UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

TEAMSTERS LOCAL 445 FREIGHT DIVISION PENSION FUND, on its own behalf and on behalf of all those similarly situated,	:	NO. _____
Plaintiff,	:	CLASS ACTION
-against-	:	JURY TRIAL DEMANDED
BOMBARDIER INC., BOMBARDIER CAPITAL INC., BOMBARDIER CAPITAL MORTGAGE SECURITIZATION CORPORATION, LAURENT BEAUDOIN, BRIAN PETERS, ROBERT GILLESPIE, LAWRENCE F. ASSELL, CREDIT SUISSE FIRST BOSTON, JPMORGAN CHASE, AND PRUDENTIAL EQUITY GROUP,	:	
Defendants.	:	

CLASS ACTION COMPLAINT
FOR VIOLATIONS OF FEDERAL SECURITIES LAWS

This class action is brought by plaintiff on behalf of purchasers of Bombardier Capital Mortgage Securitization Corporation's ("BCM") Senior/Subordinated Pass-Through Certificates, Series 2000-A due January 15, 2030 (the "Certificates") between January 27, 2000 and May 6, 2003, inclusive (the "Class Period"), seeking to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act") and New York common law. Plaintiff allegations are based upon the investigation of plaintiff counsel, including without limitation: (1) review of United States Securities and Exchange Commission ("SEC") filings by BCM and its parent, Bombardier Capital, Inc. ("BCI") (BCM and BCI are herein collectively referred to as the "Company"); (2)

securities analysts' and rating agency reports and advisories regarding the Certificates, BCM, BCI and the Manufactured Housing Asset-Backed Securities market ("MH-ABS Market"); (3) press releases and other public statements issued by the Company concerning the Certificates and its reported financial results; and (4) reports and studies about the manufactured housing market and underwriting practices in connection with the purchase of manufacturing housing.

1. The Certificates were rated, issued and sold to the investing public throughout the Class Period pursuant to a Supplement Prospectus filed with the SEC on January 27, 2000 (i.e., the commencement of the Class Period) based on the affirmative statements concerning the quality of manufactured housing loan collateral, including that such loans comported with stated underwriting standards. These statements were false and misleading since, in fact, BCM originated its manufactured home loans in reckless disregard of the underwriting standards. The true underwriting and origination practices ultimately led to massive foreclosures and repossessions and rating agency downgrades which, in turn, caused the collapse of the Certificate prices.

JURISDICTION AND VENUE

2. The federal securities claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act of 1934 (15 U.S.C. Sections 78j(b) and 78t(a), Rule 10b-5 promulgated thereunder by the Securities and Exchange Commission (hereafter "SEC") [17 C.F.R. Section 240.10b-5]. The claims arising under Section 10(b) and Rule 10b-5 are based on fraud on the

market. The state law claims arising under the common law of the State of New York are based upon defendants material statements in the Prospectus.

3. This Court has jurisdiction over the subject matter of the federal securities claims pursuant to 28 U.S.C. Sections 1331 and 1337, and Section 27 of the Exchange Act of 1934 [15 U.S.C. Section 78aa]. This Court has supplemental jurisdiction over the subject matter of the New York State common law claims pursuant to 28 U.S.C. Section 1367.

4. Venue is proper in the Southern District of New York pursuant to Section 27 of the Exchange Act of 1934, and 28 U.S.C. Section 1391(b). Many of the acts and practices complained of herein occurred in substantial part in this district.

5. In connection with the acts and omissions alleged herein, Defendants directly or indirectly used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications and the facilities of the national securities markets.

PARTIES

6. Plaintiff, Teamsters Local 445 Freight Division Pension Fund, as set forth in the certification annexed hereto, purchased the Certificates during the Class Period. Teamsters 445's principal place of business is located within this Court jurisdiction in Rock Tavern, New York.

7. Defendant Bombardier Inc. (ombardier was at all relevant times the parent of Bombardier Capital Inc. ("BCI") and directed BCI's entry into the manufactured housing market and approved and oversaw the issuance of the Certificates. Bombardier principal place of business is located at 800, boul. Rene -Levesque, Montreal (Quebec), Canada H3B 1Y8. Bombardier directly profited from the Certificate Offering and the origination of the manufactured housing loan used as collateral for the Certificates. The manufactured housing loans were reported a part of Bombardier reported assets in its consolidated financial statements during the Class Period.

8. Defendant Bombardier Capital Inc. ("BCI") is a financial services company which invested in a portfolio of securities and investments backed principally by mortgage loans, including manufactured housing installment loans. BCI's principal place of business is located at 1600 Mountainview Drive, Colchester, Vermont 05446.

