Bain Capital Fund IV, L.P., 1,094,993 shares held by Bain Capital Fund IV-B, L.P., 143,514 shares held by BCIP Associates, 85,220 shares held by BCIP Trust Associates, 1,021,335 shares held by Information Partners Capital Fund, L.P., and 1,722,514 shares of non-voting common stock held by Bain Capital Fund V, L.P.” (Modus Media International Holdings, Inc., SEC Form S-1, Filed 12/10/99)

Bain Planned On Taking Modus Public, But Company Withdrew IPO Without Comment In August 2000

On August 14, 2000, Modus Media Withdrew Its Planned Initial Public Offering, Giving No Explanation. “On Monday, Modus Media, a portfolio company of Bain Capital, Inc., the Boston private equity firm, informed the Securities and Exchange Commission that it was withdrawing its eight-million-share initial public offering. The deal had been expected to price between \$11 and \$13 a share. The Westwood, Mass., company did not offer an explanation for the withdrawal, nor did it return calls for comment. Bain Capital, which has a 39% stake in the company, did not return calls, either.” (Kelly Holman, “Modus Media Withdraws IPO,” *The Daily Deal*, 8/15/00)

Months Earlier, Modus Had Decreased Price Of Its IPO From \$14-16 Per Share To \$11-13 Per Share. “With the sell-off on the Nasdaq continuing Tuesday, several IPOs that had been scheduled to price may now be delayed. ... Modus Media International, a global provider of supply-chain management services for the technology industry, postponed its initial public offering until further notice. Last month, the company decreased its price from \$14 to \$16 down to \$11 to \$13 per share.” (“MetLife, Krispy Kreme Price Shares To Tempt Non-Tech Investors,” CBSMarketWatch.com, 4/4/00)

Had IPO Gone Through, Bain Capital’s Stake In Modus Would Have Been Worth Up To \$130 Million. “Had the offering been brought, Modus Media stood to raise between \$88 million and \$104 million. Although Bain Capital did not plan to sell any shares in the offering, its stake would be worth even more – between \$110.5 million and \$130 million.” (Kelly Holman, “Modus Media Withdraws IPO,” *The Daily Deal*, 8/15/00)

EXPORTING AMERICAN JOBS

Modus Media’s Total Workforce Declined By 27 Percent Between 2000 And 2004, When Bain Capital Owned Majority Stake In Company

In July 2000, Modus Reported Having 4,800 Employees. “Headquartered in Westwood, Massachusetts (USA), MMI is a privately held corporation with 4,800 employees and 25 Solution Centers in 13 countries.” (Modus Media, Inc., Press Release, 7/5/00)

In March 2004, Modus Reported Employing 3,500 People – Roughly 1,300 Fewer Jobs Than Four Years Earlier. “Modus services include end-user order management, product packaging and assembly, process and systems integration services, fulfillment and reverse logistics. Modus is headquartered in Westwood, MA and employs 3,500 people across its operations in 13 countries.” (CMGI, Inc., Press Release, 4/24/04)

Boston Herald: “About 3,500 Employees” At Time Of 2004 Sale To CMGI. “CMGI Inc. scraped off the dust left from the dot-com bust yesterday, unveiling a \$230.5 million deal to buy rival Modus Media International Inc. that will essentially double CMGI’s revenue. ... Modus has about 3,500 employees, with 50 locally.” (Jon Chesto, “CMGI Says Buy-Buy To Sidelines,” *Boston Herald*, 3/25/04)

Modus Media Ran Majority Of Its Facilities In China, France, Singapore And Elsewhere Around The World

As Of December 1999, Modus Operated 20 “Solution Centers,” At Least 13 Of Which Were Located Abroad. “We operate 20 solution centers worldwide with an aggregate square footage of approximately 2.0 million. All of our solution centers are leased, other than Singapore and Kildare, Ireland, which are owned.” (Modus Media International Holdings, Inc., SEC Form S-1, Filed 12/10/99)

Modus Media Facilities (As Of Dec. 1999) *	
Overseas	North America
Dublin, Ireland	Fremont, CA
Kildare, Ireland	Raleigh, NC
Apeldoorn, Netherlands	Lindon, UT
Cumbernauld, Scotland	Salt Lake City, UT
Singapore	Boise, ID
Angers, France	Preston, WA
Orleans, France	
Limerick, Ireland	
Willsborough, Ireland	
Sydney, Australia	
Shenzhen, China	
Ochiai, Japan	
Taipei, Taiwan	

* Source: Modus Media International Holdings, Inc., SEC Form S-1, Filed 12/10/99

In 1999, Modus Also Disclosed It Served As Minority Partner In Centers In Japan And Korea. “In addition, we are party to two minority owned joint ventures located in Ebina, Japan and KeyHeung, Korea. In addition, we maintain approximately 550 seats in our response centers within these solution centers for the resolution of questions regarding shipping, billing and technical support as well as a variety of other questions.” (Modus Media International Holdings, Inc., SEC Form S-1, Filed 12/10/99)

Modus Media’s Business Model Was Contingent Upon Expanding Operations Outside The United States – Under Bain Capital’s Management, Overseas Revenues Grew To Account For Nearly 70% Of Company’s Total

In 1997, Modus Made Investments To Expand Facilities In Ireland, Scotland And The Netherlands, Launch New Management Center In Ireland And Open Sales Office In Malaysia. “In the last six months of 1997,

Modus Media completed several major investments to expand and strengthen its global operations including: Facility expansions in Ireland, Scotland and The Netherlands; Technology enhancements to enhance on-demand manufacturing capabilities in Europe and the United States; Start-up of an in-house CD-ROM manufacturing facility in the United States; Launch of a multi-lingual response management center in Ireland; Opening of a sales office in Malaysia.” (Modus Media International, Press Release, 12/16/97)

From Fiscal 1997–1999, Sales Outside North America Accounted For Roughly 55% Of Modus Media’s Total Revenue. “We currently conduct business in Taiwan, Singapore, Ireland, the United Kingdom, the Netherlands and other foreign locations, in addition to our North American operations. Sales outside North America accounted for 54%, 55% and 54% of our total revenue for 1997, 1998 and 1999.” (Modus Media, Inc., SEC Form S-1/A, Filed 3/8/00)

- **In 2000 SEC Filing, Modus Said “Our Success Depends On Our Ability To Manage And Expand Our International Operations.”** “Our growth could be limited if we are unable to manage and expand our international operations. Our success depends on our ability to manage and expand our international operations. We currently expect international revenue to account for a significant percentage of our total revenue in the future. Failure to expand our international sales and fulfillment activities could limit our ability to grow.” (Modus Media, Inc., SEC Form S-1/A, Filed 3/8/00)

