

United States Senate

WASHINGTON, DC 20510

COMMITTEES:
APPROPRIATIONS
COMMERCE
HEALTH, EDUCATION,
LABOR, AND PENSIONS

September 19, 2022

Mr. Andrew Nikou
Founder, Chief Executive Officer
OpenGate Capital
10250 Constellation Boulevard, 30th Floor
Los Angeles, CA 90067

Dear Mr. Nikou,

I write to you again on behalf of the 166 former employees of the Hufcor manufacturing plant in Janesville, Wisconsin. As I feared, these workers lost their jobs because your Los Angeles-based private equity firm, OpenGate Capital, shut down their Wisconsin facility in an attempt to outsource their jobs to Mexico.

Making matters worse, Hufcor has now been driven into bankruptcy, rendering the agreement between the company and its workers—which included a requirement to provide the separated workers health insurance—worthless. As a result of your mismanagement, dozens of former Hufcor workers—some of whom have life-threatening illnesses—are without health coverage. Others never received the retention bonuses they were promised in exchange for continuing to work for the company after you announced that the Janesville facility would be closing.

I write to ask you, as the CEO of OpenGate Capital, to stand by the agreement your portfolio company negotiated with its employees. Restore their health coverage, pay them for the work they've done, and make them whole for any losses they've suffered as a result of the bankruptcy that you caused.

In the letter I sent you in June of 2021, I relayed the accounts of Hufcor workers who I met with in Janesville last year. Unfortunately, many of the fears they shared with me then have come true. I have heard from Michelle and Jeff, both of whom worked at Hufcor and had dreams of retiring there. They are currently without health coverage and unable to get medications they need. They are unable to continue saving for their child's college education and are working new, lower-paying jobs. The experience has left them frustrated, anxious, and depressed.

I share these stories with you because I want you to understand the consequences of your firm's actions in this community. In closing, I once again urge you to stand by the agreement your company negotiated with the workers.

Sincerely,



Tammy Baldwin
United States Senator