

United States Senate

WASHINGTON, DC 20510

April 17, 2025

Ross Bushnell
President and Chief Executive Officer
Pixelle Specialty Solutions LLC
228 South Main Street
Spring Grove, PA 17362

Sami Mnaymneh
Founder, Executive Chairman and Chief Executive Officer
H.I.G. Capital
1450 Brickell Avenue
31st Floor
Miami, FL 33131

Dear Mr. Bushnell and Mr. Mnaymneh:

I write today on behalf of the nearly 1,000 Pixelle employees losing their jobs because of your selfish business decisions and corporate greed. You know what is an “extremely difficult decision?” Figuring out how to feed and provide for your family when you’ve been laid off after dedicating 37 years of your life to an employer because Wall Street elites decided that they want to “align [their] operations with long-term business goals.”¹

Chillicothe is called Paper City for a reason. The first iteration of the paper mill was constructed in 1812.² While the ownership of the paper mill has changed throughout its long history, from family-owned to under the ownership of a public company, its presence to the people of Chillicothe and perseverance remained resolute throughout tumultuous times in our history.

Yet somehow your collective greed and/or inept business choices managed to close the doors to a paper mill that survived the Great Depression, Pearl Harbor, the September 11, 2001 terrorist attacks, the transition to the digital age, and a global pandemic. And yet, the paper mill and business are suddenly unable to survive the outcome of an acquisition by a private equity firm? As a businessman myself, the facts just do not add up.

¹<https://abc6onyourside.com/news/local/pixelle-specialty-solutions-to-close-chillicothe-paper-mill-focus-on-specialty-markets>; <https://cwcolumbus.com/news/local/its-been-a-family-employees-of-paper-mill-in-chillicothe-shocked-by-news-of-closing?photo=2>.

² *Chillicothe's paper mill: A timeline*, CHILLICOTHE GAZETTE, Apr. 17, 2025, https://subscribe.chillicothegazette.com/restricted?return=https%3A%2F%2Fwww.chillicothegazette.com%2Fstory%2Fnews%2Flocal%2F2025%2F04%2F16%2Fa-timeline-look-back-at-the-paper-mill-in-chillicothe%2F83099818007%2F&gps-source=CPROADBLOCKDH&itm_source=roadblock&itm_medium=onsite&itm_campaign=premiumroadblock&gca-cat=p&gca-uir=true&gca-epi=z115146p003450c003450e004500v115146b0051xxd005165&gca-ft=16&gca-ds=sophi&theme=twentyfour&hideGrid=true&gnt-eid=control.

H.I.G. Capital is an investment firm with \$69 billion of equity capital under management, riddled with Wall Street executives, including Mr. Mnaymneh, a billionaire five times over and one of the wealthiest people in the world.³ H.I.G. Capital's business model is to suck the proverbial blood out of companies it acquires until the companies declare bankruptcy, leaving the employees and communities it decimates behind.⁴

In 2019, H.I.G. acquired the then-successful Jenny Craig company only to milk it for all its worth before Craig Holdings declared bankruptcy barely four years later.⁵ Similarly, H.I.G. Capital acquired Cleveland-based Supply Source Enterprises, only to drive it into the ground before the company declared bankruptcy in 2024.⁶ H.I.G.'s corporate ransacking continued with Pegasus Home Fashions, Mobileum before it moved on to Pixelle.⁷ I'm here to inform you that such lecherous, self-serving, and destructive behavior must end now.

In 2022, H.I.G. announced that one of its affiliates had completed the acquisition of Pixelle Specialty Solutions Holding LLC, who owned and operated the Chillicothe Paper Mill.⁸ Both of your respective companies boasted about the closing of the acquisition. According to the former Chief Executive Officer of Pixelle, Timothy Hess, "Pixelle has developed a broad, innovative portfolio of industry leading brands across the specialty papers and sustainable packaging markets. In under four years, we have transformed Pixelle into the leading specialty-focused paper producer in North America through three strategic acquisitions and successful implementation of a continuous improvement program."⁹

Likewise, H.I.G.'s Head of North American Industrials bragged that Pixelle has "a proven track record of building a best-in-class business and providing the highest levels of quality and service for their customers."¹⁰ He continued, "[w]e are excited about the combination of H.I.G.'s value-added partnership with Pixelle's differentiated capabilities in technically demanding specialty papers to embark on the next phase of growth." So, help me understand how kicking nearly 1,000 employees to the curb and shutting down an approximately 200-year-old paper mill is part of your "next phase of growth"?