9. BCI was the parent company of Bombardier Capital Mortgage Securitization Corporation ("BCM"), a pass through corporation whose sole operational purpose was to "issue" the Certificates. BCI originated substantially all of the Certificate Collateral. In selling the Certificates through Credit Suisse First Boston, Prudential Equity Group and JPMorgan Chase, BCM (and BCI) received approximately $358.9 million. BCI knew that the statements that the Certificate Collateral was originated pursuant to underwriting standards were materially false and misleading. BCI also knew that each purchaser of the Certificates after the initial offering

would have to refer to the Prospectus in connection with their purchase given that it was the only document which described the terms of the Certificates and the underlying collateral, and thus, would be purchasing the Certificates based on material misrepresentations.

10. As Master Servicer, BCI purportedly monitored and reported to investors the purported performance of the Certificate Collateral. Each report was materially false and misleading in failing to disclose the true condition of the collateral arising from the gravely deficient underwriting practices used to "originate" the collateral.

11. Defendant BCM is a wholly owned limited purpose subsidiary of BCI. BCM had no physical properties and listed in its public filings the same address and telephone number as BCI. BCM's officers are also officers of BCI. BCM regularly filed Form 8-K periodic reports with the SEC which detailed the status of the collateral it serviced, including the Certificate Collateral.

12. Defendant Credit Suisse First Boston ("CSFB") is an investment banking firm principally located at 11 Madison Avenue, New York, New York 10010.

13. Defendant Prudential Equity Group, LLC (formerly known as Prudential Securities) (herein referred to as "Prudential") is an investment banking firm principally located at One New York Plaza, New York, New York 10292.

14. Defendant JPMorgan Chase (formerly known as Chase Securities Inc.) ("Chase") is an investment banking firm principally located at One Chase Manhattan Plaza, New York, New York 10081.

15. CSFB, Prudential and Chase are collectively referred to herein as the Underwriter Defendants. The Underwriter Defendants were influential participants in defendants common plan and scheme to defraud investors. The Underwriter Defendants were intimately involved in BCM securitizations in 1998 through 2000. The Underwriter Defendants failed to perform the requisite level of due diligence not merely once in connection with the Series 2000A Certificates but, indeed, at least twice: all Underwriter Defendants were the underwriters responsible for underwriting BCM's Series 1999B Certificates which contained the same materially false and misleading statements detailing their "Underwriting Practices" in its prospectus; CSFB and Prudential were the underwriters responsible for underwriting BCM's Series 1999A Certificates which again contained the same materially false and misleading boilerplate description of their "Underwriting Practices" in its prospectus; and CSFB was one of the two underwriters responsible for underwriting the Series 1998A Certificates which contained the same materially false and misleading statements detailing their "Underwriting Practices" in its prospectus. In underwriting the aforementioned offerings, the Underwriter Defendants knew or recklessly disregarded the fact that manufactured housing loaning originators were not abiding by the underwriting guidelines, as set forth in detail in those prospectuses.

16. Defendant Laurent Beaudoin (eaudoin was at all relevant times complained of herein the President, Chief Executive Officer and Chairman of the Board of Directors of Bombardier Inc.

17. Defendant Brian Peters (eters joined BCI in August 2000 as Group Vice President, Finance. In April 2001, defendant Peters became Chief Financial Officer of BCI, responsible for all financial reporting, treasury, budgeting, financial systems, and financial planning and analysis. In September 2002, defendant Peters became Executive Vice President and in February 2003 he was named President and Chief Operating Officer (OO of BCI. Defendant Peters reviewed signed and supervised the dissemination of the BCM false and misleading periodic reports on Form 8-K filed with the SEC from October 2002 until February 2003, when BCM filed a Notice of Suspension of Duty to File Reports with the SEC on April 8, 2003. These Form 8-K filings were issued on a monthly basis and purported to report on the status Certificate Collateral. It is alleged herein, that these Form 8-K filings were materially false and misleading.

18. Defendant Robert Gillespie (illespie was the President and COO of BCI (and BCM) during 2001 through September 2002. Defendant Gillespie reviewed signed and supervised the dissemination of the BCM false and misleading periodic reports on Form 8-K filed with the SEC between October 2001 and September 2002. These Form 8-K filings were

issued on a monthly basis and purported to report on the status Certificate Collateral. It is alleged herein, that these Form 8-K filings were materially false and misleading.

19. Defendant Lawrence F. Assell (ssell was at all relevant times, Vice President and general manager of BCI. Defendant Assell was participated and directed the daily operations of BCI and BCM.

20. Defendants Beaudoin, Peters, Gillespie and Assell are collectively referred to herein as the Individual Defendants. Because of the Individual Defendants' positions with the either Company (or its parent, Bombardier), they had access to the adverse undisclosed information about its underwriting and origination of Certificate Collateral, the investment quality of the Certificates, the performance of the Certificate Collateral, and the underwriting of the Certificates.

