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UNITED STATES DISTRICT COURT
DISTRICT OF OREGON

LARRY MILLER and GAYLAND
GERMAN,

Plaintiffs,

v.

LEE CLINTON, GEORGE GRITZ,
L. RICHARD STEWARD, JOHN
SUTHERLAND, STEVE WHITE,
AL NORBRATEN, DALE
CAMPBELL, RICHARD CRONN,
SR., JAY MINOR, DARRYL VAN
LOM, TERRY KELLY, DON
LARSEN, THE ESTATE OF
ALVIN BRADEN, JOHN ABBOTT,
ROBERT SCHOMMER, JAMES
UPSHAW, DAN ROBERTS, DALE
SABROSKI, SAM HOLMES,
BYRON LONEY, GARY POLSON,
CHARLES ROBINSON, and GARY
SHENEFELT,

Defendant/Third
Party Trustee Plaintiffs, (Except
Defendant John Abbot)

v.

Civil No. 00-01317-HA

NOTICE OF PENDENCY OF
CLASS ACTION, PROPOSED
SETTLEMENT OF CLASS
ACTION AND SETTLEMENT
HEARING

Date: May 21, 2002
Time: 1:30 pm
Place: Courtroom 13A
US District Courthouse
1000 SW Third Ave.
Portland, OR

1 CAPITAL CONSULTANTS, LLC,
CAPITAL CONSULTANTS, INC.,
2 JEFFREY L. GRAYSON,
BARCLAY L. GRAYSON, BLAKE
3 GRAYSON, ANDREW
WIEDERHORN, TIFFANY
4 WIEDERHORN, TED
WIEDERHORN, SPECIALTY
5 FINANCE INVESTORS LLC,
LAWRENCE A. MENDELSON,
6 JOYCE MENDELSON,
WILSHIRE CREDIT
7 CORPORATION, WCC INC.,
WILSHIRE REAL ESTATE
8 PARTNERSHIP, L.P., THE
WILSHIRE REAL ESTATE
9 INVESTMENT TRUST, INC.,
WILSHIRE SERVICING
10 CORPORATION, WILSHIRE
INTERNATIONAL FUNDING
11 GROUP, INC., WILSHIRE
FINANCIAL SERVICES GROUP,
12 INC., WILSHIRE ACQUISITION
CORPORATION, WILSHIRE
13 FUNDING CORPORATION, CCI
HOLDING COMPANY, FIRST
14 BANK OF BEVERLY HILLS,
PORTLAND SERVICING
15 CORPORATION, CAPITAL
WILSHIRE HOLDINGS INC.,
16 STERLING CAPITAL, LLC, CF
CREDIT, LLC, C.B. COLEMAN,
17 AND DAVID FREY,

18 Third Party Defendants.
19

20 TO: ALL PERSONS WHO WERE PARTICIPANTS IN OR
21 BENEFICIARIES OF THE OREGON LABORERS-EMPLOYERS
DEFINED BENEFIT PENSION PLAN, THE OREGON
22 LABORERS-EMPLOYERS DEFINED CONTRIBUTION PLAN,
OR THE OREGON LABORERS-EMPLOYERS HEALTH &
23 WELFARE TRUST FUND AS OF SEPTEMBER 21, 2000 OR
THE BENEFICIARIES, EXECUTORS, SUCCESSORS,
24 REPRESENTATIVES, HEIRS OR ASSIGNS OF SAID
PARTICIPANTS AND BENEFICIARIES OTHER THAN THE
25 DEFENDANT TRUSTEES, OR THE BENEFICIARIES,
EXECUTORS, SUCCESSORS, REPRESENTATIVES, HEIRS OR
26 ASSIGNS OF SAID DEFENDANT TRUSTEES.