From Fiscal 2001–2003, Overseas Operations Respectively Accounted For 60%, 66% And 68% Of Modus Media’s Revenues. “With the completion of the Modus acquisition, we currently conduct business in Mexico, China, Taiwan, Singapore, Ireland, France, The Netherlands and certain other foreign locations, in addition to our United States operations. ... [S]ales outside the United States accounted for 68%, 66% and 60% of Modus’ total revenue for fiscal 2003, 2002, and 2001, respectively.” (CMGI, Inc., Form POS AM, Filed 8/2/04)

While Under Bain Capital’s Control, Modus Closed At Least Two U.S. Facilities, Laying Off More Than 250 Workers

In June 2000, Modus Closed Its Fremont, CA Facility – Cutting 200 Jobs – While Simultaneously Opening New Facility In Guadalajara, Mexico. “Modus Media Inc., which handles customer services and manages inventories for clients, including Microsoft Corp., said it plans to cut 200 jobs, or 4% of its work force, as it closes a plant in Fremont, Calif., to consolidate its North American operations. ... The closely held company said it’s also opening a plant in Guadalajara, Mexico.” (“Modus Media To Close Plant, Cut 200 Jobs,” *Bloomberg*, 6/2/00)

- **Modus Explained Decision To Put 200 California Workers Out Of A Job: “We Believe We Can Deliver More Cost-Effective Fulfillment Solutions For Our Clients” Elsewhere.** “As part of optimizing capacity in North America, the company will cease its Fremont, California fulfillment operations by September 1, 2000. The decision affects approximately 200 full-time and part-time employees. ... ‘It is always extremely difficult from an employee perspective to close a facility, but we believe we can deliver more cost-effective fulfillment solutions for our clients through one or a combination of our other Solution Centers,’ explains [Modus COO Pat] Donnellan.” (Modus Media, Inc., Press Release, 6/1/00)

In December 2002, Modus Announced It Would Close Its Facility In Preston, WA, Eliminating Roughly 70 Jobs. “Modus Media International, which builds and assembles technology products for companies such as Adobe, Dell Computer and Microsoft Corp., will close a 110,000-square-foot facility in Preston next year. About 70 employees at the east King County site will lose their jobs in February, according to company spokeswoman Donna Tolley. The work -- primarily software package assembly -- will be transferred to the company’s operations in Raleigh, N.C.; Austin, Texas; and Lindon, Utah.” (“Recent Layoffs At Area Technology Companies,” *Seattle Post-Intelligencer*, 12/11/02)

Modus Media’s Expansive Operations In China Were Called “Key Attraction” After Company Was Purchased By CMGI In 2004

Modus’ Chinese Presence Called “Key Attraction” In 2004 Buyout By CMGI. “[I]n late March, CMGI was a buyer rather than a seller, agreeing to acquire Modus Media International Inc., a supply-chain rival, for \$230.5 million in stock and cash. ... A key attraction of Westwood, Mass.-based Modus, which is slated to merge with SalesLink, is its presence in China.” (Dennis Fitzgerald, “Fire Sale,” *The Deal*, 4/5/04)

At Time Of Sale, Modus Had Five Active Facilities In China. “Privately held Modus, which had 2003 revenues of \$534 million, has 3,500 full-time workers in 25 facilities worldwide, including five in China.” (Hiawatha Bray, “CMGI Buy Marks A Comeback,” *The Boston Globe*, 3/25/04)

Modus Called “Especially Attractive” Buyout Candidate “Because Of Its Success In The Chinese Market.”

“Modus ... was especially attractive to CMGI because of its success in the Chinese market. Five of Modus’s facilities are in China, where most of the world’s laptop computers are made. Modus performs supply-chain work for a number of Chinese manufacturers, including Quanta, a major producer of laptops for American computer firms. ... ‘We are the largest player in China; nobody else is anywhere near the market share and footprint we have in China,’ said [Modus CEO Scott] Murray.” (Hiawatha Bray, “CMGI Buy Marks A Comeback,” *The Boston Globe*, 3/25/04)

While Under Bain Control, Modus Focused On Growing Operations In Asia – Launching Major 2001 Initiative To Expand Facilities In Singapore And China While Planning New Ventures In Malaysia

As Of August 1998, Modus Employed 400 Workers At Its Singapore Facility. “Global software leader Microsoft Corp has selected Singapore as its operations centre for the Asia-Pacific region ... For Modus Media International, whose plant is responsible for the finished packages and documentation for much of the Microsoft software sold in Singapore, the latest development comes as a welcome respite, given the economic slowdown. ‘It’s good news for us,’ its MD and vice-president for South Asia, S K Ramadas Naidu, told BT. The 400 employees of the company’s Singapore plant could now rest a little easier, he added.” (Kenneth James, “Microsoft Picks S’pore To Be Its Asia-Pacific Ops Centre,” *Business Times* [Singapore], 8/15/98)

In April 2000, Modus “Expanded Its Operations In Taiwan.” “Massachusetts-based info-tech company Modus Media Inc has expanded its operations in Taiwan by establishing a joint venture called MMI Taiwan CD Services. The venture, in which Modus has a majority stake, will function as a CD production facility and currently has two CD replication lines with an annual production capacity of 12m CD units. Later this year MMI Taiwan plans to increase the capacity to four lines providing full premastering, mastering, replication, printing and packaging capabilities.” (“Modus Media To Produce CDs In Taiwan,” *Telecom World Wire*, 4/25/00)

February 2001: Modus Launched \$100 Million Expansion Initiative In Asia, Creating Region Hub In Singapore Announcing It Would Employ Up To 350 New Workers. “US-based Modus Media Inc (MMI), that offers outsourced SCM solutions for the IT industry, last week launched its Asian eFulfillment Solution Centre in Singapore. This \$100 million initiative – located at the Chai Chee TechnoPark – will provide a central Asia-Pacific hub to service the region with integrated supply chain solutions and will officially open in April. ... The Westwood, Massachusetts-based MMI will make investments in infrastructure, technology, call centre deployment and people. ‘We expect to hire up to 350 new knowledge workers as a result of this initiative,’ [Modus spokesman Nick] Jackson said.” (Raju Chellam, “MMI Launches \$100m E-Fulfillment Centre Here,” *Business Times* [Singapore] 2/26/01)

- **“The Singapore Hub Will Be Supported By MMI’s Physical Fulfillment Centres In Penang, Shenzhen And Shanghai.”** (Raju Chellam, “MMI Launches \$100m E-Fulfillment Centre Here,” *Business Times* [Singapore] 2/26/01)