21. It is appropriate to treat the Individual Defendants as a group for pleading purposes and to presume that the false, misleading and incomplete information conveyed in the Prospectus and in the Company's public filings, press releases and other publications concerning the Certificates and the Certificate Collateral as alleged herein are the collective actions of the narrowly defined group of defendants identified above. Each of the above officers of the Company (or its parent, Bombardier, Inc.), by virtue of their high-level positions with the Company (or its parent, Bombardier, Inc.), directly participated in the management of the Company, was directly involved in the day-to-day operations of the Company, at the highest

levels and was privy to confidential proprietary information concerning the Certificates and the Certificate Collateral, as alleged herein. Said defendants were involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information alleged herein, were aware, or recklessly disregarded, that the false and misleading statements were being issued regarding the Certificates and the Certificate Collateral, and approved or ratified these statements, in violation of the federal securities laws.

22. As officers and controlling persons of a company whose debt securities were, and are, registered with the SEC pursuant to the Exchange Act, and governed by the provisions of the federal securities laws, the Individual Defendants each had a duty to disseminate promptly, accurate and truthful information with respect to the Company's Certificates and the Certificate Collateral, and to correct any previously issued statements that had become materially misleading or untrue, so that the market price of the Company's Certificates would be based upon truthful and accurate information. The Individual Defendants' misrepresentations and omissions during the Class Period violated these specific requirements and obligations.

23. The Individual Defendants participated in the drafting, preparation, and/or approval of monthly updates on the status of the Certificate Collateral which were filed with the SEC on Form 8-K and direct communications with analyst and the rating agencies complained of herein and were aware of, or recklessly disregarded, the misstatements contained therein and omissions therefrom, and were aware of their materially false and misleading nature. Because of

their executive and managerial positions with the Company (or its parent, Bombardier), each of the Individual Defendants had access to the adverse undisclosed information about the underwriting practices used to originate the Certificate Collateral and the true adverse performance of that collateral during the Class Period as particularized herein and knew (or recklessly disregarded) that these adverse facts rendered the positive representations made by BCM and/or BCI about the Certificates materially false and misleading.

24. The Individual Defendants, because of their positions of control and authority as officers of the Company, were able to and did control the content of the various SEC filings, press releases and other public statements pertaining to the Certificates during the Class Period. Each Individual Defendant was provided with copies of the documents alleged herein to be misleading prior to or shortly after their issuance and/or had the ability and/or opportunity to prevent their issuance or cause them to be corrected. Accordingly, each of the Individual Defendants is responsible for the accuracy of the public reports and releases detailed herein and are therefore primarily liable for the representations contained therein.

25. Each of the defendants is liable as a participant in a fraudulent scheme and course of business that operated as a fraud or deceit on purchasers of the Certificates by disseminating materially false and misleading statements and/or concealing material adverse facts. The scheme: (i) deceived the investing public regarding the underwriting practices used to originate the Certificate Collateral, including manufactured housing loans and the performance of that

collateral during the Class Period; and (ii) caused plaintiffs and other members of the Class to purchase the Certificates at artificially inflated prices.

PLAINTIFF CLASS ACTION ALLEGATIONS

26. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b) (3) on behalf of a Class, consisting of all those who purchased the Certificates pursuant to the offering in connection with the Prospectus or on the open market between January 27, 2000 and May 6, 2004, inclusive (the "Class Period") and who were damaged thereby. Excluded from the Class are defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

27. The members of the Class are so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to plaintiffs at this time and can only be ascertained through appropriate discovery, plaintiffs believe that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by the Company or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

28. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by defendants' wrongful conduct in violation of federal law and New York common law that is complained of herein.

29. Plaintiff will fairly and adequately protect the interests of the members of the Class and have retained counsel competent and experienced in class and securities litigation.

30. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) Whether the federal securities laws and New York common law were violated by defendants' acts as alleged herein;

(b) Whether defendants participated in and pursued the common course of conduct complained of herein;

(c) Whether documents filed with the SEC and other documents, press releases and statements disseminated to the investing public and the Certificate holders during the Class Period misrepresented material facts about the Certificates and the collateral securing the Certificates;

(d) Whether the market price of the Certificates during the Class Period was artificially inflated due to the material misrepresentations and failure to correct the material misrepresentations complained of herein; and

(e) To what extent the members of the Class have sustained damages and the proper measure of damages.

31. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

SUBSTANTIVE ALLEGATIONS

32. On January 27, 2000, BCM issued $360,550,000 Senior/Subordinated Pass Through Certificates Series 2000-A (the "Certificates"). The Certificates consisted of $310.5 million certificates in classes A1 through A5, rated "AAA" by Fitch IBCA; $29.2 million class M1 certificates rated "AA"; and $20.8 million class M2 certificates rated "A." Fitch's high credit rating is the "AAA" rating which denotes the lowest expectation of credit risk. The "AAA" rating is assigned only in case of exceptionally strong capacity for timely payment of financial commitments. Additionally, "AAA"capacity is highly unlikely to be adversely affected by foreseeable events. Fitch's "AA" rating represents "very high credit quality." "AA" ratings denote a very low expectation of credit risk. "AA" ratings indicate very strong capacity for timely payment of financial commitments. Additionally, "AA" capacity is not significantly

vulnerable to foreseeable events. Fitch's "A" represents a "high credit quality." "A" ratings denote a low expectation of credit risk. "A" capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings. All three ratings levels, AAA through A are considered investment grade. The ratings were purportedly based on:

> The ratings are based on the quality of the manufactured housing contracts, the respective levels of credit enhancement, the integrity of the legal and financial structure and the servicing capabilities of Bombardier Capital, Inc. ("BCI").

33. The Certificate had "credit enhancements" derived from the fact that payment of principal and interest to the senior classes occurred before the subordinate classes plus an "overcollaterization" commitment -- an amount in excess of the collateral balance set aside to absorb losses -- by the issuer.

34. Credit enhancement for the senior certificates was provided by the 21.75% subordination of classes M1, M2, B1 and B2, plus future overcollaterization (C equaling 5.25%. Credit enhancement for the M1 certificates was provided by the 14.75% subordination of classes M2, B1 plus future OC equaling 5.25%. Credit enhancement for the class M2 certificates is provided by the 9.75% subordination of classes B1 and B2 plus future OC equaling 5.25%.

35. Interest and principal on the certificates was distributed on the 15th day of each month. Interest was paid first to the senior certificates, then to the classes M1, M2, B1 and B2 certificates. Next, principal was distributed to all classes of certificates. Classes M would not receive any principal until the senior classes had been reduced to zero or the crossover date and principal distribution tests have been met. Class B would not receive any principal until the senior and classes M principal had been reduced to zero or the cross-over date and principal distribution tests had been met. The crossover date was the later of February 2005 distribution date or when the subordinated certificates plus the current PC amount as a percent of current pool balance equal or exceed 1.86 times(x) their original size as a percent of original pool balance.

36. The receivables consisted of fixed-rate manufactured housing contracts secured by new (89.56%) and used (10.44%) manufactured homes. The $416.8 million original pool had a weighted average remaining term-to-maturity of 323 months and is geographically diverse with concentration in Texas (23.21%), Florida (9.53%), South Carolina (8.16%), Alabama (8.07%), North Carolina (6.07%), Georgia (5.99%) and Arkansas (5.98%). No other state represented more than 5% of the pool.

37. The mobile home contracts originated by BCI's mortgage division which was formed in 1997 and headquartered in Jacksonville, Florida.

38. As noted, the prime rating the Certificates had received depended on the purported "quality" of the underlying contracts. The assertion of "quality" is underscored in the Prospectus by the detailed section describing the rigorous underwriting standards under which

the manufactured housing contracts were "originated." The Prospectus Section entitled "Manufactured Housing Program" stated "unless otherwise specified in the related prospectus supplement contracts included in the asset pool will have been underwritten by BCI in accordance with its standard operating practices." The Prospectus then goes on to detail its underwriting practices emphasizing BCI's "thorough review of creditworthiness" and focus on the creditworthiness of the obligor (i.e., manufactured home purchaser) as the "most important factor:"

> **UNDERWRITING PRACTICES**
> Credit investigation begins with the receipt of an application package from an approved dealer. The completed application must be signed by the applicant and among other information, include the applicant's name, address, age, residential status, employment and monthly income. **Each package is thoroughly reviewed to determine the applicant's creditworthiness.**
>
> The dealer submits the customer's credit application, manufacturer's invoice (if the contract is for a new home) and certain other information relating to the contract to the Credit Department in Jacksonville, Florida. **Personnel in the Credit Department analyze the creditworthiness of the customer and the overall merit of the application**. If the transaction is approved by the Credit Department, the customer and the dealer execute a contract on a form provided or approved in advance by BCI. After the manufactured home is delivered and set up by the dealer, and the home is ready for the customer to move in, BCI purchases the contract from the dealer.
>
> **Because manufactured homes generally depreciate in value, BCI's management believes that the creditworthiness of a potential obligor should be the most important factor in determining whether to approve the purchase or origination of a contract.**

(Prospectus, p. 45) (Emphasis added.)