1
2 **PLEASE TAKE NOTICE** that on May 21, 2002, at 1:30 p.m., a hearing
3 will be held before United States District Court Judge Ancer Haggerty, in
4 Courtroom 13A, 13th Floor of the U.S. District Courthouse, 1000 SW Third
5 Avenue, Portland, Oregon, to determine whether a proposed settlement of claims
6 against the defendant Trustees in the above-titled class action (the
7 "Settlement"), including the payment of Class Counsel's attorney fees, is fair,
8 reasonable, and adequate and should be approved by the Court, whether class
9 action claims against the defendant Trustees should be dismissed with prejudice
10 pursuant to the terms of the Settlement, and any other matters which the Court
may deem appropriate. The Trustee Defendants are: Lee Clinton, George Gritz,
L. Richard Stewart, John Sutherland, Steve White, Al Norbraten, Dale
Campbell, Richard Cronn, Sr., Jay Minor, Darryl Van Lom, Terry Kelly, Don
Larsen, The Estate of Alvin Braden, John Abbott, Robert Schommer, James
Upshaw, Dan Roberts, Dale Sabroski, Sam Holmes, Byron Loney, Gary Polson,
Charles Robinson, and Gary Shenefelt.

11 This Notice is given pursuant to an Order of the Court and pursuant to
12 Rule 23 of the Federal Rules of Civil Procedure. The purpose of this Notice is
to inform you of your rights with respect to the proposed settlement.

13 As a Class Member defined herein, your rights will be affected by this
14 Settlement. If given final approval by the Court, the Settlement will result in a
15 payment of \$ 4,035,153.00 to the Oregon Laborers-Employers Defined Benefit
16 Pension Plan, the Oregon Laborers-Employers Defined Contribution Plan, and
17 the Oregon Laborers-Employers Health & Welfare Trust Fund ("Trust Funds")
18 which, after payment of litigation costs and attorney's fees, shall be used by the
Trust Funds to pay benefits as described herein for all members of the class
defined above ("Class Members"). Moreover, the Settlement would foreclose
future claims by Class Members against the Defendant Trustees for damages or
any other relief based on the facts underlying the present action.

19 Please take note: the portion of the Settlement paid to the Oregon
20 Laborers-Employers Defined Benefit Pension Plan and the Oregon Laborers-
21 Employers Health & Welfare Trust Fund shall be for the benefit of all Plan
22 participants and beneficiaries. Part of the Settlement allocated to the Defined
23 Benefit Pension Plan shall be used to pay a supplemental check to current
24 retirees other than defendant Trustees. The portion of the Settlement allocated
25 to the Health and Welfare Trust Fund and the remainder of the Settlement
26 allocated to the Defined Benefit Pension Plan shall not result in any additional
individual payments. The portion of the Settlement paid to the Oregon
Laborers-Employers Defined Contribution Plan shall be allocated on a pro rata
basis to the individual accounts of the participants of the Oregon Laborers-
Employers Defined Contribution Plan ("Defined Contribution Plan") to make up
for part of the losses that these participants have suffered in their individual
accounts. If you are a Class Member who is a participant in the Defined

1 Contribution Plan, you will have money restored to your individual account in
2 the Defined Contribution Plan, but you will not receive a cash distribution or
3 roll-over unless you have received a distribution or roll-over of your individual
4 account between September 21, 2000 and the date the Settlement receives final
5 approval from the Court.

6 The portion of the Settlement paid to the Defined Contribution Plan shall
7 be allocated among the individual accounts of the Class Members based upon
8 the records of the Plan Administrator. However, you may also complete the
9 claim form attached to this notice if you have received a distribution or roll-
10 over of your individual account in the Defined Contribution Plan at any time
11 from September 21, 2000 to the present. In order to ensure that your claim
12 receives consideration, you must complete the claim form and return it by mail,
13 postmarked on or before thirty (30) days from the date this notice is mailed to
14 you. No claims will be considered unless postmarked by April 25, 2002.

15 Please take note: You are not necessarily entitled to any individual
16 payment or allocation to your individual account in the Defined Contribution
17 Plan.

18 I. SUMMARY OF THE LITIGATION

19 A lawsuit is pending before this Court in which the plaintiffs seek to
20 recover the Oregon Laborers-Employers Trust Funds' losses arising out of
21 investments managed by Capital Consultants, LLC ("CCL"). The plaintiffs, who
22 are participants in the Trust Funds, have filed suit against the Trust Funds'
23 Trustees and certain professional advisors to the Trustees. The Settlement only
24 involves the plaintiffs' claims against the Trustees. The Trustees have alleged
25 claims against CCL and other parties in this and other lawsuits. The Settlement
26 does not involve the claims asserted by the Trustees against third parties.

