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UNITED STATES DISTRICT COURT
 FOR THE DISTRICT OF IDAHO

DOUGLAS MARSHALL, MASON JONES,)	
CURTIS HEWSTON, and DOREEN)	NO. _____
DENIGRIS, for themselves and on behalf of)	
all similarly situated people,)	
)	CLASS ACTION COMPLAINT
Plaintiffs,)	
)	Worker Adjustment and Retraining
vs.)	Notification Act Violations
)	(29 U.S.C. § 2101 <i>et seq.</i>)
McCOWN DELEEUEW & CO., INC.,)	
a California corporation,)	JURY TRIAL DEMANDED
)	
Defendant.)	

JURISDICTION

1. Jurisdiction for this case is based upon federal question jurisdiction, 28 U.S.C. § 1331. The case arises out of violations of the Worker Adjustment and Retraining Notification

Act ("WARN"), 29 U.S.C. § 2101, 2103 and 2104. The specific jurisdictional authority to bring this claim in this court is conferred by 29 U.S.C. § 2104(a)(5).

PARTIES

2. Plaintiffs are all former employees of The Brown Schools, Inc. and its wholly owned subsidiaries. Plaintiffs brings this action individually and on behalf of a class of similarly situated former employees of The Brown Schools and affiliated entities (as described more fully in paragraphs 4 and 5 below).

3. Defendant McCown DeLeeuw & Co., Inc. (hereinafter "McCown") is a private equity investment firm. It is a California corporation with a principal place of business in Menlo Park, California.

FACTS

4. The Brown Schools, Inc. operated approximately 11 boarding schools and educational facilities for children in Idaho, Texas, California, Florida and Vermont.

5. The Brown Schools had numerous affiliated corporations operating under its umbrella, including the following: The Brown Schools Management Corporation; TBS Administrative Corp.; TBS Holdings, Inc.; The Brown Schools of Florida, Inc.; Austin TBS, Inc.; The Brown Schools of San Juan, Inc.; The Brown Schools of Puerto Rico, Inc.; Northwest Academy, Inc.; Rocky Mountain Academy, Inc.; CEDU Education, Inc.; North American Boarding Schools, Inc.; CEDU Business Corporation ; CEDU School, Inc.; CEDU Holdings, Inc.; Brown Schools Education Corporation; CEDU School, Inc.; CEDU Holdings, Inc.; Brown Schools Education Corporation; The Brown Schools Business Corp.; The Brown Schools

Services Corporations; Healthcare Living Centers, Inc.; Healthcare Rehabilitation Center of Austin, Inc.; The Brown Schools Behavioral Health System, Inc.; Travis, TBS, Inc.; Healthcare AHGI, Inc.; Elmwood Management Company, Inc.; and Glenwood Management Company, Inc. (hereinafter collectively referred to as "Brown Schools Enterprise").

6. The Brown Schools Enterprise is a single employer for purposes of WARN in that each entity had common ownership, common management, a centralized control of labor relations-- especially for purposes of the mass layoffs, which all occurred simultaneously, and an interrelation of operations.

7. The Brown Schools Enterprise is a business enterprise as defined in 29 U.S.C. § 2101(a)(1). During the time that the Brown Schools Enterprise was operating, it had more than 100 employees, excluding part-time employees.

8. The Brown Schools Enterprise ordered a mass layoff and/or plant closings of virtually all of its employees and facilities on or about March 23, 2005, when The Brown Schools, Inc. and each of the affiliated entities comprising the Brown Schools Enterprise filed a voluntary Chapter 7 bankruptcy petition in the United States Bankruptcy Court for the District of Delaware.

9. The mass layoff and plant closures resulted in the employment loss at each site of at least 33 percent of the employees and at least 50 full-time employees. In all, approximately 700 employees abruptly lost their jobs.

10. Neither the Brown Schools Enterprise, nor the defendant, nor any other person, gave 60 days notice to any of the Plaintiffs, the Plaintiff Class, or their representatives prior to the mass layoff, contrary to the requirements of 29 U.S.C. § 2102(a).

11. In fact, the Brown Schools Enterprise gave no prior notice of its mass layoffs and plant closings. The Plaintiffs and the Class were not notified of the mass layoffs or plant closings until the day that their employment was terminated.