39. The Prospectus goes on to describe how BCI developed its own "underwriting guidelines" focusing intensely on the borrowers background:

> As a result, BCI's underwriting guidelines require credit personnel to examine each applicant's credit history, residence history, employment history and debt-to-income ratio. This examination is done regardless of program, loan size or proposed interest rate. **There is no minimum requirement for any of these criteria, although BCI has developed certain guidelines.**
>
> In the case of employment, the applicant should generally be with the same employer for a minimum of two years. If not, BCI will consider whether the
>
> applicant has been employed in the same field for a minimum of two years and, if the applicant's occupational field has changed, whether employment in the prior field was long term. **The applicant's debt-to-income ratio may not normally exceed 45%.** The applicant should show stability at present or previous residence. The credit history of all applicants and co-applicants is carefully reviewed. A limited credit history is investigated and further information is obtained when applicable and all derogatory credit is taken into account. Income is verified by pay stubs or tax returns or by direct verification in the absence of available documentation. Credit managers are trained to be particularly sensitive to the following:
>
> Derogatory information from credit reference
> Debt-to-income ratio exceeding 45%
> Employment of less than two years
> No residential telephone or unlisted number
> Job or residence out of the area
> Residential occupancy of less than one year
> No savings or checking account

(Id.) (Emphasis added.)

40. The Prospectus details how FICO credit system is additionally deployed:

> To assist personnel in evaluating credit applications, BCI uses a Fair-Isaacs credit scoring system. The Fair-Isaacs credit scoring system generates a quantitative evaluation of a credit application based on certain criteria established by BCI's management. BCI's underwriting guidelines allow the score generated by the Fair-Isaacs credit scoring system to be used by credit personnel as a guide in determining whether to extend credit to an applicant, but do not require credit personnel to make credit decisions based solely on the system's recommendations. BCI does not disclose the criteria used by this credit scoring system either to credit personnel or to the dealers assisting in the preparation of credit applications. The criteria are periodically reviewed by BCI's management, and modified as necessary.

(Id., p. 46.)

41. The aforementioned statements in the Prospectus set forth in the preceding paragraphs (¶¶ 38-40) were materially false and misleading because, in fact, the creditworthiness of the borrowers -- and all the purported factors reflecting the creditworthiness -- was routinely disregarded.

42. The Prospectus described the authority of credit managers to make determinations and how the Credit Department is subject to ongoing internal reviews:

> Credit buying authority is delegated to each Credit Manager only with the approval by two more senior credit officers. Each Credit Manager must have the properly delegated authority prior to making any credit decisions. Delegation of authority does not relieve the delegating manager from overall responsibility for credit decisions made by subordinates. All requests for credit approval for transactions deviating from underwriting guidelines and procedures must be submitted to a Director of Credit for review and approval. All exceptions are tracked and reviewed by BCI's management.
>
> The operations of the Credit Department are subject to ongoing internal review by the Compliance Department. The Compliance Department, through random sampling, examines the degree of compliance with BCI's standard operating procedures and publishes reports of deviations. A response to the reports is required within ten days. The Credit Department is required to investigate and explain any deviations. The response is reviewed and discussed by

> senior management for any needed action. Files are randomly selected for review by Compliance Department personnel, without prior knowledge of the Credit Department. Although BCI policy dictates the percentage of loans that are selected for review, no assurance can be given that files reviewed in the examination are representative of contract originations taken as a whole.
>
> Conventional manufactured housing contracts (that is, contracts that are not insured or guaranteed by a governmental agency or instrumentality) currently comprise all of the manufactured housing contracts purchased or originated by BCI. However, BCI can provide no assurance that it will not seek to originate or purchase manufactured housing contracts, whether on an individual basis from authorized dealers or in bulk from bulk sellers, that are partially insured or guaranteed by one or more governmental agencies or instrumentalities.

(Id.)

43. The statements in the Prospectus set forth in the preceding paragraph were materially false and misleading because the credit department was directed by sales and senior management to disregard underwriting standards and approve all loans.

44. The factual background to the "origination" of these manufactured home loans in 1997 and 1999 was widespread oversupply of manufactured homes. By 1997 there was an industry wide problem of oversupply. An article in the Los Angeles Times on January 14, 1998, discussed the financial difficulties of Fleetwood Enterprises, Inc. (leetwood , the nation's largest manufacturer of manufactured homes. The articles indicate that "analysts say the Company's recent problems were related to an industry wide oversupply of manufactured homes."

45. The industry oversupply was described in an article appearing in the Greensboro News & Record on August 19, 1999, the CEO of Oakwood Homes (akwood , a large national manufacturer of mobile homes stated that the "number 1 challenge is the current oversupply of manufactured housing both at Oakwood and throughout the industry."

46. In an October 21, 1999 Businesswire article reporting a decline in the quarterly financial results of Morgan Group, Inc. (organ , the nation's largest company managing the delivery of manufactured homes. Morgan said, "given the severity of the industry-wide oversupply of manufactured housing inventory, we feel that the progress we made during the quarter is not fully reflected in these financial results."

47. This condition of severe oversupply between 1997 and 1999 led to aggressive marketing practices and extremely lax underwriting standards, particularly in southern states

such as Texas and North Carolina. The dominant lenders in these states were Green Point and Green Tree.

