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Employees grapple with utility company over stripped benefits

Joint-action complaint filed by Chicago firm

More than 65 long-time employees of Chicago-based energy giant Integrys have become the latest victims of a corporate refusal to pay employee benefits. On Tuesday, March 10, Chicago law firm DeBofsky & Associates filed with the Circuit Court of Cook County a joint-action complaint on behalf of 65 Integrys employees who claim Integrys used the occasion of a \$9 billion sale of its business to Wisconsin Energy Corporation to strip them of stock grants earned through loyalty and performance.

In 2014, holding company Integrys Energy Group (IEG) agreed to sell all of its regulated divisions to Milwaukee's Wisconsin Energy Corp. for approximately \$9 billion, and its lone unregulated division, Integrys Energy Systems (IES), to a separate utility for an estimated \$300 million. IEG's sale is expected to be consummated in late 2015, at which point the remaining Integrys employees will be eligible for a payout of their stock grants.

Citing a 2010 omnibus compensation plan established by Integrys stating any existing employee stock holdings "will become fully vested...if a Change in Control has occurred," the IES employees claim that the sale of their operating unit as a part of the overall merger plan should render their stock incentives fully vested.

Integrys, however, is refusing to honor its promise to these employees. Despite the fact that the sale of their division was an integral part of the planned sale of IEG, employees of IES have been denied their rights under the plan's Change of Control provision. Instead, Integrys has treated the stocks held by employees of the spun-off division—stocks totaling approximately \$7 million—as forfeited, and has removed the awarded but unvested stocks from their accounts.

Integrys has previously come under fire for increasing executive pay by 109 percent and receiving \$92 million in tax rebates despite not having paid taxes from 2008 to 2010.

Of Tuesday's filing, attorney Mark DeBofsky says, "These 65 employees' average more than 10 years with Integrys. They earned those grants through their years of hard work and loyalty. And despite Integrys' use of its stock plan as an incentive to employees to put forth their best efforts on behalf of the company, it is the company that took these stock grants away from the plaintiffs. This is another illustration of a broken promise." ⇨

About DeBofsky & Associates P.C and Mark DeBofsky

DeBofsky & Associates P.C. is a Chicago-based specialty law firm dedicated to consultation and litigation assistance regarding disability insurance, life/accidental death insurance, long-term care, health, retirement, and other employee benefit issues. The principals are founder Mark DeBofsky and associates Martina B. Sherman, Marie E. Casciari and William T. Reynolds.

Mark DeBofsky is nationally recognized for his litigation skills and results in employee benefit disputes. As one of the country's pre-eminent authorities on employee benefits, DeBofsky has testified before the U.S. Senate and the Department of Labor.

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FYI To interview Mark DeBofsky, please contact Danielle Dittus at danielledittus@skpr.net or 773-412-1356.