

United States Senate

WASHINGTON, DC 20510

COMMITTEES:
APPROPRIATIONS
COMMERCE
HEALTH, EDUCATION,
LABOR, AND PENSIONS

June 16, 2021

Andrew Nikou
Founder, Chief Executive Officer
OpenGate Capital
10250 Constellation Boulevard, 30th Floor
Los Angeles, CA 90067

Dear Mr. Nikou,

I am writing on behalf of the 166 workers at the Hufcor manufacturing plant in Janesville who stand to lose their jobs permanently because of reported plans by your Los Angeles-based private equity firm, OpenGate Capital, to shut down the facility and outsource these Wisconsin jobs to Mexico.

I have met with Janesville workers who face pending layoffs and they shared stories with me about the pain the plant's closure will cause them, their families, and the community in Wisconsin. Jesse Arnt shared his cancer diagnosis with me and how he and other workers are dependent on the health benefits their current manufacturing jobs provide. Other workers have shared their fears of being unable to provide for their children or pay for their college education. I encourage you to meet with these workers as well so you have a better understanding of why their years of hard work should be respected.

Hufcor has been an integral part of the Janesville community for nearly 120 years, providing jobs with good wages and benefits and contributing to our Made in Wisconsin economy. In stark contrast, OpenGate Capital has a history of shutting down businesses and giving workers pink slips in Wisconsin. In 2013, your firm shut down the Golden Guernsey plant in Waukesha and did so in such an abrupt manner that you reportedly failed to properly notify workers about layoffs, locked them out of the plant, and did not compensate them for their accrued wages and benefits. This was a violation of state law and the State of Wisconsin had to file a claim with a bankruptcy court to help these workers receive a portion of the compensation they worked for and earned.

In order to better understand your plans for the workers at the Hufcor facility in Janesville, I would ask that you answer the following questions.

- 1) Do you plan to shut down the Hufcor manufacturing plant in Janesville?
- 2) If you are planning to shut down the manufacturing plant, how many workers will be laid off?

- 3) If you plan to lay off these workers, when will these layoffs occur?
- 4) Will Hufcor workers be abruptly locked out of their workplaces as you did to Golden Guernsey workers who were unable to retrieve tools and personal belongings?
- 5) Will Hufcor workers receive accrued wages and earned vacation if they are laid off?
- 6) Will these Wisconsin jobs be outsourced to Mexico?
- 7) Given the fact that a plant you previously purchased, and then sold, in Reynosa, Mexico was allegedly overrun by a Mexican drug cartel, will you reverse your plans to shut down the Janesville plant and move these Wisconsin jobs to Mexico?

I have called for fundamentally reforming the private equity industry and leveling the playing field by forcing private equity firms to take responsibility for the outcomes of companies they take over, empowering workers, and protecting investors. Your predatory actions in Wisconsin are a powerful example of the urgent need for these reforms.

I look forward to hearing from you.

Sincerely,

A handwritten signature in blue ink that reads "Tammy Baldwin". The signature is written in a cursive, flowing style.

Tammy Baldwin
United States Senator