Plan Included \$5 Million Investment In Malaysian Operations. US-based supplier of outsourced supply chain management solutions, Modus Media Inc, plans to invest US\$5 million in Malaysia over the next five years. Its senior vice-president for Asia-Pacific Ramadas Naidu said the investment will be used to expand the company’s existing fulfilment centre in Penang and to set up a sales office in Kuala Lumpur by the end of this year.” (I-Mei Low, “Modus Media To Expand Operations,” *New Straits Times* [Malaysia], 2/19/01)

- **Modus Executive Ramadas Naidu:** “Malaysia is a high-growth zone for us and we are committed to investing a substantial amount there.” (I-Mei Low, “Modus Media To Expand Operations,” *New Straits Times* [Malaysia], 2/19/01)

Company Officials Said Regional Hub In Singapore Would Be Supported By “Additional Expansion” Of Facilities In China. “According to MMI Asia-Pacific’s marketing director Nick Jackson, the new eFulfillment Solution Centre will provide fully Web-enabled, end-to-end integrated supply chain management solutions. ... Jackson said the Singapore eFulfillment hub will be supported by MMI’s regional presence across Asean and greater China as well as additional expansion in MMI’s physical fulfilment centres in Penang, Shenzhen and Shanghai.” (I-Mei Low, “Modus Media To Expand Operations,” *New Straits Times* [Malaysia], 2/19/01)

As Of February 2001, Modus Reportedly Employed More Than 1,100 Workers In Asia. “MMI’s Asian resources include over 560,000 square feet of facilities and over 1,100 employees. According to Jackson, the company also invested US\$500 million in the Asia-Pacific on new facilities, automation and technology (designed to build on its supply chain management platform).” (I-Mei Low, “Modus Media To Expand Operations,” *New Straits Times* [Malaysia], 2/19/01)

Modus Also Had Significant Operations In Ireland, Employing Over 1,000 Local Workers There

July 1999: Modus Opened New Facility In Ireland, Expanding Number Of Employees In That Country To More Than 1,000. “Modus Media International, a global provider of supply chain management solutions to the high technology industry, recently expanded its Ireland Operations with the opening of a new Solution Center in National Technology Park in Limerick. ... The opening of the Limerick Solution Center creates 200 local jobs making Modus Media one of the Top 20 employers in Ireland. The company now employs more than 1,000 people across its facilities in Limerick; Willsborough; Clonsaugh; Kildare; and Eastpoint, Ireland.” (Modus Media International, Inc., Press Release, 7/23/99)

DDi CORP.

Bain Capital Was “Biggest” Investor In Anaheim-Based Electronics Maker DDi, Which Saw Its Stock Price Soar – Then Crash – During Dot-Com Bubble

Venture Capitalists Made A Killing Off California-Based Electronics Maker DDi Corp. In 2000 And 2001 Before Its Stock Price Crashed. “The fall of Orange County electronics maker DDi Corp. hurt employees, investors and creditors but not the venture capitalists who helped bring the company public. At least \$2 billion in stock value and money owed to creditors has been wiped out as a slump in the electronics industry and price-slashing by competitors in Asia helped force DDi to seek bankruptcy protection last week. But the company’s venture capitalists profited because they provided financial backing before the maker of printed circuit boards went public in April 2000, then sold their shares when the company’s outlook was still positive.” (Jim Finkle, “Dissecting DDi,” *The Orange County Register*, 8/26/03)

Bain Capital Was “Biggest” Financial Backer Of DDi – Doubling Its Money By Cashing Out At Inflated Prices, Making Nearly \$50 Million Profit. “DDi is one of dozens of companies in which the early investors knew enough to bail out before the stocks crashed even as investment banks that they helped hire issued glowing forecasts about the prospects of those companies. In the case of DDi, the biggest venture capitalist was Bain Capital, a Boston firm that invested \$46 million in DDi before its IPO. Bain more than doubled its money on DDi, pulling out \$93 million by selling shares in two secondary stock offerings made before DDi’s finances deteriorated.” (Jim Finkle, “Dissecting DDi,” *The Orange County Register*, 8/26/03)

- **Bain Was Largest Investor In DDi.** “Bain, which led an investment team of other venture capitalists, owned about 21 percent of DDi’s total shares. Five of the eight DDi directors in 2000 and 2001 were current or past principals of Bain Capital, according to DDi documents filed with the SEC. DDi noted the Bain dominance in its prospectus for its public offering of stock.” (Frank Phillips, “Romney Says Profit Unknown In DDi Sale,” *The Boston Globe*, 8/21/03)

DDi’s Story: 2,100 Jobs Lost, Billions In Shareholder Value Gone. “DDi ... has posted more than \$400 million in losses over the past two years. That dismal performance has cost: 2,100 jobs. DDi had 3,800 employees when its payroll peaked three years ago. That number is now just shy of 1,700, including 300 at its headquarters in Anaheim; \$1.8 billion in stock value. DDi’s stock fell to a record low of one cent Thursday, down from a peak of almost \$46 in September 2000; \$194 million in debt to banks and bondholders. These creditors agreed to forget about all but \$91 million of the \$285 million that the company owed them during negotiations leading up to the bankruptcy filing.” (Jim Finkle, “Dissecting DDi,” *The Orange County Register*, 8/26/03)

Romney And His Bain Capital Partners Turned Huge Profit Before Exiting DDi Position As Price Crashed

Romney And His Firm Bailed Out Before Share Prices Plummeted. “Both Romney and Bain sold their stakes in DDi by 2001, and the stock collapsed in the two years since as the economy slumped. The sales netted Bain what appears to be a \$36 million profit, nearly doubling its investment in about three years.” (Frank Phillips, “Romney Investment Surfaces In Probe,” *The Boston Globe*, 8/19/03)

Romney Spokesman Claimed He Had “No Knowledge” Of Bain-DDi Dealings. “Romney spokeswoman Shawn Feddeman claimed the governor had ‘no knowledge’ of the deal, and noted Romney left Bain in 1999.” (Elisabeth Beardsley, “Treasurer Asks For Review Of Pension Fund Losses,” *Boston Herald*, 8/20/03)

- **Romney Signed SEC Documents For DDi Sale And Retained Interest In Three Bain Funds Involved In DDi Transaction.** “Romney had gone to Salt Lake City in early 1999 to run the Winter Olympics. But he signed the SEC’s necessary documents for Bain when his company - and he as an individual shareholder - sold their stakes in DDi in the fall of 2000 and in the winter and spring of 2001. SEC records indicate that

Romney remained well into 2001 as a general partner in three of the four Bain funds that are involved in the DDi transactions.” (Frank Phillips, “Romney Investment Surfaces In Probe,” *The Boston Globe*, 8/19/03)

