

UNITED STATES DISTRICT COURT

FILED  
U.S. DISTRICT COURT  
EASTERN DISTRICT OF LOUISIANA

FOR THE

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USDC EASTERN DISTRICT OF LOUISIANA

LORETTA G. WHYTE  
CLERK

DUFFY, BEVERLY, ET AL. )  
)  
Plaintiff(s) )  
)  
vs. )  
)  
HOMES OF MERIT, INC. )  
)  
Defendant(s). )

Case No. 10-2292 N(S)

SUGGESTION OF BANKRUPTCY

PLEASE TAKE NOTICE that on the 15<sup>th</sup> day of November, 2009, the United States Bankruptcy Court for the District of Delaware entered an Order for Relief under Title 11 of Chapter 11 of the United States Code in the matters of In re Champion Enterprises, Inc.<sup>1</sup> and its affiliated companies listed below (collectively, the "Debtors") jointly administered at Case No. 09-14019 (KG). The Debtors include entities operating under the trade name, Homes of Merit, Inc. A copy of the voluntary petition for Champion Enterprises, Inc. is attached hereto.

PLEASE TAKE FURTHER NOTICE that pursuant to 11 U.S.C. § 362(a), the Debtors' filing of voluntary petitions operates as a stay, applicable to all entities, of, among other things: (a) the commencement or continuation of all judicial, administrative, or other actions or

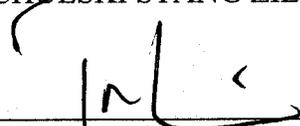
<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Redman Homes, Inc. (4957); Champion Enterprises, Inc. (3168); Champion Home Builders Co. (4984); New Era Building Systems, Inc. (0928); North American Housing Corp. (1097); Homes of Merit, Inc. (8488); Western Homes Corporation (6910); Star Fleet, Inc. (0506); Champion Enterprises Management Co. (6726); Champion Retail, Inc. (2154); San Jose Advantage Homes, Inc. (1951); Highland Acquisition Corp. (8962); Highland Manufacturing Company LLC (6762); SSH Liquidating Corp. (6678); Champion Homes of Boaz, Inc. (3165); Iseman Corp. (5899); MHCDC, LLC (3417); HomePride Finance Corp. (4767); and Champion Development Corp. (4642). The address for all Debtors is 755 W. Big Beaver, Suite 1000, Troy, MI 48084.

\_\_\_\_ Fee \_\_\_\_\_  
\_\_\_\_ Process \_\_\_\_\_  
 \_\_\_\_ Dkt \_\_\_\_\_  
\_\_\_\_ Clk/mt/Dep \_\_\_\_\_  
\_\_\_\_ Doc. No. \_\_\_\_\_

proceedings against the Debtors (i) that were or could have been commenced before the commencement of the Debtors' cases or (ii) to recover any claims against the Debtors that arose before the commencement of the Debtors' cases; (b) the enforcement, against the Debtors or against any property of the Debtors' bankruptcy estate, of a judgment obtained before the commencement of the Debtors' cases; or (c) any act to obtain possession of property of or from the Debtors' bankruptcy estate, or to exercise control over property of the Debtors' bankruptcy estate.

Dated: November 16, 2010

PACHULSKI STANG ZIEHL & JONES LLP



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David M. Bertenthal, Esquire  
Timothy P. Cairns, Esquire  
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[tcairns@pszjlaw.com](mailto:tcairns@pszjlaw.com)

Counsel to Debtors and Debtors in Possession

# **EXHIBIT A**

## Notice of Bankruptcy Case Filing

A bankruptcy case concerning the debtor(s) listed below was filed under Chapter 11 of the United States Bankruptcy Code, entered on 11/15/2009 at 8:27 PM and filed on 11/15/2009.

**Champion Enterprises, Inc.**  
755 W. Big Beaver  
Suite 1000  
Troy, MI 48084  
Tax ID / EIN: 38-2743168



The case was filed by the debtor's attorney:

**Laura Davis Jones**  
Pachulski Stang Ziehl & Jones LLP  
919 N. Market Street  
17th Floor  
Wilmington, DE 19899-8705  
usa  
302 652-4100

The case was assigned case number 09-14019-KG to Judge Kevin Gross.

In most instances, the filing of the bankruptcy case automatically stays certain collection and other actions against the debtor and the debtor's property. Under certain circumstances, the stay may be limited to 30 days or not exist at all, although the debtor can request the court to extend or impose a stay. If you attempt to collect a debt or take other action in violation of the Bankruptcy Code, you may be penalized. Consult a lawyer to determine your rights in this case.

