

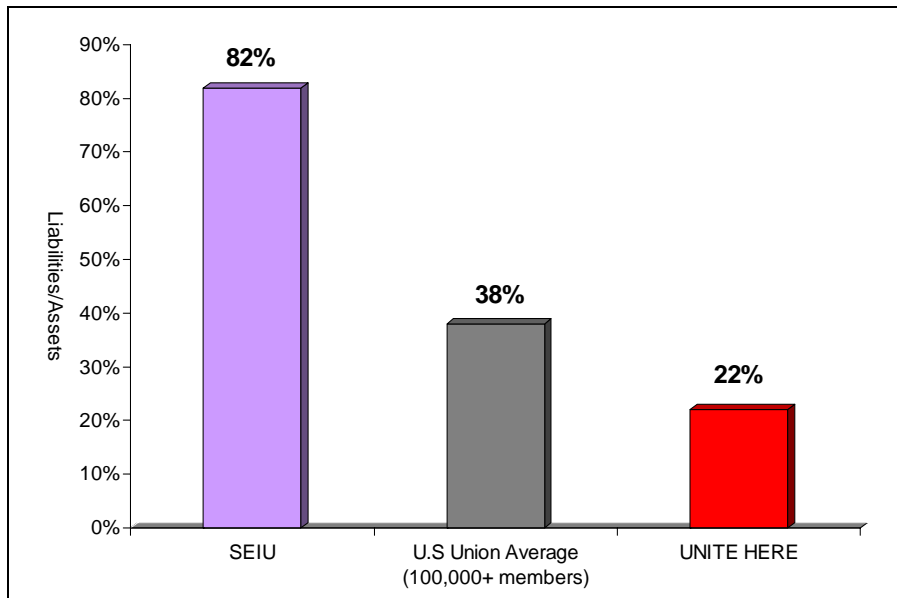
Andy Stern is Following the Money...

SEIU's net assets are dropping. In 2004, SEIU had net assets of \$75.8 million. In 2008, SEIU's net assets were \$33.7million – a 55% drop in four years.

By contrast, UNITE HERE's 2004 net assets were \$183.5 million. In 2008, they were \$205.6 million – an 11% increase.

While SEIU's assets are declining rapidly, the union's liabilities have increased by 101% since 2004. In contrast, UNITE HERE's liabilities have only increased by 8% over the same time period.

SEIU is by far the most leveraged union in the United States. At the end of 2008, with \$189.8 million in assets and \$156.1 million in liabilities, SEIU had a liabilities-to-assets leverage ratio of 82.2%. In contrast, UNITE HERE had at the end of 2008 total assets of \$265.1 million, total liabilities of \$59.5 million, and a leverage ratio of 22.4%. The average leverage ratio for unions in the U.S. with greater than 100,000 members is 39%, substantially below SEIU's ratio.



SEIU's high leverage ratio is largely the result of its having borrowed \$106.6 million from Bank of America since 2003. Most of the borrowed money has gone toward the 2003 purchase of its headquarters building in Washington, D.C. and building improvements and office furniture and equipment. At the end of 2008, SEIU owed \$87.7 million to Bank of America, as well as \$15.0 million to UNITE HERE's Amalgamated Bank.

Why is SEIU raiding UNITE HERE? It's not for the garment and textile jurisdictions which are rapidly disappearing. It is for the money, the appreciating assets and the growing hospitality jurisdiction (hotels, casinos and food service).