

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA

Douglas J. McCarron

General President

August 10, 2009

BY HAND

Mr. Peter Thomassen, President
New York City District Council of Carpenters
395 Hudson Street
New York, New York 10014

Dear Sir and Brother:

This will constitute formal notice of action being taken by the United Brotherhood of Carpenters and Joiners of America ("UBC"), pursuant to its authority under the UBC Constitution, regarding its affiliate, the New York City and Vicinity District Council of Carpenters ("District Council").

Based upon information brought to my attention, it appears that the affairs of the District Council are being conducted in a manner detrimental to the welfare and best interests of the District Council, the UBC, and its members, and/or contrary to the provisions and requirements of the UBC Constitution, and that the continued operation of the District Council is in jeopardy.

Recently, several employees and/or representatives of the District Council, including shop stewards, business agents/managers, and the Executive Secretary-Treasurer, were indicted on very serious criminal charges. (*United States of America v. Michael Forde, et al.*, S3 08 Cr. 828) The charges are currently pending in the United States District Court for the Southern District of New York. (A copy of the indictment is enclosed.)

Furthermore, it appears that at about the time of their arraignment on the charges, District Council employees named in the indictment were subject to testing for drug use. Reports indicate that of the ten defendants named in the indictment, eight defendants, including the Executive Secretary-Treasurer, either tested positive or admitted to drug use; two defendants refused the tests.

The allegations in the indictment cover a wide period of time. For example, some allegations refer to activities occurring in 1995-1996, and other activities continuing up to the time of the indictment, which is in about August, 2009. The

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allegations charge, among other things, that District Council employees and/or representatives, failed to enforce collective bargaining agreements, including allowing contractors to not make fringe benefit contributions; falsified shop steward reports; committed perjury; and, obstructed justice, with respect to District Council matters.

According to comments regarding the indictment issued by the United States government, defendants named in the indictment, including District Council employees and/or representatives, "are charged with unlawfully receiving money, loans, or other things of value from contractors, in a total amount of approximately one million dollars. ...In exchange for the bribes, the defendants allowed and helped certain contractors to defraud the union and its benefit funds out of millions of dollars by permitting the contractors to, among other things, pay union members cash at below-union rates, without benefits; employ illegal aliens and non-union workers on their job sites; and avoid payment to the union benefit funds in violation of applicable [collective bargaining agreements]."

After duly considering the information provided, I have determined, pursuant to my authority under Section 10H of the UBC Constitution, that an emergency situation exists regarding the District Council requiring immediate action by the UBC to protect and preserve the welfare and interests of the membership. Accordingly, I hereby appoint as supervisor Frank Spencer, District Vice President, Eastern District, to immediately assume supervision over the District Council.

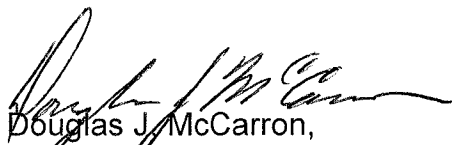
District Vice President Spencer is hereby granted full supervisory authority, according to the UBC Constitution and Laws, and the power to assume and exercise full and complete authority over the conduct of the District Council's affairs, including, but not limited to, the authority to enforce collective bargaining agreements, the authority to administer all of the District Council's assets, the authority to appoint assistant supervisors to assist him in the completion of his duties, the authority to conduct and cancel all meetings, the authority to remove and hire any and all officers, delegates, stewards and employees, as may be deemed necessary to insure the proper exercise of the supervisor's authority in carrying out the purposes of the supervision and insuring the proper functioning of the District Council. Furthermore, all officers and members of District Council are hereby directed to fully cooperate with District Vice President Spencer and any appointed assistant supervisors.

Furthermore, in accordance with Sections 6D and 10H of the UBC Constitution, a hearing will be conducted into the District Council's affairs to determine if supervision by the UBC over the District Council should be continued. In accordance with Section 10H of the UBC Constitution, I will appoint a committee to conduct a hearing. All members of local unions affiliated with the District Council will be notified of the date,

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time and place of the hearing, and advised of their opportunity to appear at the hearing and present testimony, their views and other evidence regarding the conduct of the affairs of the District Council.

Fraternally yours,

A handwritten signature in black ink, appearing to read "Douglas J. McCarron". The signature is fluid and cursive, with a long horizontal stroke at the end.

Douglas J. McCarron,
General President, United Brotherhood of
Carpenters and Joiners of America

Enclosure