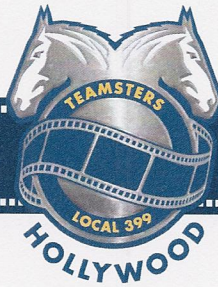


STUDIO TRANSPORTATION DRIVERS

LOS ANGELES, CALIFORNIA



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AFFILIATED WITH THE
INTERNATIONAL
BROTHERHOOD OF
TEAMSTERS

August 7, 2014
By Hand and U.S. Mail

Mikel Elliot, CEO
Quixote
1011 N. Fuller Street
West Hollywood, CA 90046

Dear Mr. Elliot:

To say that I was disappointed to receive your letter yesterday is somewhat of an understatement. But before I respond, allow me to first correct a few factual mistakes in your letter.

First, Local 399 never asked you to "preemptively elect Local 399 to be a collective bargaining agent for our employees," nor would it ever do so. As you will recall, Local 399 is seeking to represent two separate bargaining units of employees. The first unit consists of drivers and dispatchers. The other unit consists of what you refer to in your letter as your "warehouse employees," although we believe that there also are skilled mechanics, technicians and other employees in this unit.

With respect to this first unit (the drivers and dispatchers), you have correctly observed that "the vast majority" are "399 members" already. Even if they weren't, I can assure you that Local 399 is currently in possession of signed authorization cards from a "vast majority" of the individuals in this unit. Based upon this majority status, Local 399 has demanded and continues to demand recognition as the exclusive collective bargaining representative of a bargaining unit consisting of drivers and dispatchers. Local 399 reserves the right to strike for recognition in this unit, and to strike for a contract even if recognition is granted.

With respect to the second unit (the warehouse and other employees), Local 399 has never demanded to be their exclusive bargaining representative. Rather, Local 399 merely sought to try organizing these employees on an amicable basis through what is commonly called a "card-check/neutrality agreement." In simplest terms, we merely asked you to allow us to talk with your warehouse and other employees about joining Local 399 without supervisors scowling at them like they did yesterday and to bargain a contract covering those employees if and only if Local 399 were able to obtain signatures from a majority of them authorizing it to do so. You then asked what a contract would look like, and we were happy to oblige. Obviously, seeing the wages, benefits and working conditions Local 399 hopes to obtain for these workers is what prompted your letter threatening to disparage this union.

Mikel Elliot, CEO
August 7, 2014
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Turning then to the other statements in your letter, I find them not only disappointing but also highly offensive. How dare a company that made enough money off the backs of its employees in Los Angeles to invest \$15,000,000 on a facility in Louisiana lecture this union on keeping jobs local. And lets be real, you want to keep your company's labor costs down by even misclassifying employees as independent contractors not to pass the savings on to customers, but to continue buying expensive foreign cars and buying up competitors like Movie Movers. Indeed, if your employees are as happy and content with your wages, benefits and working conditions as you claim, why won't you let us talk to them? And have you let your customers (production companies) know that you have exposed them to potential liability and penalties as the joint employers of your misclassified employees?

In spite of your trickery and lies, Local 399 will press ahead with seeking recognition and a contract for the drivers and dispatchers and seeking to organize your other underpaid and under appreciated employees. To these two ends, we will use every weapon available to labor, from launching a boycott next week to picketing your rolling stock wherever it is situated, whether parked at a location or next to a sound stage on the Disney lot. Although we also will be picketing your sound stages, we will not do so without giving sufficient notice to ABC and the other studios with which we maintain cordial relationships, which we also will do next week.

I truly am sorry it has come to this, but it has been your call all along.

Fraternally yours,

A handwritten signature in blue ink, appearing to read "Steve Dayan", with a stylized flourish at the end.

Steve Dayan
Secretary-Treasurer

cc: Manny DeMello
Josh Staheli
Robert A. Cantore, Esq.
Ryan Spillers, Esq.