

**UNITED STATES BANKRUPTCY COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA  
RIVERSIDE DIVISION**

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION CONCERNING “WARN ACT” CLAIMS**

*The United States Bankruptcy Court for the Central District of California authorized this notice.  
This is not a solicitation from a lawyer.*

**If You Are A Former Employee Of Fleetwood Enterprises, Inc., Fleetwood Travel Trailers Of Ohio, Inc., Fleetwood Travel Trailers Of Oregon, Inc. Or Fleetwood Motor Homes Of California, Inc. Who Was Terminated From Your Employment As A Consequence Of A Mass Layoff And/Or Plant Closing On Or About March 9, 2009, And You Received Less Than 60 Days’ Advance Notice Of Your Termination, You Are Entitled To Benefits Under This Settlement.**

**Please Read This Notice Carefully. Your Legal Rights Are Affected Whether You Act or Not.**

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>PARTICIPATE IN THE SETTLEMENT</b>	If you agree with the proposed settlement, you need not take any action to be included in the settlement. If the Court approves the settlement, you will be entitled to receive benefits under the settlement as explained below.
<b>EXCLUDE YOURSELF</b>	You may exclude yourself from the settlement. Sections 12 through 14 below explain this option. You will not be entitled to participate in the settlement if you choose this option.
<b>OBJECT OR COMMENT</b>	You may write the Court about why you do, or do not, like the settlement. You must elect to remain in the class and participate in the settlement to be able to comment in support of or in opposition to the settlement.
<b>ATTEND THE HEARING</b>	You may file an objection or comments with the Court and request an opportunity to speak to the Court about the fairness of the settlement.

These rights and options — and the deadlines to exercise them — are explained in this notice.

The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after any appeals are resolved.

**BASIC INFORMATION**

**1. Why did I get this notice package?**

You have received this notice because Fleetwood Enterprises, Inc.’s records indicate that you worked for Fleetwood Enterprises, Inc., Fleetwood Travel Trailers of Oregon, Inc., Fleetwood Travel Trailers of Ohio, Inc., or Fleetwood Motor Homes of California, Inc., and that you were terminated from your employment on or about March 9, 2009 as part of a mass layoff or plant closing without receiving 60 days’ advance notice of your termination.

The Court authorized us to send you this notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves the settlement and after any objections and appeals are resolved, the payments that the settlement provides will be made.

This notice explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them. This notice also explains how you may be excluded from the settlement if you wish to be excluded.

The Court in charge of the case is the United States Bankruptcy Court for the Central District of California, Riverside Division, Judge Meredith A. Jury, and the case is known as *Sandra Justice, et al. v. Fleetwood Enterprises, Inc., et al.*, Adversary Case No. 6:09-ap-01114-MJ. The people who sued are called “Plaintiffs” or the “WARN Class Representatives,” and the companies they sued, Fleetwood Enterprises, Inc., Fleetwood Travel Trailers of Oregon, Inc., Fleetwood Travel Trailers of Ohio, Inc. and Fleetwood Motor Homes of California, Inc., together with the affiliated Fleetwood entities which filed for bankruptcy protection, are referred to in this notice as “Fleetwood” or the “Debtors.”

## **2. What is this lawsuit about?**

Plaintiffs allege that Fleetwood violated a federal law known as the WARN Act and a similar state law referred to as the California WARN Act by ordering plant closings and/or mass layoffs on or about March 9, 2009, without providing 60 days’ advance notice of termination to the employees, and that as a consequence of this failure, employees like you have a claim against Fleetwood consisting of your wages and benefits for the 60-day violation period.

Fleetwood denies all of Plaintiffs’ allegations and has asserted numerous defenses against these claims, including its belief that Fleetwood was not obligated to provide 60 days’ notice under the applicable law. Fleetwood is entering into this settlement to avoid burdensome and costly litigation. The settlement is not an admission of wrongdoing or an indication that any law was violated.

## **3. Why is this a class action?**

Plaintiffs filed this case as a class action because they allege approximately 670 employees were affected by Fleetwood’s alleged violation of the WARN Act and the California WARN Act and have claims similar to their own. The people with similar claims are the WARN Class Members. In a class action, one court resolves the issues for all class members, except for those who exclude themselves from the class.

## **4. Why is there a settlement?**

Litigation is costly, risky, takes a long time, and neither side in this case could predict the outcome or guarantee victory. This case was litigated and investigated by both sides. The Court did not decide in favor of Plaintiffs or Fleetwood. Rather, the parties, after lengthy negotiations, agreed to settle the case instead of going forward with litigation and a trial which would create many risks and delays. One risk is that even if Plaintiffs were ultimately successful at trial, there may not be any funds to pay the whole judgment or any part of it because Fleetwood is in bankruptcy. Also, if the case were to go to trial, the losing party might appeal, which could delay the case for years. This settlement avoids the costs and risks associated with trial and an appeal, while providing significant cash benefits to members of the class soon.