- **Romney Listed On SEC Records As Bain Capital “General Partner” In 2000-01 When DDi Sales Went Through.** “Records filed at the SEC show Romney signed insider trading forms on behalf of Bain’s venture capital funds, as general partner, when the funds sold the DDi holdings in 2000 and 2001. Romney’s financial disclosure forms for 2002 filed with the State Ethics Commission show that he held the position of ‘executive’ at Bain Capital Inc. and made a salary of more than \$100,000.” (Frank Phillips, “Bain Capital Deal Sparks Concerns,” *The Boston Globe*, 8/20/03)

Romney Claimed To Have No Idea How Much Profit He Made From Selling DDi Stock. “Governor Mitt Romney yesterday continued to distance himself from a controversial stock sale, saying he took no responsibility for any role that his former company, Bain Capital, had in touting the stock’s value and that he has no idea what profit he made when he sold it. ‘I left Bain long before the events,’ Romney said in his first, but brief, public comments about DDi Corp. ...” (Frank Phillips, “Romney Says Profit Unknown In DDi Sale,” *The Boston Globe*, 8/21/03)

- **Report: Romney Personally Sold More Than \$4 Million In DDi Stock In 2001.** “Romney, according to the Securities and Exchange Commission’s records, sold 182,436 shares of DDi stock in May 2001 for \$4.1 million. His profit is unclear.” (Frank Phillips, “Romney Investment Surfaces In Probe,” *The Boston Globe*, 8/19/03)
- **Romney Refused To Release Tax Forms Or Profit Records.** “Citing privacy reasons, Romney aides said the governor would not review his 2001 income tax to find out his profit on DDi. He also declined to release copies of his tax forms.” (Frank Phillips, “Romney Says Profit Unknown In DDi Sale,” *The Boston Globe*, 8/21/03)

Massachusetts Pension Fund Lost Over \$340,000 By Investing In DDi. “One investor that lost heavily on DDi was the Massachusetts state pension fund, which bought the stock long before Romney was elected governor. In its initial purchase within weeks of Lehman’s 1-Buy rating, the fund bought 11,300 shares at \$30.88 a share. The initial \$349,000 pension investment was sold off for \$3,409 in August 2002, at share prices between 18 cents and 36 cents.” (Frank Phillips, “Romney Investment Surfaces In Probe,” *The Boston Globe*, 8/19/03)

Various Brokerage Houses Settled SEC Investigation For \$1.4 Billion For Providing Misleading Analyst Coverage Of DDi. “DDi is one of the companies cited in a U.S. Securities and Exchange Commission investigation into allegations of conflict of interest at U.S. brokerages. Ten brokerages settled those charges in December without admitting or denying guilt and agreed to pay a total of \$1.4 billion.” (Jim Finkle, “Dissecting DDi,” *The Orange County Register*, 8/26/03)

SEC: Unnamed Analyst Claimed Bain Capital Was Pushing For Positive Coverage Of DDi Stock Despite Questionable Financial Prospects. “The SEC complaint cites an analyst, whom it doesn’t name, as saying in an e-mail written more than two months after the IPO that he was being pressured to issue a positive research report on DDi. ‘DDi and (Bain Capital) and bankers are obviously pushing for coverage and unhappy’ that no recommendation had yet been issued, the SEC cited him as saying in the June 28, 2001, e-mail. The analyst said in that e-mail that he thought the stock could fall to about \$20 but also said ‘bankers want a ‘buy’ and are pushing hard.’ Two days later, Lehman analyst Louis R. Miscioscia advised clients to ‘buy’ DDi, issuing a 12-month target price of \$36 per share. ... On Monday, they closed at about 4 cents.” (Jim Finkle, “Dissecting DDi,” *The Orange County Register*, 8/26/03)

ALLIANCE LAUNDRY SYSTEMS

Bain Capital Purchased Raytheon Unit – Renamed “Alliance Laundry Systems” – In May 1998

In May 1998, Bain Capital Led \$358 Million LBO Of Raytheon’s Commercial Laundry Unit, Renaming It Alliance Laundry Systems. “Alliance Laundry Systems LLC announced today that it has completed the acquisition of Raytheon Commercial Laundry, the commercial laundry equipment manufacturing business of Raytheon Company, for approximately \$358 million. Alliance Laundry Systems, headquartered in Ripon, Wisconsin, was founded by the senior management team of RCL and Bain Capital, Inc. of Boston, one of the nation’s leading private equity firms, for the purpose of this acquisition.” (Alliance Laundry Systems LLC, Press Release, 5/5/98)

At The Time, Company Officials Said They Did Not “Anticipate Any Changes In Employment Levels.” “Alliance Laundry Systems is the largest commercial laundry equipment manufacturer in North America, with plants in Ripon, Wisconsin; Marianna, Florida and Madisonville, Kentucky. ... ‘This acquisition represents the next

chapter in the success story of this business,' said Jeff Brothers, Senior Vice President Sales and Marketing. 'We have no plans to alter the strategies that have made the business successful.' The Company does not anticipate any changes in employment levels as a result of this transaction." (Alliance Laundry Systems LLC, Press Release, 5/5/98)

Under Bain Capital's Stewardship, Company Closed Plants And Laid Off Workers

In October 1999, Alliance Announced Closing Of Madisonville, KY Plant And Loss Of 300 Jobs. "The Alliance Laundry Systems Plant, which employs 250 to 300 workers on three shifts, will be closed by the middle of next year. Employees learned of the closing Monday, when a company spokesman read a one-page announcement. ... Mike Gold of Madisonville, a 15-year-employee, said the news hit very hard for him and his wife, who has been at the plant for 23 years. 'This was a big surprise to everybody,' he said. 'We thought the meeting might be about a new warehouse in the area.'" ("Laundry Plant Shutdown To Cost 250 To 300 Jobs," *The Associated Press*, 10/5/99)

- **Stunned Mayor: "I'm In A State Of Shock."** "If the workforce was blindsided by the announcement, local officials were also caught off guard when they heard the news. 'I'm in a state of shock,' said Madisonville Mayor Karen Cunningham, who said she had a meeting this week with the company for what she anticipated would be over efforts to obtain a new warehouse. The interim director the Madisonville-Hopkins County Economic Development Corp. was just as surprised. 'We didn't see it coming,' admitted Danny Koon." ("Laundry Plant Shutdown To Cost 250 To 300 Jobs," *The Associated Press*, 10/5/99)
- **Weeks Earlier, Alliance Had Announced Elimination Of 220 Jobs At Its Ripon, WI Facility – The Kentucky Plant Closure Brought 185 Of Those Jobs Back.** "Less than a month after it eliminated 220 employees, Alliance Laundry will bring 185 jobs back to its Ripon plant by closing a factory in Kentucky. The company will give first priority to recently terminated employees when hiring for the new positions in Ripon, said Alliance spokeswoman Patti Anderson-Shew. ... Alliance laid off 220 workers Sept. 17, one week after a contract expired to make home laundry units under the brand name Amana." ("After Layoff, Alliance Brings Jobs From Kentucky Plant," *The Associated Press*, 10/6/99)