48. To sell homes, these companies, Green Tree and Green Point, engaged in fraudulent underwriting practices to sell homes between 1997 and 1999 in the same states that the Certificate Collateral originated. Nevertheless, neither the Company, Individual Defendants or the Underwriters Defendants disclosed that the adverse underwriting practices rendered the Certificate Collateral infirm. In the period 1997 through 1999 the largest lender of manufactured housing the United States was Conseco Finance (onseco (a division of Conseco Inc.). On June 30, 1998, Green Tree merged with Conseco.

49. In an article appearing in the New York Times on November 25, 2001 the lending practices of Green Tree -- responsible for 40% of all manufactured homes in the United States. In addition, Green Tree was reportedly responsible for half of all new manufactured home sales in South Carolina -- where 8% of the Certificate Collateral originated. It was reported that Green Tree and other lenders would make loans to borrowers without collateral -- but "who would bring in a gun worth $200 and the lenders would value it at $2000. That money would serve as the collateral for a $50,000 loan." It was reported, according to William Ryan, an analyst at Ventana Capital in New York, that "Green Tree cut loan standards beginning in 1995. It made bigger loans, allowed lower down payments and accepted buyers with spotty credit histories."

50. These fraudulent underwriting practices ultimately led to the massive asset write downs ($500 million for Green Tree in 1998) and ultimately the bankruptcy of Green Tree (having merged into Conseco) in 2002.

51. In order to compete in the same market as a "late comer" trying to gain a foothold BCI abandoned its underwriting standards in order to book loans.

52. However, its improper lending practices ultimately resulted in massive foreclosures and repossessions in 2001. These results, in turn, forced BCI to announce its exit from the mobile home lending market.

53. On September 26, 2001, BCI issued a press release that it will discontinue loan origination activities in the manufactured housing area due to "deterioration of target markets and correlating pressures on profitability." Until this date however, there had been no downgrades of the 2000A Certificates and no decline in trading price of those Certificates.

54. On or about December 16, 2002, as reported in the Business Wire, Fitch downgraded BCM as follows:

Series 2000A Certificates Classes A1- A5 to "A" from "AA";

Series 2000A Certificates Class M1 to "BBB-" from "A";

Series 2000A Certificates Class M2 to "CCC" from "A";

Series 2000A Certificates Class B1 to "CC" from "CCC";

Series 2000A Certificates Class B2 remains at “D.”

55. As set forth above in paragraph (¶ 32) Fitch ratings on nvestment Grade securities run from AA (the highest credit quality) down to BB (good credit quality). A rating of BB down through D is considered peculative Grade investments. Fitch B (peculative rating indicates that there is possibility of credit risk developing, particularly as the result of adverse economic change over time; however, business or financial alternatives may be available to allow financial commitments to be met. Securities rated in this category are not investment grade. Fitch ighly Speculative rating indicates that significant credit risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment. Fitch CC, CC, or C (igh Default Risk rating indicates that default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic developments. Fitch 'CC' rating indicates that default of some kind appears probable. 'C' ratings signal imminent default. Lastly, Fitch DD DD or D (efault rating rates financial obligations (i.e., notes, bonds, certificates) ased on their prospectus for achieving partial or full recovery in a reorganization or liquidation of the obligor. While expected recovery values are highly speculative and cannot be estimated with any precision, the following serve as general guidelines. 'DDD' obligations have the highest potential for recovery, around 90%-100% of outstanding amounts and accrued interest. 'DD' indicates potential

recoveries in the range of 50%-90% and 'D' the lowest recovery potential, i.e., below 50%.

56. Soon after this downgrade the trading price of 2000A Certificates dropped precipitously:

Series 2000A Certificates Class A3 dropped from $106.25 to $74.30;
Series 2000A Certificates Class A4 dropped from $95.28 to $74.30;
Series 2000A Certificates Class A5 dropped from $94.24 to $74.30;
Series 2000A Certificates Class M1 dropped from $93.29 to $69.30.

57. On February 2, 2004, as reported on the Business Wire, Fitch further downgraded the Certificates explaining "a combination of underwriting and servicing problems have resulted in the highest cumulative losses of any manufactured housing issuer."

Series 2000A Certificates Classes A1- A5 to "B-" from "BBB+"
Series 2000A Certificates Class M1 to "CCC" to "B-"

58. On September 3, 2004, as reported in the Business Wire, Fitch further downgraded Bombardier certificates as "a result of the poor performance of the underlying manufactured housing collateral" (i.e., 11% three month rolling default rate -- approximately 90 basis points above industry average -- and a three month rolling average loss severity of 77%)

Series 2000A Certificates Classes A1- A5 are affirmed at "B-";
Series 2000A Certificates Class M1 to "C" from "CCC".