12. The defendant McCown owned and controlled the Brown School Enterprise in one or more of the following ways:

- a. George McCown, a principal of defendant, was also a member of The Brown Schools' board of directors;
- b. The president and chief executive officer of The Brown Schools, Fenton "Pete" Talbot, was an employee of defendant and placed in the role of chairman by defendant before the bankruptcy filing of the Brown Schools Enterprise;
- c. Fenton "Pete" Talbot was one of three signatories to a Unanimous Written Consent of the Board of Directors of The Brown Schools, Inc. which authorized the filing of bankruptcy petitions of each member of the Brown School Enterprise on March 25, 2005;
- d. In authorizing and directing the filing of the bankruptcies of the Brown Schools Enterprise, defendant, through its employee and appointed straw

president Talbot, controlled and effected the mass layoffs in violation of the WARN Act;

- e. The defendant was a substantial owner of the Brown Schools Enterprise; and
- f. On information and belief, defendant was and is a substantial secured creditor of the Brown Schools Enterprise and used its position to gain control over the management and actions of the Brown Schools Enterprise, including the ultimate decision to effect the mass layoffs and file the bankruptcies without 60 days notice to the Plaintiffs or members of the Plaintiff Class.

CLASS ACTION ALLEGATIONS

13. Plaintiff brings this case as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of all persons who: (a) were full time employees (i.e., not excluded as part-time employees by 20 C.F.R. § 639.3(h)), of any of the entities comprising the Brown Schools Enterprise; (b) were employed at a site as defined in 20 C.F.R. § 639.3(i); (c) had been so employed for at least six months; and (d) suffered an employment loss in 2005 as a part of the mass layoff or a plant closing (as described in paragraphs 7 and 8 above) and as defined by 29 U.S.C. § 2101(a) without sixty days prior notice.

14. This action is properly maintainable as a class action for the following reasons:

- a. The Class is so numerous that joinder of all members is impracticable. There are approximately 700 members of the proposed Class.

b. There are questions of law and fact which predominate over questions affecting any individual Class member. The common questions include, *inter alia*, the following:

(i) Whether the Plaintiffs were terminated without sixty days notice in violation of the WARN Act; and

(ii) Whether the defendant is liable for WARN Act violations as a result of its control over the entities comprising the Brown Schools Enterprise.

15. The Plaintiffs' claims are typical of the claims of the other members of the Class in that all members of the Class have been and will be damaged by the Defendants' actions.

16. The named Plaintiffs are committed to the vigorous prosecution of this action and have retained competent counsel to do so. Accordingly, Plaintiffs are adequate representatives of the Class and will fairly and adequately protect the interests of the Class.

17. The prosecution of separate actions by individual members of the Class would create a risk of inconsistent or varying adjudications with respect to individual members of the Class which would establish incompatible standards of conduct for the Defendants, or adjudications with respect to individual members of the Class which would as a practical matter be dispositive of the interests of other members of the Class or substantially impair or impede their ability to protect their interests.

18. A class action is superior to other methods for the fair and efficient adjudication of the controversy because Class members may have an individual interest that is too small for them

to commence an individual action and because it is desirable to concentrate the litigation of the claims in a single federal district court, where a significant number of the Class members reside.

CLAIM FOR RELIEF

19. Plaintiffs reallege the foregoing paragraphs.

20. Plaintiffs bring this claim on behalf of themselves and all persons similarly situated.

21. Defendant, as owner and controller of the entities comprising the Brown Schools Enterprise, is liable for the violations of 29 U.S.C. § 2102 of The WARN Act by effecting a mass layoff of employees without giving the required notice to Plaintiffs.

22. Plaintiffs and the Class are aggrieved employees who suffered employment losses resulting from the mass layoffs.

23. Defendant is liable to Plaintiffs for back pay for each day of violation of 29 U.S.C. § 2902, at the rate specified in 29 U.S.C. § 2904(a)(1)(A), plus all benefits under any applicable employee benefit plan, including the costs of medical expenses incurred that would have been covered under an employee benefit plan, plus costs, including reasonable attorney fees incurred.

WHEREFORE, Plaintiffs and the members of the Class pray for relief as follows:

1. That the Court certify the proposed Class and allow this case to proceed as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure.

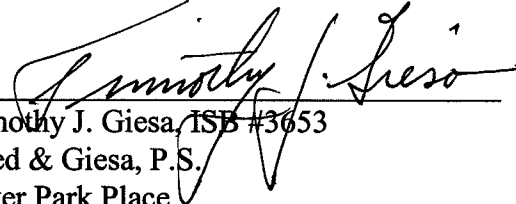
2. That Plaintiffs and the Class receive judgment against the Defendant for back pay for each day of violation of 29 U.S.C. § 2902, at the rate specified in 29 U.S.C. § 2904(a)(1)(A), plus all benefits under any applicable employee benefit plan, including the costs of medical expenses incurred that would have been covered under an employee benefit plan.

3. That Plaintiffs and members of the Class receive a judgment against the Defendant for their costs, including reasonable attorney fees incurred.

4. For such other relief as the court deems just.

DATED: April 12, 2005

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