In 2000, Alliance Undertook Corporate "Consolidation" That Eliminated 130 Jobs In Norwood, Ohio. "Barely three months after buying the Ajax pressing and finishing equipment business from American Laundry Machinery Inc., Alliance Laundry Systems will eliminate 130 jobs in Norwood and consolidate them into an existing plant in Florida. The company told employees about the move Tuesday. ... [I]t decided to merge the unit with a plant that makes washer extractors in Marianna, Fla., near Panama City, spokeswoman Patti Andresen-Shew said. While there will be 'some potential for transfers,' the jobs in Norwood will be eliminated, she said." (Cliff Peale, "Company Shrinks Work Force," *The Cincinnati Enquirer*, 6/8/00)

After Failed Attempt At IPO, Bain Capital Sold Alliance In 2004 For Substantial Profit

Starting In 2002, Bain Tried To Take Alliance Public – Either In Canada As An Income Trust Or In U.S. Via Income Deposit Securities. "Alliance, a portfolio company of Bain Capital and Bruckmann, Rosser, Sherrill & Co., had tried to go public via an IPO of income deposit securities, but the IPO never did materialize and Bain ultimately decided to pursue a sale instead. ... In 2002, Bain had initially looked to float Alliance as an income trust in Canada, the same market that served as the predecessor to the IDS in the U.S. However, tax issues quashed that idea. When the IDS market started making some noise in the U.S. earlier this year, the investors again looked to float the company. But like most IDS filings, the Alliance floatation never got off the ground..." (Kenneth MacFayden, "Teachers Scans IDS Graveyard For Deals," *BuyOuts*, 1/3/05)

In December 2004, Bain Capital Sold Alliance Laundry For \$450 Million. "Teachers' Private Capital, the private investment arm of Ontario Teachers' Pension Plan, has agreed to acquire Brentwood, Tenn.-based Doane Pet Care Co. for \$840 million in cash in a secondary buyout, it said Monday, Aug. 29. ... The deal marks the largest private equity transaction Teachers' Private Capital has carried out as a sole equity sponsor following its \$450 million purchase of Alliance Laundry Holdings LLC from Bain Capital LLC in December 2004." (Kelly Holman, "OT Buys Pet-Food Maker," *Daily Deal*, 8/30/05)

- **Bain Capital Reportedly Turned Profit Of 230% On Alliance Deal.** "Meanwhile, through the sale, both Bain and Bruckmann, Rosser, Sherrill & Co. will book a return of more than 230%, according to reports. In 1998, Bain led the acquisition of Alliance, acquiring the company in a \$375.6 million LBO from Raytheon Co., which held onto a minority stake in the business." (Kenneth MacFayden, "Teachers Scans IDS Graveyard For Deals," *BuyOuts*, 1/3/05)

Months After Bain Sold Its Interest, Alliance Laid Off 400 Workers In Florida And Added Roughly 250 Jobs In Wisconsin

Less Than A Year After Bain's Sale Of Alliance, The Company Laid Off 400 Workers In Florida By Closing Its Plant In Marianna. "When Alliance Laundry Systems announced plans to close its Marianna facility last week, it didn't take long for employees to begin the search for new employment. ... Alliance is moving its commercial laundry product line manufacturing and design operations from Marianna to its Ripon, Wisc., plant ... About 400 Marianna employees will lose their jobs as a result of Alliance's consolidation. ... Alliance expects to add 250 additional jobs to its Ripon plant. Kimbrough said the company is welcoming any Marianna employees who wish to relocate to Wisconsin." (Daniel Carson, "Alliance Laundry Phasing Out Operations At Marianna Plant," *The [Panama City, FL] News Herald*, 10/19/05)

- **Number Of Employees Laid Off In Florida Amounted To Nearly One-Third Of Total Number Of Alliance Employees.** "Alliance Laundry Holdings LLC, parent company of Alliance Laundry Systems LLC, announced today that it is consolidating its Marianna, Florida and Ripon, Wisconsin operations. ... Approximately 400 employees will be affected by the closure of the Marianna facility. ... Alliance expects that it will add approximately 200 manufacturing jobs to its Ripon operations and another 50 engineering, supervisory and technical service positions to its Ripon staff. Alliance Laundry Systems LLC currently employs 1300 employees worldwide." (Alliance Laundry Holdings LLC, Press Release, 10/14/05)

IMAGITAS INC.

Bain Capital Held Undisclosed Stake In Imagitas From 2000-05

In June 2000, Bain Capital Made \$5 Million Investment For Undisclosed Stake In Imagitas. "Boston-based private equity firm Bain Capital last month made a \$5 million investment for an undisclosed stake in Imagitas, an e-government company that specializes in forming online and offline partnerships with all levels of government agencies. Imagitas, based in Newton, Mass., has seen continual annual growth of over 50% throughout its seven years of existence." (Christa Fanelli, "Done Deals: Bain Capital Buys Piece Of Imagitas," *BuyOuts*, 7/3/00)

- **Carlyle Group Also Invested \$20 Million In Imagitas.** "Imagitas was founded in 1992 by Brett Matthews and his wife Ginger Salazar as a company that printed mover's guides for the postal service. ... The company raised more than \$39 million in four rounds of funding, including a \$20 million investment from Carlyle Venture Partners and Carlyle Partners II in 2000, the venture and buyout arms of Washington private equity firm Carlyle Group. ... Among the company's other investors are Bain Capital LLC and Liberty Mutual Group, both of Boston." (David Shabelman, "Imagitas Delivered To Pitney Bowes," *Daily Deal*, 5/13/05)

Imagitas "Provides Targeted Direct Mailing Services Through Partnerships With State And Federal Government Agencies." "Imagitas is a marketing company that provides targeted direct mailing services through partnerships with state and federal government agencies -- specifically, the US Postal Service and state Departments of Motor Vehicles. Imagitas services allow such clients as Home Depot, Ford, and AT&T to advertise to postal customers through the Mover's Guide and Welcome Kit." (Hoover's Company Records, 4/10/07)

- **"Imagitas Also Provides Vehicle Registration Renewal Guides For State DMVs."** (Hoover's Company Records, 4/10/07)

