



April 22, 2019

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Via Electronic Mail, Fax, and USPS

The Wisconsin Department of Workforce Development
Dislocated Worker Unit
P.O. Box 7972
Madison, WI 53707
Fax: (608) 267-0330
WIOATitleI@dwd.wisconsin.gov

**Notice of Plant Closing Pursuant to Worker Adjustment and Retraining Notification Act
and Wisconsin Business Closing and Mass Layoff Law**

To whom it may concern:

Saputo Cheese USA Inc. (“Saputo” or the “Company”) is the owner and operator of a cheese manufacturing facility located at 212 WI-35, Dresser, WI 54009 (the “Dresser Plant”). As part of our strategic objectives to expand our market position in the U.S. and improve the overall performance of our U.S. manufacturing assets, Saputo analyzes its U.S. manufacturing platform and implements initiatives to improve operational efficiencies. In connection with this comprehensive evaluation process, Saputo has reached the difficult decision to completely and permanently close the Dresser Plant. The primary reasons for this decision are the age of the facility and the magnitude of the likely capital investments that would be required at the Dresser Plant in the future. The Company expects closure of the Dresser Plant to occur no later than May 31, 2019.

This letter constitutes the Company’s notice with respect to the planned closure of the Dresser Plant pursuant to the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101 *et seq.*, and the Wisconsin Business Closing and Mass Layoff Law, Wis. Stat. § 109.07 (collectively, the “WARN Acts”). Although closure of the Dresser Plant may not result in a “mass layoff,” “plant closing,” or “business closing” as those terms are defined by the WARN Acts, the Company is issuing this notice out of an abundance of caution in the event that the closure results in or triggers events that, in the aggregate, could potentially constitute a “mass layoff,” “plant closing,” or “business closing” under applicable law.

With the exception of a small group of employees who the Company will continue to utilize after the closure to help wind down operations,¹ Saputo anticipates that the substantial majority of salaried and hourly employees at the Dresser Plant will be permanently laid off on May 31, 2019 or within fourteen (14) days thereafter. Their positions at the Dresser Plant will be eliminated

¹ To the extent that any notice may be required under the WARN Acts with respect to this small group of employees, the Company will provide a minimum of sixty (60) days’ notice prior to their permanent layoff or, alternatively, will pay them for sixty (60) days in lieu of notice.

and no employees will have any bumping rights. All hourly employees subject to layoff on May 31, 2019 will receive offers to transfer to the Company's manufacturing facility located in Almena, WI (the "Almena Plant"). We are hopeful that the vast majority of hourly employees will accept offers of employment at the Almena Plant and that the WARN Acts will not be triggered. However, it is possible that a sufficient number of hourly employees will not accept offers of employment such that 25 or more total employees are "affected" by the closure of the Dresser Plant or otherwise suffer an "employment loss" as those terms are defined by the WARN Acts.² In that case, the Company will provide all affected employees who may be entitled to sixty (60) days' notice under the WARN Acts (i.e., hourly employees who do not accept transfer offers and all impacted salaried employees) with pay and benefits for any portion of that sixty (60) days for which they did not receive notice. Payments will be subject to any offsets, reductions, or modifications allowed by law and/or applicable agreements. This compensation would be in lieu of any notice that may be required by the WARN Acts.

Attached as Schedule "A" to this letter is a list of the positions that may be affected on May 31, 2019 or within fourteen (14) days thereafter, as well as the number of affected employees in each job classification.

Hopefully, the foregoing provides sufficient information pertaining to the planned closure of the Dresser Plant. Should circumstances change any of the Company's plans with respect to these permanent layoffs, the Company will provide you with additional information.

Should you have any questions or require additional information, please direct any inquiries to Lisa Housner, Regional HR Manager, (920) 346-2215, ext. 1173.

Sincerely,



Dawn D'Agostino
Human Resources Director

Enclosure

² Given that Saputo is offering to transfer all hourly employees to the Almena Plant, which is only about 35 miles from the Dresser Plant, and the work previously performed at the Dresser Plant will be performed at other Saputo facilities, the WARN Acts likely would not be triggered regardless of the number of employees who suffer an "employment loss" as a result of the closure. *See, e.g., Gonzalez v. AMR Servs. Corp.*, 68 F.3d 1529, 1531 (2d Cir. 1995); *Johnson v. TeleSpectrum Worldwide, Inc.*, 61 F. Supp. 2d 116, 125 (D. Del. 1999). This is so even in the event that no hourly employee accepts his/her transfer offer. Indeed, no notice is required under the WARN Acts where, as here, (i) the closure is caused by the relocation or consolidation of part or all of the employer's business; (ii) the employer offers to transfer substantially all affected employees to a different employment site with no more than a 6-month break in employment; and (iii) that employment site is within "a reasonable commuting distance" (i.e., less than 50 miles) of the original employment site. *See Wis. Stat. § 109.07(6)(b); 29 U.S.C. § 2101(b)(2)*. Notwithstanding that Saputo likely is not legally obligated to do so, the Company still will provide affected employees with pay and benefits in lieu of any notice required by the WARN Acts.

Schedule "A"

**Saputo Cheese USA Inc.
Dresser Plant Employees**

Job Title/Classification	Number of Employees
Packaging	14
Cheese Production	15
Maintenance	2
Cheese Supervisors/Managers	7
Shipping/Receiving	1
Lab	2
Milk Receiving	2
Administration	1
Whey	5