

December 5, 2006

Dear News-Press Employees,

Our company manufactures a product, *Santa Barbara News-Press*, a newspaper of daily circulation. I made a significant investment when I purchased *Santa Barbara News-Press*. As the owner of the business, it is common sense that I have the right to have significant input into the content of the product that we produce. For anyone to suggest otherwise is just plain wrong.

Like any other newspaper, we are free to express opinions on the Editorial Page of the newspaper. With respect to news, sports, and features content of the paper, we strive for good, fair, accurate reporting. Every day, there are many choices of stories to place into the newspaper. There are always more stories available than the number we choose to print. The decision of content of the pages of the newspaper is solely that of management. Union or no union, that is not going to change.

All of you know that a union is attempting to organize our newsroom employees. In the election, the union won. However, we believe that the union engaged in misconduct before the election, and we have filed objections in an attempt to get another election so that employees can make a free, uncoerced choice. In the event that our objections are not successful, we will begin the collective bargaining process with the union. If our objections are successful, the union victory will be set aside and a new election had. We are awaiting the decision of the National Labor Relations Board on these issues.

Every Employer has the right to expect the loyalty of its employees. All employees owe a duty of loyalty to their Employer. No less an authority than the United States Supreme Court has ruled that it is disloyal for an employee to publicly disparage the quality of the Employer's product. The Court ruled that was disloyal. The Court ruled that disloyalty is clearly cause for discharge.

Very recently, the United States Court of Appeals ruled that it was lawful for a Company to discharge an employee who publicly disparaged the management of the Company. The Court ruled that those communications were "unquestionably detrimentally disloyal." The Court went on to say that an employee loses the protection of the National Labor Relations Act if the employee's public attack constitutes insubordination, disobedience, or disloyalty. The fortuity of the coexistence of a labor dispute affords the employee no substantial defense.

We are certainly going to respect the rights of employees to engage in activity protected by the National Labor Relations Act. We are also going to protect our management right to expect the loyalty of our employees. Public disparagement/disloyalty of the management of *Santa Barbara News-Press* and/or the newspaper it produces will not be tolerated, and appropriate discipline will be imposed.

Please do not allow yourself to be "used" by a small group of employees who, in reality, are attempting to grab from management the right to determine the daily content of the pages of our newspaper. This they cannot and will not do.

Sincerely,



Wendy McCaw