The WARN Class Representatives and their attorneys, who have been appointed as class counsel by the Court (“Class Counsel”), think that the settlement is the best course for the WARN Class Members. Judge Jury has also granted preliminary approval of the settlement.

## **WHO IS IN THE SETTLEMENT**

## **5. How do I know if I am part of the settlement?**

The “WARN Class” includes all individuals who were employed by one of the Debtors at a facility with greater than 50 employees and were terminated on or after March 9, 2009, without receiving a full 60 days’ notice in advance of your termination by a Debtor who either (a) is located in California and conducted a mass layoff of more than 50 employees on or after March 9, 2009, or within 30 days thereof, (b) is located in a state other than California and conducted a mass layoff of more than 50 employees and at least 33% of that Debtor’s work force on or after March 9, 2009, or within 30 days thereof, or (c) conducted a plant closing on or after March 9, 2009, all with the exception of those individuals who are

eligible to receive retention and/or incentive payments pursuant to the Fleetwood Enterprises, Inc. Key Employee Incentive and Retention Programs approved by the Bankruptcy Court on July 17, 2009 or the Amended and Restated Key Employee Retention and Incentive Plan approved by the Bankruptcy Court on February 11, 2010. If you fall within this definition, then you are a WARN Class Member and you are part of the settlement. If you are unsure whether you fall within this definition, please contact the Claims Administrator or Class Counsel at the phone numbers provided in Paragraphs 12 and 17 below.

#### **6. Are there exceptions to being included?**

All people who timely request exclusion will not be included in the settlement.

### **THE SETTLEMENT BENEFITS**

#### **7. What does the settlement provide?**

The Defendants have agreed to pay a total settlement amount of \$1,400,000 in full settlement of the claims of the WARN Class. This amount includes all payments to the WARN Class Members, Class Counsel's attorneys' fees and expenses, any service payments to the WARN Class Representatives, and costs of administration of the settlement. Each Class Member who does not choose to exclude him or herself from the settlement will receive a pro rata share of the settlement amount *minus* the following deductions:

- Each WARN Settlement Class Member's pro rata share of:
  - Service Payments to the WARN Class Representatives up to a total amount of \$12,000;
  - Attorneys' Fees up to \$360,000 (which equals approximately 25% of the total settlement amount), subject to Court approval; and
  - Attorney Costs including Notice Administration Fees up to \$49,500 (collectively, "Fees and Costs").

The total amount of Fees and Costs will not exceed \$421,500. In addition, each WARN Settlement Class Member's settlement payment will be subject to income tax withholding and the employee's share of payroll taxes.

The settlement distribution process will be administered by an independent claims administrator ("Claims Administrator") approved by the Court.

#### **8. What can I get from the settlement?**

The WARN Net Settlement Amount will be divided among those WARN Class Members who do not elect to be excluded from the settlement. Those individuals are referred to as "WARN Settlement Class Members." The parties have endeavored to divide the WARN Net Settlement Amount in a fair way. They have created a formula based upon each WARN Class Member's daily rate of pay and the total amount of the theoretical WARN claims. Each WARN Class Member's daily rate of pay will be multiplied by 45 "work days" because there were an estimated 45 actual workdays during the 60-day period. Plaintiffs contend that WARN Class Members should have been provided WARN Act notice.

Below is an example of how the formula works. **This is an example only, not the amount of money you will receive if you participate in the settlement.**

**Employee A - Estimated Settlement Amount \$1,301.40**

(A) Employee A's Potential Individual WARN Claim Equals Employee A's Daily Rate Multiplied by 45	(B) Aggregate Amount of Potential Individual WARN Claims	(C) Employee A's Pro Rata Factor Equals (A) Divided by (B)	(D) Employee A's Share of the Settlement Equals (C) Multiplied by \$1,400,000	(E) Employee A's Pro Rata Share of Fees and Costs Equals (C) Multiplied by \$421,500 (Maximum Fees and Costs)	Employee A's Estimated Settlement Payment (pre-tax) Equals (D) Minus (E)
Employee A's Daily Rate of \$102 x 45 = \$4,590.00	\$3,450,634.00	\$4,590.00 ÷ \$3,450,634.00 = .00133	.00133 x \$1,400,000 = \$1,862.00	.00133 x \$421,500 = \$560.60	\$1,862.00 - \$560.60 = \$1,301.40

In addition to the employee's share of Fees and Costs, your settlement payment will also be reduced by applicable payroll taxes and other required withholdings.