No Safe Harbor

59. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this complaint. Many of the specific statements pleaded herein were not identified as "forward-looking

statements" when made. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein, defendants are liable for purportedly those false forward-looking statements because at the time each of those purportedly forward-looking statements was made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized and/or approved by an executive officer of the Company (or its parent Bombardier) who knew that those statements were false when made.

COUNT I

(Against The Company and the Individual Defendants For Violation of Section 10(b) of the Exchange Act and Rule 10b-5 of the Securities and Exchange Commission)

60. Plaintiff repeats and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

61. This Count is asserted against all defendants and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder.

62. During the Class Period, defendants, singularly and in concert, directly engaged in a common plan, scheme, and unlawful course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices, and courses of business which operated as a fraud and deceit upon plaintiffs and the other members of the Class, and made various deceptive

and untrue statements of material facts and omitted to state material in order to make the statements made, in light of the circumstances under which they were made, not misleading to plaintiffs and the other members of the Class, including statements in the Prospectus concerning "origination collateral" and monthly reports regarding performance of collateral and delinquencies and repossessions. The purpose and effect of said scheme, plan, and unlawful course of conduct was, among other things, to induce plaintiffs and the other members of the Class to purchase Certificates during the Class Period at artificially inflated prices.

63. During the Class Period, defendants, pursuant to said scheme, plan, and unlawful course of conduct, knowingly and/or recklessly issued, caused to be issued, participated in the issuance of, the preparation and issuance of deceptive and materially false and misleading statements to the investing public as particularized above.

64. Throughout the Class Period, the Company acted through the Individual Defendants, whom it portrayed and represented to the financial press and public as its valid representative. The knowledge and/or recklessness of the Individual Defendants are therefore imputed to the Company, which is primarily liable for the securities law violations while acting in their official capacities as Company representatives, or, in the alternative, which is liable for the acts of the Individual Defendants under the doctrine of respondent superior.

65. As a result of the dissemination of the false and misleading statements set forth above, the market price of the Certificates was artificially inflated during the Class Period. In

ignorance of the false and misleading nature of the statements described above and the deceptive and manipulative devices and contrivances employed by said defendants, plaintiffs and the other members of the Class relied, to their detriment, on the integrity of the market price of the Certificates in purchasing the Certificates. Had plaintiffs and the other members of the Class known the truth, they would not have purchased said Certificates or would not have purchased them at the inflated prices that were paid.

66. Plaintiffs and the other members of the Class have suffered substantial damages as a result of the wrongs herein alleged in an amount to be proved at trial.

67. By reason of the foregoing, defendants directly violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder in that they: (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of material facts or omitted to state material facts in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (c) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon plaintiffs and the other members of the Class in connection with its purchases of the Certificates during the Class Period.

COUNT II
Against the Underwriter Defendants For
Violation of Section 10(b) of the Exchange Act and
Rule 10b-5 of the Securities and Exchange Commission)

68. Plaintiff repeats and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

69. This Count is asserted against the Underwriter Defendants and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder.

70. During the Class Period, the Underwriter Defendants, singularly and in concert, directly engaged in a common plan, scheme, and unlawful course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices, and courses of business which operated as a fraud and deceit upon plaintiffs and the other members of the Class, and made various deceptive and untrue statements of material facts and omitted to state material in order to make the statements made, in light of the circumstances under which they were made, not misleading to plaintiffs and the other members of the Class, including statements in the Prospectus concerning rigination collateral and monthly reports regarding performance of collateral and delinquencies and repossessions. The purpose and effect of said scheme, plan, and unlawful course of conduct was, among other things, to induce plaintiffs and the other members of the Class to purchase the Certificates during the Class Period at artificially inflated prices.

71. During the Class Period, the Underwriter Defendants, pursuant to said scheme, plan, and unlawful course of conduct, knowingly and/or recklessly issued, caused to be issued, participated in the issuance of, the preparation and issuance of a deceptive and materially false and misleading Prospectus, which was disseminated in connection with the sale of the Certificates throughout the Class Period.

72. Prior to the Class Period, the Underwriter Defendants, knew or were reckless in not knowing that manufactured home sales contracts which severed as the collateral for the Certificates was financed using predatory lending practices in an effort to facilitate the sale additional manufactured homes in a oversaturated marketplace. As set forth above, these loans were made to borrowers who were of very poor credit quality and were high risk of default. In addition, it was common knowledge within the investment banking community that the collateral the manufactured home would depreciate over time, unlike a convention site-built home, and this would also contribute to the lack of credit quality of the manufactured home loan. The Underwriter Defendants knowingly or with reckless disregard of the veracity of the statements contained therein, caused and permitted a materially false and misleading Prospectus, which was disseminated in connection with the sale of the Certificates.

