

HOSTESS TO CLOSE, LAYOFF ALL WORKERS



When you visit the site of the well-known Hostess brand you probably expect to see pictures of familiar snack cakes, or information about their newest product. You do not really expect to see this message, “We are sorry to announce that Hostess Brands, Inc. has been forced by a Bakers Union strike to shut down all operations and sell all company assets. For more information, go to hostessbrands.com. Thank you for all of your loyalty and support over the years.” The company, as some of you may know already is getting ready to close its doors, putting thousands of workers out of their jobs in a mass layoff action. For those of you who are not familiar with the idea of a mass layoff action here is a look at how the company chooses to [describe](#) itself, “The **Mass Layoff Statistics (MLS)** program collects reports on mass layoff actions that result in workers being separated from their jobs. Monthly mass layoff numbers are from establishments which have at least 50 initial claims for unemployment insurance (UI) filed against them during a 5-week period. Extended mass layoff numbers (issued quarterly) are from a subset of such establishments—where private sector nonfarm employers indicate that 50 or more workers were separated from their jobs for at least 31 days.” About 18,500 workers will be put out of a job when all is said and done and the company has been closed down.” We covered the [layoff notification](#) stage of the process back in May, when all of the workers for the company were given notices that they were in line for termination. So at least the workers were not caught by surprise when the job cuts were finally brought to fruition this month. The company [put out a statement](#) about the closure, which puts the blame a quarrel on the bakers union, “**Hostess Brands Inc.** today announced that it is winding down operations and has filed a motion with the U.S. Bankruptcy Court seeking permission to close its business and sell its assets, including its iconic brands and facilities. Bakery operations have been suspended at all plants. Delivery of products will continue and Hostess Brands retail stores will remain open for several days in order to sell already-baked products. The Board of Directors authorized the wind down of Hostess Brands to preserve and maximize the value of the estate after one of the Company’s largest unions, the Bakery, Confectionery, Tobacco Workers and Grain Millers International Union (BCTGM), initiated a nationwide strike that crippled the Company’s ability to produce and deliver products at multiple facilities. On Nov. 12, Hostess Brands permanently closed three plants as a result of the work stoppage. On Nov. 14, the Company announced it would be forced to liquidate if sufficient employees did not return to work to restore normal operations by 5 p.m., EST p.m., Nov. 15. The Company determined on the night of Nov. 15 that an insufficient number of employees had returned to work to enable the restoration of normal operations.”