The parties may make adjustments to the settlement formula during the administration process.

**HOW TO PARTICIPATE IN THE SETTLEMENT**

**9. How can I get a payment?**

***If you are satisfied with the proposed settlement and want to participate in the settlement and receive your distribution, you do not need to do anything.***

**10. When would I get my payment?**

Class action settlements require court oversight as well as notice to all class members. This takes time. Fleetwood is not required to pay the settlement until at least three things occur. First, notice must be provided to the WARN Class Members, so that they will have time to read this notice and respond (for example, by excluding themselves, by objecting or by doing nothing). After the notice period has expired, the Court will hold a Fairness Hearing and decide whether it should grant final approval of the settlement. Assuming the settlement is finally approved, Fleetwood will not have to pay the settlement until the time for appeal has expired. In all likelihood, all of this will occur by the end of summer 2010. If there is an appeal, it will add at least one year, but probably more, to the time when you receive payment.

If 10% or more of the WARN Class Members choose to be excluded from the settlement, Fleetwood has the right to decide not to go forward with the settlement. If this were to happen, all of the WARN Class Members would be in the same position as if the settlement never existed, meaning the litigation would move forward. However, Class Counsel encourages WARN Class Members to participate in the settlement.

**11. What am I giving up to get a payment or stay in the class?**

Unless you elect to exclude yourself, you are staying in the WARN Class and accepting the settlement. You will be deemed to have entered into a "Release of Claims" that is part of the written settlement in this case, and you would be subject to and legally bound by all of the Court's orders. You should understand that the "Release of Claims" is broad, and releases all claims against the Debtors related to this lawsuit, with a few exceptions.

In addition, if you filed a proof of claim asserting claims for your employer's alleged failure to provide adequate notice under the WARN Act or for severance, back pay or benefits arising out of the termination of your employment by Fleetwood, whether based on the WARN Act or any other federal, state or local law, regulation or ordinance, and you participate in the settlement, your proof of claim relating to such claims will be deemed withdrawn and/or disallowed without the need for further action by the Debtors.

**However, to the extent you filed a proof of claim for other types of claims, such as unpaid vacation, sick leave, paid time off or reimbursable business expenses that have not yet been paid, you will still be able to pursue those claims even if you accept this settlement.**

The Release of Claims means that you cannot sue, continue to sue, or be part of any other lawsuit against Fleetwood in this case or any of the Debtors in the Fleetwood bankruptcy case about the legal issues that arose because of Fleetwood's alleged violation of the WARN Act or the California WARN Act or for back pay, severance or benefits arising out of the termination of your employment.

The "Release of Claims," which follows, describes the legal claims you are giving up:

Except for the rights arising out of, provided for, or reserved in this Settlement Agreement, upon the payment of the Settlement Amount to the Claims Administrator, the Settlement Class Members, for and on behalf of themselves, and their respective successors and assigns (collectively, the "Releasing Parties"), do hereby fully and forever release and discharge the Debtors, the Debtors' estates and their respective officers, directors, shareholders, agents, employees and other agents, and all of their respective predecessors, successors and assigns (collectively, the "Released Parties"), of and from any and all claims, demands, debts, liabilities, obligations, liens, actions and causes of action, costs, expenses, attorneys' fees and damages of whatever kind or nature, at law, in equity and otherwise, whether known, unknown, anticipated, suspected or disclosed, which the Releasing Parties may now have or hereafter may have against the Released Parties, which relate to or are based on the WARN Act, the California WARN Act, or any obligations to pay back pay or severance pay or benefits under any federal, state or local law or regulation arising out of the termination of the Class Members' employment with any of the Debtors, including, but not limited to the Settled Claims. The Released Parties expressly reserve the right to object to, offset or oppose any and all claims, obligations, or causes of action, of any type.

The following claims and/or rights shall not be released . . . : (a) any Non-Included Claims [which means any claims for unpaid vacation, sick leave, paid time off or reimbursable business expenses that have not yet been paid]; (b) rights, if any, unrelated to any claims under the WARN Action or the Severance Action under the Debtors' 401(k) plans; and (c) any claims that the law clearly states may not be released by settlement.