Under Bain's Leadership, Imagitas Envisioned Broadening Growth Into More Government Agencies And Making A More Effective Vehicle For Advertisers. "Imagitas' strategy for growing the business will focus on continuing to rollout the business into other federal and state government agencies, providing services similar to those provided to the Post Office, and to improve communications with citizens, and fund it by creating an effective marketing vehicle for advertisers, said [Bain's Andrew] Balson. ... Bain Capital has been looking to make an investment in the e-government space for some time." (Christa Fanelli, "Done Deals: Bain Capital Buys Piece Of Imagitas," *BuyOuts*, 7/3/00)

May 2005: Imagitas Announced It Was Being Acquired By Pitney Bowes For \$230 Million. "Looking to expand its direct mail services, Pitney Bowes Inc. said Thursday, May 12, it would acquire marketing services firm Imagitas Inc. for \$230 million. Pitney Bowes, which makes mail and document management systems, will pay roughly 2.6 times Imagitas' 2004 revenues of \$87 million. Pitney Bowes' director of investor relations, Charles McBride, said the Waltham, Mass.-based target is profitable and that its revenues have grown at a double-digit clip for at least the past three years." (David Shabelman, "Imagitas Delivered To Pitney Bowes," *Daily Deal*, 5/13/05)

Imagitas Is Being Sued In At Least Six States For Use Of Personal Information For Marketing Purposes

Imagitas Is Currently Target Of Class Action Suits In At Least Six States For Its Use Of Personal Information Provided By State Motor Vehicle Departments. “Motorists in several states, including Missouri, are suing a company that sends advertising in vehicle registration notices, saying it violates a federal law that protects their personal information. Massachusetts-based Imagitas Inc., under contract in Ohio and other states to mail vehicle registration notices, inserts an advertisement before sending the notices to millions of drivers.” (“Motorists Sue Over Junk Mail From BMV,” *The Associated Press*, 3/29/07)

- **Suits Have Been Filed In Ohio, Massachusetts And Florida, Among Other States.** “Lawsuits have been filed against Imagitas in Ohio, Massachusetts, Missouri, Florida, Minnesota and New York regarding the marketing that’s done with the vehicle registration notices. Imagitas has asked that the nine lawsuits be consolidated into one.” (“Motorists Sue Over Junk Mail From BMV,” *The Associated Press*, 3/29/07)
- **Ohio Lawsuit Was Filed In September 2006.** “Motorists in Cuyahoga, Medina, Geauga and Franklin counties sued Imagitas last September. The lawsuit contends that they never gave the BMV permission to release their personal information. ‘This creates a dangerous situation,’ said John R. Climaco, a Cleveland attorney for the motorists. ‘The state should be controlling the names of drivers.’” (“Motorists Sue Over Junk Mail From BMV,” *The Associated Press*, 3/29/07)
 - **“According To The [Ohio] Lawsuit Filed Aug. 1 [2006], Federal Law Forbids The Use Of Personal Information For Non-Governmental Purposes Without The Consent Of The Person Identified By The Information.”** (Ron Word, “Motorists Sue Over Ads Placed In Auto Registration Mailings,” *The Associated Press*, 8/18/06)
- **Florida Lawsuit Could Potentially Expand To Include More Than Two Million Floridians As Plaintiffs.** “Motorists are suing a subsidiary of Pitney Bowes for placing advertising inside automobile registration packets mailed to more than 2 million Florida car owners. Five motorists are listed as plaintiffs, but it could become more than two million or more if the class is certified as a class-action lawsuit.” (Ron Word, “Motorists Sue Over Ads Placed In Auto Registration Mailings,” *The Associated Press*, 8/18/06)
 - **“The Lawsuit Alleges That Imagitas Inc. Used Personal Information It Received From The Florida Division Of Highway Safety And Motor Vehicles ‘To Target And Distribute Advertising Materials.’”** (Ron Word, “Motorists Sue Over Ads Placed In Auto Registration Mailings,” *The Associated Press*, 8/18/06)

Imagitas Contracts With States To Print And Mail DMV-Related Notices – But Also Includes Targeted Advertising Materials From Third-Party Sponsors. “Imagitas has had the contract to send the notices since 2005. To do the mailings, the company receives drivers’ names and addresses. Imagitas pays the state to do the mailing, and receives a fee from the advertisers. Ohio drivers cannot decline to receive the information, said Alfie Charles, company vice president. The company does not sell or share the driver information it receives from the Ohio BMV, Charles said. ‘We go to great lengths to protect the information,’ Charles said.” (“Motorists Sue Over Junk Mail From BMV,” *The Associated Press*, 3/29/07)

“Included In The Information Provided To Imagitas Is The Name And Address Of The Motor Vehicle Owner And The Type Of Registered Vehicle.” (Ron Word, “Motorists Sue Over Ads Placed In Auto Registration Mailings,” *The Associated Press*, 8/18/06)

Citizens And Their Lawyers Contend Imagitas’ Use Of Names And Addresses For Commercial Purposes Violates Federal Law. “Jacksonville attorney Norwood ‘Woody’ Wilner told reporters Thursday that the use of motorists’ names and addresses for commercial purposes is a violation of the federal Driver’s Privacy and Protection Act. It was passed after the 1989 murder of TV actress Rebecca Schaeffer, whose stalker was able to track her down using motor vehicle records. ‘This is a question of personal privacy and security,’ Wilner said.” (Ron Word, “Motorists Sue Over Ads Placed In Auto Registration Mailings,” *The Associated Press*, 8/18/06)

Imagitas Denies Selling Or Redistributing Personal Data To Other Vendors And Claims It Protects Citizens’ Privacy. “Imagitas says it has improved service for residents while protecting privacy. ‘There is never any sale or redistribution of personal data under this program,’ said Imagitas spokesman Alfie Charles. Advertisers, he said, only receive ‘the opportunity to have their advertisement included in the envelope.’ In return, the ads provide the funding ‘to ensure that the state is able to eliminate its annual printing expenses for this mailing.’” (Paul Wenske, Op-Ed, “Combining State Business, Junk Mail Draws Lawsuit,” *Kansas City Star*, 4/2/07)

GS INDUSTRIES, INC.