The plaintiffs claim that the Trust Funds' losses were caused in part by
the Trustees' breaches of fiduciary duty in violation of the Employee Retirement
Income Security Act of 1974 ("ERISA"). The plaintiffs allege that the Trustees
violated their duty of prudence in monitoring CCL and ignored "red flags" that
should have warned them that CCL was mishandling the Trust Funds'
investments in private loans and equities. The plaintiffs further allege that
some of the Trustees accepted gifts and other consideration from CCL which
caused the Trustees to favor CCL in violation of their duty of loyalty to the
Trust Funds' participants and beneficiaries.

Plaintiffs allege that the Trust Funds have lost in excess of \$50 million as
a result of the private loans and equities managed by CCL; however, the Trust
Funds will recover a portion of these losses from the Receiver's liquidation of
CCL, settlements negotiated in the Trustees' lawsuit against CCL and related
parties, and other sources.

1 The defendant Trustees deny that they violated their fiduciary duties to
2 the Trust Funds.

3 **II. THE CLASS INVOLVED IN THE SETTLEMENT**

4 On March 13, 2002, the Court, pursuant to the Settlement Agreement,
5 certified this action to proceed as a class action under FRCP 23(b)(1) & (2) for
6 purposes of settlement. The Class definition is set forth above. The Court also
appointed Larry Miller and Gayland German (the "Named Plaintiffs") as
representatives of the Class.

7 Counsel for class plaintiffs are as follows:

8 Daniel Feinberg (Calif. Bar No. 135983)
9 SIGMAN, LEWIS & FEINBERG, P.C.
436 - 14th Street, Suite 1505
10 Oakland, CA 94612
Phone: (510) 839-6824
11 Fax: (510) 839-7839
E-mail: dfeinberg@sl-f.com

12 James M. Finberg (Calif. Bar No. 114850)
13 LIEFF CABRASER, HEIMANN & BERNSTEIN, LLP
275 Battery Street, 30th Floor
14 San Francisco, CA 94111
Phone: (415) 956-1000
15 Fax: (415) 956-1008
16 E-mail: jfinberg@lchb.com

17 James S. Coon (OSB 77145)
SWANSON, THOMAS & COON
18 The American Bank Building, 9th Floor
621 S.W. Morrison Street
19 Portland, OR 97205-3892
Phone: (503) 228-5222
20 Fax: (503) 273-9175
21 E-mail: jcoon@stc-law.com

22 Counsel for Trustee defendants are as follows:

23 Chrys A. Martin (OSB 81305)
Bullivant Houser Bailey
24 300 Pioneer Tower
888 SW Fifth Avenue
25 Portland, OR 97204
Phone: (503) 228-6351
26 Fax: (503) 295-0915

1 D. Ward Kallstrom
2 Sonnenschein Nath & Rosenthal
3 685 Market Street 6th Floor
4 San Francisco, CA 94105
5 Phone: (415) 882-0364
6 Fax: (415) 543-5472

7 Arthur Tarlow, (OSB 66124)
8 Tarlow Naito and Summers
9 15940 SW 72nd Street
10 Portland, OR 97224
11 Phone: (503) 968-9000
12 Fax: (503) 968-9002

13 III. SUMMARY OF THE PROPOSED SETTLEMENT

14 The Settlement Agreement embodies a compromise settlement of disputed
15 claims, and nothing in the Settlement Agreement, including the furnishing of
16 consideration for the Agreement, constitutes any finding of wrongdoing by the
17 defendants, or creates any inference of wrongdoing or admission of wrongdoing
18 or any liability in this or any other proceeding.

