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Fleetwood Enterprises (FLE (previous NYSE), FLTW (OTC))

Liquidation, CH. 11. FEI is the Debtor. Started as a producer of manufactured housing in 1950 and operated three divisions: **1) motor homes** (one of the largest RV manufacturers with 600 independent dealers, 2,050 dealer location network; largest manufacturer for Class A 30-45 ft. for $160k; 3rd largest manufacturer Class C 23-31 ft. for $67k), **2) housing** (2nd largest manufacturer in the U.S.; 1,450 dealers; boom from 1991 to 1998 due to lax credit, but downturn by 2000, moreso after 2006-2007 with inventory glut; operated retail operations and providing finance and insurance products, which was eventually sold to Clayton Homes in 2006), **3) travel trailers** (lost $86MM in last 2 years of operation; shutdown before petition date due to lackluster sales). Headquarters in Riverside, CA and operated 19 manufacturing facilities and employed 3,700 people. Also, co. operated 2 supply companies – fiberglass manufacturing and lumber brokerage. Looked into alternatives to bankruptcy in 2008 after continuous annual operating losses since 2001. Shutting down the travel trailer business posed repurchase options by the dealers, which meant the co. would have to buy back the trailers, most likely at a loss, so they filed for Ch.11 protection.

Admin claim -$3.1MM; Unimpaired
Priority tax claim - $1.0MM; Unimpaired
Non-tax priority claim - $7.2MM; Unimpaired
Secured Credit Facility claim – $61.7MM; Impaired; estimated 100% repayment; with BofA
ISIS claim - $17.8; Impaired; estimated 100% repayment
14% Secured Notes claim* - $84.3MM; Impaired; estimated 18% repayment; pledged by RE
General unsecured claims - $115-195MM; Impaired; estimated 8-14% repayment; no collateral to secure claim
5% Notes claim - $1.06MM; Impaired; estimated 7% repayment; issued in 2003, initially $100 MM in convertible debentures, or unsecured obligations, due 2023, but holders had right to require FEI to repurchase notes on 2008. Couldn't satisfy the put right if $100 MM tendered.
*So, they offered to exchange to 14% secured notes, of which 79% accepted the exchange offer, which is why the 14% Secured Notes claim is $83.4MM, pledged by real estate mortgage liens for manufacturing facilities.
20% of the holders chose to exchange to common shares and the 1% held on to the 5% notes, which is senior to the 6%.
6% Unsecured Notes claim - $161.2MM; Impaired; estimated 1% repayment; in 1998, subsidiary co. issued $287MM in preferred securities in private placement and transferred proceeds to FEI. In return, FEI issued $296.4 MM of 6% convertible 2028 notes, of which $151.25 MM in principal remained outstanding. FEI guaranteed the preferred shares and the 6% notes are unsecured obligations. Possibly, the sub's credit rating was better, so was able to raise capital through the sub and guaranteed the sub's debt.
Convenience claim – $5MM; Impaired; estimated 22% repayment
Product liability PI claim – impaired
Insurance claims – impaired/unimpaired