



OCT 21 2011

October 20, 2011

Mr. Bill McEntaffer  
WARN Administrator  
South Dakota State Dislocated Workers Unit  
South Dakota Department of Labor  
700 Governor's Drive  
Pierre, SD 57501

Mr. McEntaffer.

Enclosed is the WARN notice of the upcoming plant closure of Alamo Group (SMC) Inc in Sioux Falls, SD. Regretfully we have made this decision due to numerous economic factors. There have been significant changes in the procurement strategies of our major OEM customers, and we have found it is not feasible to continue operations at the Sioux Falls plant with current production levels.

We will be working with our current employees to assist their transition into other available jobs in the surrounding area.

If any questions, feel free to contact me.

Shawn Cleary  
General Manager  
Alamo Group (SMC) Inc.  
300 East 60<sup>th</sup> Street N  
Sioux Falls, SD 57104  
605.731.0404  
scleary@alamo-group.com





Worker Adjustment Retraining and Notification Act  
WARN ACT NOTICE

To: All Alamo Group (SMC) Inc. Employees

From: Shawn Cleary  
General Manager

Date: October 21, 2011

Subject: Alamo Group (SMC) Inc. Closure

We at Alamo Group SMC, Inc. (FEIN: 91-2135325) ("the Company") regret to inform you that the Company has decided to discontinue operations at its SMC Sioux Falls facility which is located at 300 E. 60<sup>th</sup> Street N. The Company will close the entire SMC facility on or about December 23, 2011. The facility closure will be permanent. The Worker Adjustment and Retraining Notification Act ("WARN") requires employers to provide employees who will be losing their jobs due to plant closure – with at least 60 days notice prior to any employment action.

The facility closure will affect 76 persons including the following positions: Fabricator II, Master Fabricator; Fabricator III, Supervisor II Production Processing, Machine Operator/Programmer, Master Assembler, Assembler III, Painter II, Master Painter, Paint Lead, Welder III, Master Welder, Welder II, Welder I, Robotic Welder/Programmer, Fixture Builder, Engineering Nesting/Planner, Maintenance & Repairer, Cycle Counter, Expeditor, Quality Assurance Specialist, Master S/R Coordinator, Plant Manager, Materials Manager, Buyer II, Accountant Financial II, Payroll Coordinator, Field/Tech Service Rep, Customer Service Rep III; HR Manager.

Production will continue until the closure at which time the Company intends to transfer any remaining production to the Alamo Group (IL.) facility or to outside vendors. If you are laid off before the end of your WARN notice, you will be paid at least through December 23, 2011. However, the company anticipates that some employees will be needed for continuing operations through approximately March 31, 2012. Also, it is likely that some of you will be asked to remain with the Company after the facility closes to perform various functions related to the winding up of the Company's business in Sioux Falls. You can contact Sharon Crichton at (605) 782-4061, Julie Edwards at (830) 372-9689, or Gabriela Garcia at (830) 372-9559, with any questions you may have or if you require any further information.

The Company will be offering separation packages to all Alamo Group (SMC) Inc. employees who are direct employees of the Company and who remain actively employed with the Company until they are laid-off. The separation packages are based in part on years of service and will be discussed with each employee individually. Julie Edwards, Gabriela Garcia, and Sharon Crichton will conduct individual discussions Monday, October 24, 2011.

The Company's Employee Assistance Program (EAP) has been notified and should have representatives on site to provide employee assistance within the next few days. In addition you may wish to contact the South Dakota State Dislocated Workers Unit in Sioux Falls by calling (605) 773-5017.

Marvin O'Hara will continue to act as Plant Manager during the plant closure and winding up period which is expected to run through March 31, 2012. Marvin will be responsible for continued production during the winding up period and he will also coordinate those activities which may be necessary to close the SMC facility.

We appreciate your contribution to the Company and look forward to your continued dedication and cooperation during the next several months. We encourage you to take advantage of the available assistance programs and to address any questions you may have.

cc: Mayor Mike Huether  
City of Sioux Falls  
224 W. 9<sup>th</sup> Street  
Sioux Falls, South Dakota 57104

Bill McEntaffer, WARN Administrator  
South Dakota State Dislocated Workers Unit  
South Dakota Department Labor and Regulations  
700 Governor's Drive  
Pierre, South Dakota 57501

Chuck Robinson  
Local Union President  
United Electrical, Radio and Machine Workers of America  
Local 1128  
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