19 The parties reached their proposed Settlement with the assistance of Judge
20 Edward Leavy of the U.S. Court of Appeals for the Ninth Circuit, who
21 conducted Settlement negotiations at the request of the trial judge, the
22 Honorable Ancer Haggerty. The following is only a general summary of the
23 proposed Settlement: for its complete terms, interested persons are referred to
24 the Class Action Settlement Agreement and Release on file with the Clerk of the
25 Court.

26 In summary, the Settlement provides that the defendant Trustees will pay
\$4,035,153.00 to settle plaintiffs' claims against them, plus interest accrued on
the fund, less the costs of this notice and attorney's fees and expense
reimbursements awarded to Class Counsel. The settlement payment is allocated
between the Trust Funds as follows:

Oregon Laborers-Employers Defined Benefit Pension Plan - 30%

Oregon Laborers-Employers Defined Contribution Plan - 60%

Oregon Laborers-Employers Health & Welfare Trust Fund - 10%

A portion of the Settlement payment allocated to the Oregon Laborers-
Employers Defined Benefit Pension Plan shall be used to pay a supplemental
check (also known as a "13th check") to the Plan's current retirees other than the
defendant Trustees in an amount up to \$500, but not to exceed the retiree's

1 monthly benefit amount. The Settlement payments allocated to the Oregon
2 Laborers-Employers Defined Benefit Pension Plan and the Oregon Laborers-
3 Employers Health & Welfare Trust Fund shall be used by these plans to pay
4 benefits to the plans' participants and beneficiaries. The Settlement payments
5 allocated to the Oregon Laborers-Employers Defined Contribution Plan shall be
6 allocated on a pro rata basis the individual accounts of the Class Members. The
7 defendant Trustees for the Defined Contribution and Defined Benefit Trusts will
8 not benefit from the Settlement payments made to the Defined Contribution Plan
9 or the supplemental check paid to current retirees of the Defined Benefit
10 Pension Plan. A Class Member who was a participant in the Defined
11 Contribution Plan as of September 21, 2000, but has since received a
12 distribution or roll-over of his or her individual account, or a beneficiary who
13 has received a distribution after September 21, 2000, will receive a pro rata
14 share of the Settlement payment to the Defined Contribution Plan as a
15 distribution or roll-over.

16 The Settlement also provides that an independent party will investigate
17 the Trustees' alleged receipt of gratuities and that any Trustee determined to
18 have received such gratuities will make payment to the Trust Fund through the
19 Receiver.

20 As their fee for services rendered on behalf of the Class Members, Class
21 Counsel will ask to be awarded a portion of the Settlement. Class Counsel will
22 seek attorney's fees of no more than \$ 400,000. Class Counsel will also request
23 reimbursement for reasonable expenses they have advanced on behalf of the
24 Class in amount less than \$ 20,000. Class counsel will also ask for an award of
25 \$3,000 each for Larry Miller and Gayland German as class representatives for
26 services rendered in connection with this lawsuit. The amount of an award of
attorney's fees and costs must be approved by the Court.

Under the terms of the Settlement, the expenses of administering the
Settlement, such as providing this notice, will be deducted from the Settlement
payments paid to the Trust Funds.

As part of the Settlement, the Class will release all claims against the
defendant Trustees and the Board of Trustees arising out of the Trust Funds'
investments in private notes and equities managed by Capital Consultants. The
Class will also acknowledge that it is in privity with the Trustee Defendants
with regard to related actions against third parties with respect to these
investments, and may not relitigate claims on behalf of the Plans against these
third parties. Claims that the Plaintiff has already asserted against other
defendant parties are not released under the terms of the Settlement.

1 **IV. HEARING ON SETTLEMENT**

2 On May 21, 2002, at 1:30 p.m., or as soon thereafter as practicable,
3 the Honorable Ancer Haggerty of the United States District Court for the
4 District of Oregon, will hold a hearing in Courtroom No. 13A, 13th Floor of
5 the U.S. Courthouse, 1000 SW Third Avenue, Portland, Oregon, for the
6 purpose of determining whether the proposed Settlement, including the
7 payment of Class Counsel's attorney's fees and costs, is fair, reasonable, and
8 adequate and should be finally approved. The time and date of this hearing
9 may be continued or adjourned so please contact Class Counsel three or
10 four days prior to the date of the hearing if you wish to attend.

