



TEAMSTERS

Hertz Bankruptcy Update

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Late in the night on Friday, May 22, 2020, Hertz filed for Chapter 11 bankruptcy protection in the U.S. Bankruptcy Court for the District of Delaware for all its brands (Hertz, Dollar, Thrifty) in the U.S. and U.S. territories. Hertz filed bankruptcy proceedings separately in Canada but not in all of the countries it operates.

It's important to note that many companies file Chapter 11 bankruptcy in an effort to reorganize their debt and capital structure so that it can continue as a "going concern" business, meaning operating much the way it had but in a more sustained manner. The fact that Hertz filed for bankruptcy does not automatically mean the company will liquidate or close.

Initial news reports indicate that Hertz wants to use the bankruptcy process to "reorganize" and continue operating their business. It is important to note that the company will continue operating as normal as possible during the COVID-19 pandemic and Teamsters that are working should report to work as scheduled. In line with that statement, Hertz has indicated a desire to pay wages in the ordinary course of business and that it will soon file a motion with the court to do so.

There are very few additional details at this time but we expect that Hertz believes it has secured financing to get in through the bankruptcy process. We will get more details about its intentions as we engage the company and as more documents are filed with the Bankruptcy Court.

We want to assure local unions and members that the Industrial Trades Division will work diligently to preserve and protect the wages and benefits our members enjoy today. We are working with various IBT Departments and have already engaged bankruptcy counsel to closely monitor the bankruptcy process and play an active role to best protect our members' interests. Going forward we will be scheduling conference calls with locals to discuss ongoing developments and provide written updates that you can use with your membership.