



75 Valley Stream Parkway
Malvern, PA 19355

610.889.4000

November 16, 2009

Mr. Sam Ferraino
President, UFCW Local 1360
400 Commerce Lane & Rte 73
West Berlin, NJ 08091-9253

Re: Threatened Strike Activity and Contract Extension Cancellation by UFCW Local 1360

Dear Sam:

It is with deep concern for ACME associates and customers that I write this letter to you. Last week, Local 1360 took a strike vote against ACME and gave notice to cancel our existing contract extension effective November 20, 2009. This confrontational action is counter-productive and needlessly threatens the wages, benefits and job security of ACME associates at a time when millions of Americans are out of work and businesses are struggling to weather the economic downturn.

Today, top-of-scale ACME associates enjoy outstanding benefits and are among the best paid grocery employees in the area. While many employers are seeking wage freezes/decreases and reduced pension funding, ACME has proposed in our negotiations: (1) millions of dollars in increased company pension contributions to help secure pension benefits and (2) wage improvements. We have also discussed health care plan contributions that would provide affordable, comprehensive benefits.

ACME has bargained in good faith and repeatedly expressed its commitment to finding reasonable solutions to the serious challenges we face. Neither side has made a final contract offer, so we can only interpret Local 1360's strike threat and contract cancellation (timed to disrupt a major selling holiday) as an intentional effort to weaken ACME in the most competitive environment it has ever faced.

Regrettably, Local 1360's actions have left ACME with no choice but to immediately prepare for the contingency of a strike. We will do everything possible to ensure continued operations and service to customers, even if we are forced to temporarily or permanently close some stores.

In addition, ACME will not absorb the costs Local 1360 is now forcing ACME to incur, including the costs associated with preparing for and operating during a strike, as well as, the negative impact on sales Local 1360's threats will undoubtedly have. We reserve the right to reduce, eliminate or modify our current contract offer in response to these or any other business developments.

ACME associates have already recognized that Local 1360's irresponsible actions are threatening to disrupt service to the very customers who provide the work, wages, and benefits they receive. They are rightly concerned about the future they stand to lose if customers lost during a strike never come back and available work is thereby reduced.

No matter what pressure tactics Local 1360 decides to use, ACME is not going to agree to an uncompetitive contract that is not in the long-term best interests of ACME, its associates, and customers. Local 1360's focus should be on peaceful and reasonable solutions that balance these important needs.

Sincerely,

A handwritten signature in cursive script that reads "Judy Spires". The signature is written in black ink and is positioned below the word "Sincerely,".

Judy Spires
President