In 1993 Bain Capital Purchased Kansas City Steel Company And Renamed It “GS Technologies”

Bain Capital Bought Kansas City-Based Steel Manufacturer Armco Worldwide In 1993, Renaming It GS Technologies. “Bain Capital provided the financing for a management-led buyout in 1993 of Armco Worldwide Grinding Systems of Kansas City, which was later renamed GS Technologies.” (Robert Cushman, “GS Industries President Leaves Shortly After Merger,” *Kansas City Star*, 12/18/95)

- **GS Technologies Had Ventures In Missouri, Minnesota, Canada And Across The World.** “GS Technologies runs a mini-mill in Kansas City, Mo.; a mill liner business in Minneapolis, consolidated companies in Chile, Peru and Italy and joint ventures in Canada, Mexico, Australia and the Philippines producing grinding products for the global mineral processing industry.” (“GS Industries Major Player After Producers Approve Merger,” *The [Charleston, SC] Post And Courier*, 10/6/95)

1995 Bain-Led Merger Created Even Larger Company, Now Called “GS Industries”

In 1995, Bain Capital Merged GS Technologies With Parent Company Of South Carolina’s Georgetown Steel, Creating \$1 Billion “GS Industries.” “The merger of two steel producers – including the parent of Georgetown Steel – has spawned GS Industries, with \$1 billion in annual sales and 3,800 employees worldwide. GS Technologies and Georgetown Industries completed the merger Thursday, creating the largest producer of steel wire rod in North America. ... GS Industries is a privately held firm controlled by Boston-based Bain Capital, which has owned the GS Technologies unit since November 1993.” (“GS Industries Major Player After Producers Approve Merger,” *The [Charleston, SC] Post And Courier*, 10/6/95)

- **Principal Shareholder In Georgetown Steel Before Bain Buyout Was State-Run Kuwait Investment Authority.** “Georgetown Industries’ operations include the Georgetown-based steel mini-mill, Georgetown Wire with operations in western Canada, and Florida Wire and Cable in Jacksonville, Fla. Kuwait Investment Authority will remain the principal shareholder in Georgetown Industries, Regelbrugge has said.” (“GS Industries Major Player After Producers Approve Merger,” *The [Charleston, SC] Post And Courier*, 10/6/95)

Bain Capital Owned An Estimated 60% Of GS Industries After 1995 Merger. “GS Industries is the product of a 1995 merger between Charlotte-based Georgetown Industries and GS Technologies in Kansas City, Mo. ... Its primary shareholder is Bain Capital, a Boston venture capital firm that holds 60% of the company.” (Arati Sontakay, “Steelmaker Plans Stock Sale,” *Charlotte Business Journal*, 11/3/97)

According To One Company Manager, Bain’s Goal Was Always To Take GS Industries Public. “GS Industries Inc. is a private company. In addition to Georgetown Steel, it has a steel mill in Kansas City, Mo., plus several others in foreign countries. Bain Capital, an investment group based in Boston, bought GS Industries in 1995. According to Georgetown Steel Vice President George White, Bain’s goal is to eventually take the company public.” (Rosanne Howard, “Mill Holds Its Own Despite Morale Problems,” *The Myrtle Beach Sun-News*, 9/29/00)

- **Bain Was Preparing To Take GS Public As Early As 1998.** “Charlotte-based GS Industries is interviewing investment bankers in preparation for an initial public offering that could raise as much as \$200 million. The specialty-steel maker says it may go public as early as next year.” (Arati Sontakay, “Steelmaker Plans Stock Sale,” *Charlotte Business Journal*, 11/3/97)

In 1997, GS Industries Endured Labor Disputes At Plants In Kansas City, Missouri And Georgetown, South Carolina

In December 1997, Workers At Georgetown Steel Plant In South Carolina Went On Month-Long Strike. “Workers remain off the job this week at a South Carolina steel plant owned by GS Industries Inc., which also owns a facility in Kansas City. Officials of United Steelworkers of America Local 7898 are contending that 595 hourly employees at Georgetown Steel Corp. are being locked out. Union members stopped working at the plant last Friday after the union rejected the company’s request that its final offer be put to the vote of the members. ... ‘It’s about fairness,’ [Local 7898 President James] Sanderson said. ‘They’re more interested in pleasing their investors than the people who made this plant profitable for them, the workers.’” (Randolph Heaster, “Steel Union Says South Carolina Plant Has Locked Out Hourly Employees,” *The Kansas City Star*, 12/11/97)

- **“Georgetown Steel, In Georgetown, S.C., Is Under The Same Ownership As GST Steel Co. Of Kansas City. GST Steel Endured A Three-Month Strike Earlier This Year.”** (Randolph Heaster, “Steel Union Says South Carolina Plant Has Locked Out Hourly Employees,” *The Kansas City Star*, 12/11/97)
- **Labor Leader: Bain “Forced A Labor Dispute At Every Location.”** “United Steelworkers of America, Local 7898 President James Sanderson ... said he believes Bain is anti-labor. At contract negotiation time, ‘they’ve forced a labor dispute at every location,’ he said.” (Rosanne Howard, “Mill Holds Its Own Despite Morale Problems,” *The Myrtle Beach Sun-News*, 9/29/00)

Earlier In 1997, Workers At GS’ Kansas City Plant Walked Off The Job For Three Months. “Workers at GST Steel Co. overwhelmingly passed a new contract with the company Thursday, ending a 10-week strike. ... GST Steel is owned by GS Industries Inc. of Charlotte, N.C. The parent company is controlled by Bain Capital, a Boston investment firm that financed a management-led buyout of the steel plant in 1993.” (Randolph Heaster, “10-Week Strike Ends At GST,” *The Kansas City Star*, 6/13/97)

- **Labor Stoppage At Kansas City Plant Was “[T]he Plant’s First Strike Since 1959...”** (Randolph Heaster, “10-Week Strike Ends At GST,” *The Kansas City Star*, 6/13/97)

“Last Year, GS Endured Strikes At Two Major Plants, Including One At Its Mill In The S.C. Coastal Town Of Georgetown.” (Stella Hopkins, “Playing To Strengths,” *Charlotte Observer*, 2/3/98)

In 2001, GS Industries Filed For Bankruptcy, Closed Its Kansas City Plant And Fired 750 Workers

February 2001: GS Industries Filed For Bankruptcy And Announced Closing Of Kansas City Plant, Eliminating 750 Jobs. “GST Steel Co., whose local ties date to the 19th century, will close as part of a bankruptcy reorganization, throwing 750 area employees out of work. ... In its Chapter 11 bankruptcy filing Wednesday, GST Steel parent GS Industries Inc. of Charlotte, N.C., cited record imports of low-priced steel, which have depressed prices, and high labor costs. ... In addition to GST Steel, whose formal name is GS Technologies Operating Co. Inc., four other GS Industries subsidiaries sought refuge Wednesday in bankruptcy court in Charlotte.” (Dan Margolies And Randolph Heaster, “Shutdown Is End Of An Era,” *The Kansas City Star*, 2/8/01)

“GS Industries Inc., A Steel-Rod Producer Owned By Boston Private Equity Firm Bain Capital, Will Close Its Money-Losing Plant In Kansas City, Mo.” (David Carey, “Bain Capital’s GS Industries Shutting Plant,” *Daily Deal*, 2/9/01)