³ <https://hig.com/about/>; <https://espnswfl.com/listicle/richest-billionaires-in-florida/>.

⁴ <https://www.reuters.com/legal/government/mobileum-goes-bankrupt-amid-pe-owners-legal-battle-2024-07-23/>; <https://www.nbcnews.com/business/business-news/jenny-craig-shutting-down-employee-layoffs-details-rcna82603>; <https://www.trsa.org/news/hospco-brands-acquires-assets-of-supply-source-enterprises/>; <https://www.bloomberg.com/news/articles/2023-08-24/h-i-g-backed-pillow-maker-goes-bust-two-years-after-takeover>.

⁵ <https://www.nbcnews.com/business/business-news/jenny-craig-shutting-down-employee-layoffs-details-rcna82603>; <https://www.bloomberg.com/news/articles/2023-05-08/diet-brand-jenny-craig-files-for-bankruptcy-shuts-down>.

⁶ <https://www.businesswire.com/news/home/20200701005092/en/H.I.G.-Capital-Completes-Acquisition-of-Supply-Source>.

⁷ <https://www.bloomberg.com/news/articles/2023-08-24/h-i-g-backed-pillow-maker-goes-bust-two-years-after-takeover>.

⁸ <https://www.businesswire.com/news/home/20220519006022/en/H.I.G.-Capital-Completes-Acquisition-of-Pixelle-Specialty-Solutions>.

⁹ <https://www.businesswire.com/news/home/20220519006022/en/H.I.G.-Capital-Completes-Acquisition-of-Pixelle-Specialty-Solutions>.

¹⁰ <https://www.businesswire.com/news/home/20220519006022/en/H.I.G.-Capital-Completes-Acquisition-of-Pixelle-Specialty-Solutions>.

I can only conclude that H.I.G. acquired a landmark Ohio business with the sole intention of shutting it down to line your executives' pockets at the expense of hard-working Ohioans. I won't allow this carnage to stand. The only logical solution is for H.I.G to divest itself from Pixelle and the paper mill and find an operator that knows how to successfully run and grow a company.

Therefore, I demand answers to the following questions, requests for information, and production of documents within six business days of receipt of this letter. If I do not receive the requested answers, information and documents, I will not hesitate to use the full force of my authority as United States Senator to investigate your companies and issue subpoenas. Additionally, if I do not receive the requested answers, information, and documents, I will encourage the Department of Justice and the Department of Treasury to utilize their authority to investigate all H.I.G. portfolio companies to prevent another disaster like this from happening again.

1. How is shutting down the Chillicothe Paper Mill aligning with Pixelle and H.I.G.'s long-term business goals when just three years ago you were publicly exclaiming about a phase of growth? What changed?
2. How much did Pixelle executives personally profit from the acquisition?
3. Did Pixelle share any of the sale proceeds from the acquisition with your employees?
4. When did you make the decision to close down the Chillicothe Paper Mill?
5. Why did H.I.G. purchase Pixelle if you were just going to shut down one of its assets?
6. Did you think about the employees that have dedicated their entire lives to working at the Chillicothe Paper Mill when you chose to prioritize profit over people?
7. How was the acquisition financed?
8. How much debt did you use to capitalize the deal?
9. Who was your lender?
10. What were the terms of the loan?
11. Provide my office with the financial information, analysis, and the model that you utilized to make this decision.
12. Provide my office with Pixelle's annual audited financial statements for the last five years, including the balance sheet, profit and loss statements, and statements of cash flow.

Sincerely,


BERNIE MORENO
United States Senator

cc:

United States Vice President JD Vance
United States Attorney General Pam Bondi
United States Department of Treasury Secretary Scott Bessent
Ohio Governor Mike DeWine
United States Senator Jon Husted

Congressman Dave Taylor (OH-02)
Ohio Attorney General Dave Yost
State of Ohio Auditor Keith Faber