Upon the payment of the Settlement Amount to the Claims Administrator, the Settlement Class Members who filed proofs of claim in the Bankruptcy Case ("Proofs of Claim") agree that to the extent their Proofs of Claim included claims relating to any Settled Claims, such claims are deemed withdrawn and/or disallowed without the need for further action by the Debtors and that they may be expunged from the Debtors' claims register, as appropriate, in the Debtors' discretion. Upon the payment of the Settlement Amount to the Claims Administrator, proofs of claim filed on behalf of the Severance Class and the WARN Class (Proof of Claim Nos. 7624 and 7625) are deemed withdrawn and or disallowed without the need for further action by the Debtors and they may be expunged from the Debtors' claims register, as appropriate, in the Debtors' discretion.

The Releasing Parties and Class Counsel acknowledge that they are familiar with, and/or, in the case of the Class Members, have been informed by the Class Settlement Notices of the provisions of California Civil Code § 1542, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

With respect to the claims being released hereunder, the Releasing Parties waive and relinquish, to the fullest extent that the law permits, the provisions, rights and benefits of California Civil Code § 1542 and other statutes, regulations or common law principles of similar effect. Such release, however, shall not release the Debtors' obligations under this Settlement Agreement. The Releasing Parties hereby agree and acknowledge that this waiver and relinquishment is an essential term of this Settlement Agreement, without which the consideration provided to them would not have been given. In connection with such waiver and relinquishment, the Releasing Parties and Class Counsel acknowledge that they are aware that they may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those which they now know or believe to be true, with respect to the matters released herein. Nevertheless, it is the intent of the Releasing Parties and Class Counsel in executing this Settlement Agreement fully, finally, and forever to settle and release all such matters, and all claims relative thereto, which exist, may exist or might have existed (whether or not previously or currently asserted in any action or proceeding) which are the subject of the releases granted hereunder.

The "Release of Claims" is also set forth in full in the Compromise and Settlement Agreement. (See Section 23 below for how you may obtain a copy.)

### **EXCLUDING YOURSELF FROM THE SETTLEMENT**

If you do not want to receive payment under this settlement, and you want to keep the right to assert your claim(s) against Fleetwood on your own that are related to the legal issues in this case or your claims for alleged WARN or severance damages, then you must take steps to exclude yourself from the class. This is sometimes referred to as "opting out" of the class.

#### **12. How do I opt out of the settlement?**

If you wish to opt out of the settlement, you must complete the enclosed WARN Class Opt-Out Notice Form and mail the form postmarked no later than July 19, 2010 to:

Fleetwood Claims Administrator  
c/o Rust Consulting, Inc.  
P.O. Box 403  
Minneapolis, MN 55440-0403  
1-866-801-0469

If you elect to opt out you will not receive any payment as a result of the settlement, and you cannot object to the settlement. Also, you will not be legally bound by anything that happens in this lawsuit. Instead you may still be able to sue (or continue to sue) or pursue your proof of claim through the bankruptcy case.

#### **13. If I don't exclude myself, can I sue Fleetwood for the same thing later?**

No. Unless you exclude yourself now, you give up any right to sue Fleetwood and others described in the Release of Claims set forth in Section 11 for the claims that this settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from the WARN Class to be able to continue your own lawsuit against Fleetwood or others described in the Release of Claims in connection with any claims included within the Release of Claims.

#### **14. If I exclude myself, can I get money from this settlement?**

No. If you exclude yourself, you cannot participate in the settlement. However, if you filed a proof of claim seeking damages for an alleged violation of the WARN Act in the bankruptcy case, you may continue to pursue that proof of claim at your own expense. If you opt out of the settlement, Fleetwood and the Committee reserve their right to object to your proof of claim on any available grounds, including the defenses raised in this class action.

## **THE LAWYERS REPRESENTING YOU**

### **15. Do I have a lawyer in the case?**

WARN Class Members are represented by Charles A. Ercole, Klehr Harrison Harvey Branzburg LLP, 1835 Market Street, Suite 1400, Philadelphia, Pennsylvania 19103, and Eric H. Gibbs, Girard Gibbs LLP, 601 California Street, 14th Floor, San Francisco, California 94108. They are co-lead counsel for the WARN Class, and they are called Class Counsel. You are free to hire a different lawyer at your own expense.

### **16. How will the lawyers be paid?**

Class Counsel will request from the Court, and Fleetwood has agreed not to oppose, an award in the amount of \$360,000 for attorneys' fees and \$49,500 for costs associated with this case, including the cost of administering the settlement. The Court may award less than these amounts. The amounts awarded by the Court will be paid from the \$1,400,000 amount being paid to settle the WARN claims.

Class Counsel will ask the Court to award \$2,000 each to the WARN Class Representatives. Class Counsel are seeking these amounts because of the efforts taken by the Class Representatives, namely, taking their time and assisting Class Counsel. Fleetwood has agreed not to oppose Class Counsel's request for these payments.