- **“When The Plant Closed Earlier This Year ... Workers Lost Severance Packages And Health Insurance Coverage.”** (Thomas Farragher and Scott Bernard Nelson, “Business Record Helps, Hinders Romney,” *The Boston Globe*, 10/24/02)
- **“[A]ll Workers Employed 10 Years Or More At The Plant Would Receive Eight Weeks’ Severance Pay...”** (Dan Margolies and Randolph Heaster, “Shutdown Is End Of An Era,” *The Kansas City Star*, 2/8/01)

Plant Closure Came On Top Of Previous Layoffs In 2000. “Rumors had swirled at the GST plant in recent months about the possibility of a company bankruptcy as well as a plant shutdown. Both union and salaried employees were laid off late in 2000.” (Dan Margolies and Randolph Heaster, “Shutdown Is End Of An Era,” *The Kansas City Star*, 2/8/01)

- **Domino Effect: Months Later, Nearby Plant That Relied On GS Industries As Supplier Had To Shut Its Doors, Throwing More Than 100 People Out Of Work.** “The fallout from the shutdown of GST Steel Co. earlier this year continued last week, when Wire Rope Corp. of America Inc. announced plans to close its Kansas City plant. Wire Rope’s facility at 2100 Manchester Road has 107 hourly and salaried employees who will be laid off beginning Jan. 25, said Charles Salanski, president and chief operating officer. ... Wire Rope’s Kansas City plant also was singled out for closing because of the loss of its nearby supplier, GST Steel. Until it closed in June, GST supplied rods for the Wire Rope facility.” (Randolph Heaster, “Citing Slowdown, Wire Rope To Close KC Plant,” *The Kansas City Star*, 11/20/01)

Romney Was CEO Of Bain Capital And Held Financial Stake In Company At Time Of Kansas City Layoffs. “Although he gave up running day-to-day operations at the venture capital firm in order to head the Salt Lake Winter Olympics, he remained CEO and held his financial interest in the company through August 2001. That includes the period when the Ampad factory in Buffalo was closed, and when the Kansas City-based GST Steel plant was shut down and workers laid off.” (Stephanie Ebbert and Yvonne Abraham, “Camps Spar Over Romney Word Choice,” *The Boston Globe*, 10/31/02)

Bain Capital Called “Bully On The Block” As Workers Blamed Romney And His Firm For Plant Closing. “Out-of-work steelworkers in Kansas City, for example, blame Romney and Bain Capital for decisions that led to last year’s bankruptcy of a steel mill that opened its doors in 1888. Bain bought the operation, GST Steel Co., in 1993. Workers said the new owners cleaned house and brought in an inexperienced management team. Dan Misel, who worked at GST Steel for 35 years, said Bain came in ‘like the bully on the block,’ assuming its managers knew how to run the operation better than anyone already in place.” (Thomas Farragher and Scott Bernard Nelson, “Business Record Helps, Hinders Romney,” *The Boston Globe*, 10/24/02)

- **Romney Was Running Bain Capital When Kansas City Plant Endured 10-Week Strike In 1997 – Its First Labor Stoppage In Almost 40 Years.** “In 1997, two years before Romney left Bain to run the Winter Olympics, the Kansas City plant endured its first strike in four decades. After a 10-week walkout, union officials said they offered to work with managers to improve the plant’s competitiveness, but that the Bain-imposed managers weren’t interested.” (Thomas Farragher and Scott Bernard Nelson, “Business Record Helps, Hinders Romney,” *The Boston Globe*, 10/24/02)

Pension Benefit Guaranty Corporation Had To Assume Control Of Two Underfunded GS Pension Plans Affecting Over 1,000 Former Employees At Kansas City Facility. “The Pension Benefit Guaranty Corporation today announced that it has taken over two underfunded pension plans covering more than 1,000 people who worked at the Kansas City, Mo., facility of GS Technologies Operating Co. The company is a subsidiary of GS Industries Inc., a bankrupt producer of steel rod products. ‘PBGC has stepped in because the company is liquidating in bankruptcy and the pension plans do not have enough money to pay all benefits,’ said PBGC Executive Director Steven A. Kandarian.” (Pension Benefit Guaranty Corporation, Press Release, 8/5/02)

- **GS Had Roughly \$44 Million Worth Of Underfunded Pension Obligations.** “The GST Steel Company Pension Plan and the GS Technologies Pension Plan have a combined underfunding of about \$44 million, according to PBGC estimates. The agency will take over the plan’s assets and use PBGC insurance funds to pay the guaranteed pension benefits of covered workers.” (Pension Benefit Guaranty Corporation, Press Release, 8/5/02)

Former Employees Still Suffered, As Roughly 200 Workers Lost Their \$400/Month Pension Supplements. “Although the move will guarantee basic pension payments, former employees still stand to lose as bankrupt parent company GS Industries Inc. liquidates its assets. About 200 former GST workers who haven’t reached retirement age will lose a \$400 monthly pension supplement that the Pension Benefit Guaranty Corp. is not obligated to pay, said John Wiseman, a United Steelworkers of America representative in Independence.” (Stephen Roth, “Agency Takes Over Pensions Covering Ex-GST Workers,” *Kansas City Business Journal*, 8/16/02)

Workers’ Access To COBRA Health Coverage Expired Roughly Six Months After GS Industries Filed For Bankruptcy. “Wiseman said GSI also has informed former employees that their access to health care coverage through COBRA will expire Sept. 5. ... The loss of that coverage could be disastrous for former workers, some of whom, Wiseman said, have acquired asbestosis from years of working in the decades-old mill. ‘We have people looking at the prospect of \$2,000 to \$3,000 per month health care premiums, and they just can’t afford that,’ he said.” (Stephen Roth, “Agency Takes Over Pensions Covering Ex-GST Workers,” *Kansas City Business Journal*, 8/16/02)

- **No GS Industries Representatives Were Available To Comment:** “GSI Chief Executive Mark Essig was unavailable for comment. An employee said GS Industries, based in Charlotte, N.C., has sold all of its assets and no longer is in business.” (Stephen Roth, “Agency Takes Over Pensions Covering Ex-GST Workers,” *Kansas City Business Journal*, 8/16/02)

GS Industries Ceased To Exist In 2003 After Liquidating Its Assets And Closing Up Shop

June 2003: Company Had Five Remaining Employees To “Remove The Nameplates And Lock The Doors” After Company’s Assets Had Been Sold. “GS Industries filed for Chapter 11 on Feb. 7, 2001, in the U.S. Bankruptcy Court for the Western District of North Carolina in Charlotte. The company is down to five employees, and there’s little left to do but remove the nameplates and lock the doors because over its 28 months in bankruptcy, GS has sold off all assets.” (Greg Johnson, “GS Industries Can Liquidate,” *The Deal*, 6/16/03)