If you would like to view the bankruptcy petition and other documents filed by the debtor, they are available at our *Internet* home page [www.deb.uscourts.gov](http://www.deb.uscourts.gov) or at the Clerk's Office, 824 Market Street, 3rd Floor, Wilmington, DE 19801.

You may be a creditor of the debtor. If so, you will receive an additional notice from the court setting forth important deadlines.

**David D. Bird**  
Clerk, U.S. Bankruptcy  
Court

09-14022

B 1 (Official Form 1) (1/08)

United States Bankruptcy Court  
District of Delaware

Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle): <b>Homes of Merit, Inc.</b>	Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): <b>Redman Homes</b>	All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all): <b>59-1438488</b>	Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all):
Street Address of Debtor (No. and Street, City, and State): <b>755 W. Big Beaver, Ste. 1000, Troy, MI</b>	Street Address of Joint Debtor (No. and Street, City, and State):
ZIP CODE <b>48084</b>	ZIP CODE
County of Residence or of the Principal Place of Business: <b>Oakland County, MI</b>	County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address): <b>same as street address</b>	Mailing Address of Joint Debtor (if different from street address):
ZIP CODE	ZIP CODE

Location of Principal Assets of Business Debtor (if different from street address above):

ZIP CODE

<b>Type of Debtor (Form of Organization)</b> (Check one box.) <input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)	<b>Nature of Business</b> (Check one box.) <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other factory built housing	<b>Chapter of Bankruptcy Code Under Which the Petition is Filed</b> (Check one box.) <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding
	<b>Tax-Exempt Entity</b> (Check box, if applicable.) <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).	<b>Nature of Debts</b> (Check one box.) <input type="checkbox"/> Debts are primarily consumer, debts defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts

Filing Fee (Check one box.)

Full Filing Fee attached.

Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments, Rule 1006(b), Sec Official Form 3A.

Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.

Chapter 11 Debtors

Check one box:

Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D).

Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).

Check if:

Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$ 2,190,000.

Check all applicable boxes:

A plan is being filed with this petition.

Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).

Statistical/Administrative Information

Debtor estimates that funds will be available for distribution to unsecured creditors.

Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.

THIS SPACE IS FOR COURT USE ONLY

Estimated Number of Creditors

1-49     50-99     100-199     200-999     1,000-5,000     5,001-10,000     10,001-25,000     25,001-50,000     50,001-100,000     Over 100,000

Estimated Assets

\$0 to \$50,000     \$10,001 to \$100,000     \$100,001 to \$500,000     \$500,001 to \$1 million     \$1,000,001 to \$10 million     \$10,000,001 to \$50 million     \$50,000,001 to \$100 million     \$100,000,001 to \$500 million     \$500,000,001 to \$1 billion     More than \$1 billion

Estimated Liabilities

0 to \$50,000     \$10,001 to \$100,000     \$100,001 to \$500,000     \$500,001 to \$1 million     \$1,000,001 to \$10 million     \$10,000,001 to \$50 million     \$50,000,001 to \$100 million     \$100,000,001 to \$500 million     \$500,000,001 to \$1 billion     More than \$1 billion

B 1 (Official Form 1) (1/08)

Page 2

<b>Voluntary Petition</b> <i>(This page must be completed and filed in every case.)</i>		<b>Name of Debtor(s):</b> Homes of Merit, Inc.	
<b>All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet.)</b>			
Location Where Filed: none	Case Number:	Date Filed:	
Location Where Filed:	Case Number:	Date Filed:	
<b>Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet.)</b>			
Name of Debtor: see attached Schedule 1	Case Number: pending	Date Filed: 2009	
District: District of Delaware	Relationship: affiliate	Judge: pending	
<p style="text-align: center;"><b>Exhibit A</b></p> (To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)	<p style="text-align: center;"><b>Exhibit B</b></p> (To be completed if debtor is an individual whose debts are primarily consumer debts.) I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I have delivered to the debtor the notice required by 11 U.S.C. § 342(b). X _____ Signature of Attorney for Debtor(s) (Date)		
<b>Exhibit C</b>			
Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?			
<input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition.			
<input type="checkbox"/> No.			
<b>Exhibit D</b>			
(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)			
<input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition.			
If this is a joint petition:			
<input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.			
<b>Information Regarding the Debtor - Venue</b> (Check any applicable box.)			
<input type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.			
<input checked="" type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.			
<input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.			
<b>Certification by a Debtor Who Resides as a Tenant of Residential Property</b> (Check all applicable boxes.)			
<input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)			
_____ (Name of landlord that obtained judgment)			
_____ (Address of landlord)			
<input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and			
<input type="checkbox"/> Debtor has included with this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.			
<input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).			