73. As a result of the dissemination of the false and misleading statements set forth above, the market price of the Certificates was artificially inflated during the Class Period. In ignorance of the false and misleading nature of the statements described above and the deceptive and manipulative devices and contrivances employed by said defendants, plaintiffs and the other members of the Class relied, to their detriment, on the integrity of the market price of the securities in purchasing the Certificates. Had plaintiffs and the other members of the Class known the truth, they would not have purchased said shares or would not have purchased them at the inflated prices that were paid.

74. Plaintiffs and the other members of the Class have suffered substantial damages as a result of the wrongs herein alleged in an amount to be proved at trial.

75. By reason of the foregoing, the Underwriter Defendants directly violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder in that they: (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of material facts or omitted to state material facts in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (c) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon plaintiffs and the other members of the Class in connection with its purchases of the Certificates during the Class Period.

COUNT III

(Against The Individual Defendants For Violation of Section 20(a) of the Exchange Act)

76. Plaintiff repeats and realleges each and every allegation contained in each of the foregoing paragraphs as if set forth fully herein.

77. The Individual Defendants, by virtue of their positions, stock ownership and/or specific acts described above, were, at the time of the wrongs alleged herein, controlling persons within the meaning of Section 20(a) of the Exchange Act.

78. The Individual Defendants had the power and influence and exercised the same to cause the Company to engage in the illegal conduct and practices complained of herein.

79. By reason of the conduct alleged in Count I of the Complaint, the Individual Defendants are liable for the aforesaid wrongful conduct, and are liable to plaintiffs and to the other members of the Class for the substantial damages which they suffered in connection with its purchases of the Certificates during the Class Period.

COUNT IV

(Against All Defendants for Actual Fraud in Connection with the Prospectus Under New York Common Law)

80. Plaintiff repeats and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

81. This Count is asserted against all Defendants and is based on actual fraud under common law of the State of New York.

82. The Defendants supplied false information and omitted certain underwriting practices used in the origination of the collateral in the Prospectus for the guidance of the potential Certificateholders in deciding whether to invest in the Certificates.

83. The Defendants fraudulently made material misrepresentations and/or omissions of material fact as set forth in this Complaint. These misrepresentations and/or omissions were materially misleading to the plaintiffs in connection with their purchase of the Certificates.

84. The Defendants had access to, and relied upon, inside information about the underwriting practices used in origination of the collateral, the credit quality of the borrowers for the underlying collateral, and the borrowers repayment status on that collateral, that was not accurately reported to the public nor to the plaintiffs in connection with the Prospectus. Moreover, the Defendants knew this information would impair the credit quality and in turn the value of the Certificates, and thus would inhibit the Defendants ability to market the Certificates.

85. The Defendants intended that the plaintiff rely on the information provided in the Prospectus which were provided to make their investment decision.

86. The Defendants knew the plaintiff and other investors would rely on their representations in deciding whether to invest in the Certificates.

87. Plaintiff justifiably relied on the representations of material fact of the Defendants, to its detriment. In addition, Plaintiff justifiably relied on the accuracy and completeness of the Prospectus, trusting it had no material omissions therein.

88. The Defendants fraudulent misrepresentations and/or omissions of material fact made by the Defendants proximately caused the plaintiff damages in an amount to be proved at trial.

COUNT V

(Against All Defendants for Negligent Misrepresentation in Connection with the Prospectus Under New York Common Law)

89. Plaintiff repeats and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

90. This Count is asserted against all Defendants and is based on negligent misrepresentation under common law of the State of New York.

91. The Defendants supplied information for the guidance of the potential Certificateholders in deciding whether to invest in the Certificates.

92. In connection with the sale of the Certificates, the Defendants owed the plaintiffs a duty of care to make accurate and full disclosure concerning the Certificates and the underlying collateral. With regard to each omission alleged in this Complaint, the Defendants had a duty to fully and truthfully disclose the information withheld.

93. The Defendants carelessly made material misrepresentations and/or omissions of material fact as set forth in this Complaint. These misrepresentations and/or omissions were materially misleading to the plaintiff in connection with their purchase of the Certificates.

94. The Defendants knew the plaintiff and other investors would rely on their representations in deciding whether to invest in the Certificates.

95. Plaintiff justifiably relied on the representations of material fact of the Defendants, to its detriment. In addition, Plaintiff justifiably relied on the accuracy and completeness of the Prospectus, trusting it had no material omissions therein.

96. The Defendants intended that the plaintiff rely on the information provided in the Prospectus which were provided to make their investment decision.

97. The negligent misrepresentations and/or omissions of material fact made by the Defendants proximately caused the plaintiff damages in an amount to be proved at trial.

WHEREFORE, plaintiff prays for relief and judgment, as follows:

(a) Determining that this action is a proper class action and certifying plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure;

(b) Awarding compensatory damages in favor of plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

(c) Awarding plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: February 7, 2005

SCHOENGOLD SPORN LAITMAN & LOMETTI, P.C.

By: /s/ Frank R. Schirripa

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