## **OBJECTING TO OR COMMENTING ON THE SETTLEMENT**

You can tell the Court that you do or do not agree with the settlement or some part of it.

### **17. How do I tell the Court that I do or don't like the settlement?**

If you do not opt out and, therefore, you are a WARN Settlement Class Member, you can object to or comment on the settlement if you do or do not like any part of it. You can give reasons why you think the Court should or should not approve it. The Court will consider your views. To object or comment, you must send a written statement explaining your views on the settlement in *Sandra Justice, et al. v. Fleetwood Enterprises, Inc., et al.*, Adversary No. 6:09-ap-01114-MJ. Be sure to include your name, address, telephone number, and your signature. Your objection or comment will not be heard unless it is mailed to the addresses below by no later than July 15, 2010:

#### **THE COURT:**

Clerk of the United States Bankruptcy Court  
for the Central District of California  
3420 Twelfth Street  
Riverside, CA 92501-3819

#### **CLASS COUNSEL:**

Charles A. Ercole, Esq.  
Klehr, Harrison, Harvey, Branzburg & Ellers, LLP  
1835 Market Street, Suite 1400  
Philadelphia, PA 19103  
1-215-569-4282

Eric H. Gibbs, Esq.  
Girard Gibbs LLP  
601 California Street, 14th Floor  
San Francisco, CA 94108  
1-415-981-4800

#### **THE DEBTORS' COUNSEL:**

Michele L. Maryott, Esq.  
Gibson, Dunn & Crutcher LLP  
3161 Michelson Drive  
Irvine, CA 92612

#### **THE COMMITTEE'S COUNSEL:**

Hamid R. Rafatjoo, Esq.  
Venable LLP  
2049 Century Park East  
Suite 2100  
Los Angeles, CA 90067

**18. What's the difference between objecting and excluding myself?**

Objecting is simply telling the Court that you don't like something about the settlement. You can object only if you stay in the WARN Class. Excluding yourself is telling the Court that you don't want to be part of the WARN Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

**THE COURT'S FAIRNESS HEARING**

The Court will hold a hearing to decide whether to approve the settlement. You may attend, and you may ask to speak, but you don't have to.

**19. When and where will the Court decide whether to approve the settlement?**

The Court will hold a Fairness Hearing on August 5, 2010 at 1:30 p.m., in Courtroom No. 301, United States Bankruptcy Court for the Central District of California, 3420 Twelfth Street, Riverside, California 92501-3819. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. The Court may also decide how much to pay to Class Counsel at this hearing. If there are objections to the settlement, the Court will consider them. Judge Jury will listen to people who have filed a Notice of Intention to Appear at the hearing, as explained in Section 21 below. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

**20. Do I have to come to the hearing?**

No. Class Counsel will answer any questions Judge Jury may have. But you are welcome to come at your own expense. If you send an objection, you don't have to come to court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary.

**21. May I speak at the hearing?**

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter saying that it is your "Notice of Intention to Appear in *Sandra Justice, et al. v. Fleetwood Enterprises, Inc., et al.*, Adversary No. 6:09-ap-01114-MJ." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be postmarked no later than July 15, 2010, and must be sent to (1) the Clerk of the United States Bankruptcy Court for the Central District of California, (2) Class Counsel, (3) Debtors' Counsel, and (4) Committee Counsel at the addresses listed in Section 17 above. You cannot speak at the hearing if you opt out of the settlement.

**IF YOU DO NOTHING**

**22. What happens if I do nothing at all?**

If you do nothing, you'll receive your cash payment under the terms of the settlement if the Court approves the settlement. But unless you opt out, you won't be able to start a lawsuit, continue with a lawsuit, pursue a proof of claim for alleged WARN damages or be part of any other lawsuit against Fleetwood and others described in the Release of Claims about the legal issues in this case.

**GETTING MORE INFORMATION**

**23. Are there more details about the settlement?**

This notice summarizes the settlement. More details of the settlement are contained in the Compromise and Settlement Agreement. Copies of the Compromise and Settlement Agreement and the pleadings and other documents relating to the case are on file at the United States Bankruptcy Court for the Central District of California, Riverside Division and may be examined and copied at any time during regular office hours at the Office of the Clerk, at the address listed in Section 17 above. You may also contact Class Counsel identified above, or visit <http://www.girardgibbs.com/fleetwoodmasslayoff.asp>, and they will send or email you copies.

**24. How do I get more information?**

If you have questions, please contact the Claims Administrator identified in Section 12 above. You may also contact one of the Class Counsel identified in Section 17.

**DO NOT CALL THE COURT OR THE OFFICE OF THE UNITED STATES TRUSTEE REGARDING THIS MATTER.**