11 Any Class Member or the attorney or other representative for any
12 such person may appear at the hearing to show cause why the settlement
13 should not be approved as fair, reasonable and adequate, or to enter an
14 appearance for any other reason. However, no person will be heard unless
15 his or her objection and notice of intention to appear, together with all
16 supporting papers stating the basis for the objections and a statement under
17 penalty of perjury that he or she is a member of the settlement class, is
18 made in writing and filed with the Clerk of the Court by certified or
19 registered mail, and served by first class mail upon counsel for Named
20 Plaintiffs and Defendant Trustees at the addresses listed above. To be
21 considered, the notice and papers must be received by the court and
22 delivered or post-marked to all counsel *no later than April 25, 2002*. If you
23 do not file an objection, your interest will continue to be represented by
24 Class Counsel.

25 **V. EXAMINATION OF PLEADINGS AND PAPERS**

26 This Notice does not contain all of the terms of the proposed Settlement
or all of the details of these proceedings. For more detailed information, you
should refer to the underlying documents and papers on file with the Court.
This file may be inspected during the hours of each Court business day at the
Office of the Clerk of the Court, Mark O. Hatfield U.S. Courthouse, 1000 SW
Third Avenue, Portland, Oregon. **PLEASE DO NOT CALL OR WRITE THE
COURT OR THE COURT CLERK'S OFFICE.**

You also may make an appointment to examine during reasonable
business hours the underlying documents and papers relating to the
litigation at the office of Class Counsel. Call them at the telephone numbers
listed above in order to make an appointment.

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VI. LEGAL ADVICE

Any questions you may have about this Notice should be raised with your own attorney or advisor, and/or directed in writing to Class Counsel at the address listed above. **DO NOT CALL OR WRITE THE COURT OR THE COURT CLERK'S OFFICE.**

Dated: *March 14, 2002*

Ancer L. Haggerty
Honorable Ancer L. Haggerty
U.S. District Judge

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CLAIM FORM

OREGON LABORERS-EMPLOYERS DEFINED CONTRIBUTION PLAN

Complete this form ONLY if you are/were a participant in the Oregon-Laborers Defined Contribution Plan and have received (or will receive) a distribution or roll-over between September 21, 2000 and May 15, 2002.

Name: _____

Social Security No. _____

Date of Rollover/Distribution: _____

Amount of Rollover/Distribution: _____

Please return this form to class counsel at the address listed below. Your claim will not be considered unless it is postmarked by April 25, 2002.

Daniel Feinberg
SIGMAN, LEWIS & FEINBERG,
P.C.
436 - 14th Street, Suite 1505
Oakland, CA 94612
(510) 839-6824
(510) 839-7839 (fax)
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Received by Docket
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 Dibert
 martin miller

Gramson, Tara

From: info@ord.uscourts.gov

Sent: Wednesday, March 13, 2002 4:35 PM

Subject: Activity in Case 3-00-01317-HA Miller et al v. Clinton et al "Notice"

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Notice of Electronic Filing

Case Name: Miller et al v. Clinton et al

Case Number: 3-00-01317-HA

Document Number: 100

Docket Text:

Notice of Pendency of Class Action, Proposed Settlement of Class Action and Settlement Hearing: Hearing for May 21, 2002 at 1:30PM before Judge Ancer L. Haggerty. signed by Judge Haggerty on March 13, 2002. Filed by all parties. (md,)

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:C:/users/millerclassnotice.pdf

Electronic document Stamp:

[STAMP ordStamp_ID=875559790 [Date=3/13/2002] [FileNumber=459545-0] [590fcccc6d2d15c0d9fc7362fe7c5e08b243fc66812bdc8aad338423b4232955c85e139b41616ac0fb8a29630b233a8db20e47d20b2b038cb9ed6309327e735f]]

3-00-01317-HA Notice will be electronically mailed to:

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3/14/2002

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3-00-01317-HA Notice will not be electronically mailed to:

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Lief Cabraser Heimann & Bernstein LLP
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