<p><b>Voluntary Petition</b> <i>(This page must be completed and filed in every case.)</i></p>	<p><b>Name of Debtor(s):</b> Homes of Merit, Inc.</p>
<b>Signatures</b>	
<p style="text-align: center;"><b>Signature(s) of Debtor(s) (Individual/Joint)</b></p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct.</p> <p>[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.</p> <p>[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. § 342(b).</p> <p>I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p>X _____ Signature of Debtor</p> <p>X _____ Signature of Joint Debtor</p> <p>_____ Telephone Number (if not represented by attorney)</p> <p>_____ Date</p>	<p style="text-align: center;"><b>Signature of a Foreign Representative</b></p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.</p> <p>(Check only one box.)</p> <p><input type="checkbox"/> I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 are attached.</p> <p><input type="checkbox"/> Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.</p> <p>X _____ (Signature of Foreign Representative)</p> <p>_____ (Printed Name of Foreign Representative)</p> <p>_____ Date</p>
<p>X _____ <i>Laura Davis Jones</i> Signature of Attorney for Debtor(s) Laura Davis Jones (No. 2436) Printed Name of Attorney for Debtor(s) Pachulski Stang Ziehl &amp; Jones LLP Firm Name 919 North Market Street, 17<sup>th</sup> Floor Address P.O. Box 8705 Wilmington, Delaware 19899-8705 Telephone Number 302-652-4100 November 15, 2009 Date</p> <p><small>*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.</small></p>	<p style="text-align: center;"><b>Signature of Non-Attorney Bankruptcy Petition Preparer</b></p> <p>I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.</p> <p>_____ Printed Name and title, if any, of Bankruptcy Petition Preparer</p> <p>_____ Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social-Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)</p> <p>_____ Address</p> <p>X _____ Date</p> <p>Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social-Security number is provided above.</p> <p>Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual.</p> <p>If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.</p> <p><small>A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both, 11 U.S.C. § 110; 18 U.S.C. § 156.</small></p>
<p style="text-align: center;"><b>Signature of Debtor (Corporation/Partnership)</b></p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.</p> <p>The debtor requests the relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p>X _____ <i>Phyllis A. Knight</i> Signature of Authorized Individual Phyllis A. Knight Printed Name of Authorized Individual President Title of Authorized Individual November 15, 2009 Date</p>	

**Schedule 1**

**Pending Bankruptcy Cases Filed by the Debtor and Affiliates Thereof**

The following affiliated debtors will file chapter 11 petitions in the United States

Bankruptcy Court for the District of Delaware:

- Redman Homes, Inc.
- Champion Enterprises, Inc.
- Champion Home Builders Co.
- New Era Building Systems, Inc.
- North American Housing Corp.
- Homes of Merit, Inc.
- Western Homes Corporation
- Star Fleet, Inc.
- Champion Enterprises Management Corp.
- Champion Retail, Inc.
- San Jose Advantage Homes, Inc.
- Highland Acquisition Corp.
- Highland Manufacturing Company LLC
- SSH Liquidating Corp.
- Champion Homes of Boaz, Inc.
- Iseman Corp.
- HomePride Finance Corp.
- MHCDC, LLC
- Champion Development Corp.

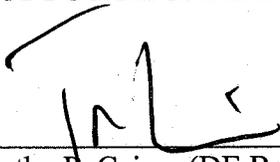
**UNITED STATES DISTRICT COURT  
FOR THE  
USDC EASTERN DISTRICT OF LOUISIANA**

DUFFY, BEVERLY, ET AL.	)	Case No. 10-2292
	)	
Plaintiff(s)	)	
	)	
vs.	)	
	)	
HOMES OF MERIT, INC.	)	
	)	
Defendant(s).	)	

**CERTIFICATE OF SERVICE**

I, Timothy P. Cairns , hereby certify that on the 16<sup>th</sup> day of November, 2010, I caused a copy of the following document to be served on the individuals on the attached service list in the manner indicated:

**SUGGESTION OF BANKRUPTCY REGARDING CHAMPION ENTERPRISES, INC.**



\_\_\_\_\_  
Timothy P. Cairns (DE Bar No. 4228)

Duffy, Beverly, et al. v. Homes of Merit, Inc., et al.  
02 – First Class Mail

***First Class Mail***

(Counsel for Plaintiff)  
Robert C. Hilliard, Esquire  
Watts Hilliard, LLC  
2506 N. Port Avenue  
Corpus Christi, TX 78401

***First Class Mail***

(Counsel for Defense)  
Lamont Domingue, Esquire  
Voorhies & Labbe  
700 St. John Street  
Lafayette, LA 70502-3527