

# JONES DAY

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November 8, 2005

Greg Regaignon, North America Manager  
Business & Human Rights Resource Centre  
431 West 6th Street  
Claremont, California 91711-4202

Re: Response from Rubie's de Mexico

Dear Mr. Regaignon:

This letter is a response to the October 7, 2005 article your organization is featuring in this week's "Weekly Update" e-mail. The article contains a number of false allegations relating to union representation and working conditions in the Rubie's de Mexico facility. In particular, Rubie's de Mexico has never hired workers below the legal age limit in Mexico. Moreover, no Warner Bros. or Mattel brand costumes are being manufactured at this location. Additionally, the allegations regarding layoffs are unfounded. In the regular course of its business, the company hires seasonal workers to assist with production during peak months. At the conclusion of the peak season, these workers are released. This has been the practice for many years. Thus, no layoff occurs when seasonal employees leave the company – they understand from the beginning of their employment that their time with the company will end when the peak season ends.

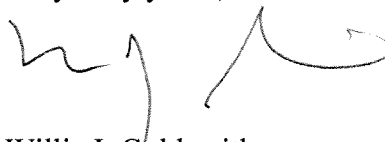
The FTVO-CROC union and its leader, Salim Kalkach, are publicizing these and other false allegations to gain media attention and support for their efforts to oust the CTM, the union that is the current bargaining representative of Rubie's de Mexico workers. The employees have been represented by CTM since at least 1998, when Rubie's de Mexico purchased this facility. Since that time, CTM has negotiated successive collective bargaining agreements without incident. The current collective bargaining agreement between Rubie's de Mexico and the CTM was signed in March of this year and will remain in effect through March, 2007. The agreement provides for wages and benefits that not only match, but we believe exceed, the market rate for factory workers in this area of Mexico. Moreover, the Mexican government continues to recognize CTM as the legal representative of Rubie's de Mexico employees.

On or before December 14, 2005, the company will file a comprehensive brief with the United States Department of Labor responding to these allegations. That brief will be available

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to the public on the Department of Labor's website, and the Department of Labor's final ruling will be published in the Federal Register. We invite you to review the brief when it is filed.

Very truly yours,

A handwritten signature in black ink, appearing to read "WJ Goldsmith", with a stylized flourish at the end.

Willis J. Goldsmith  
Counsel for Rubie's de Mexico

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