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DEC 03 2002

# Lakeside Machine, Inc.

P.O. Box 151 / Industrial Park / Gladstone MI 49837

906/428-2333 / Fax 906/428-4343



## WORKFORCE TRANSITION

November 27, 2002

Dr. Barbara Bolin, Director  
Workforce Transition Unit  
Michigan Department of Career Development  
Workforce Programs  
Victor Office Center - 5<sup>th</sup> Floor  
201 N. Washington  
Lansing, Michigan 48913

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DIRECTOR'S OFFICE

DEPT. OF CAREER DEVELOPMENT

DEC 02 2002

EXECUTIVE OFFICE

Dear Dr. Bolin:

I regret to inform you that Lakeside Machine Corporation and Lakeside Machine, Inc. (collectively "Lakeside Machine"), with facilities located at 623 Rains Drive, Gladstone, Michigan 49837 and 2717 14<sup>th</sup> Avenue North, Escanaba, Michigan 49829 is permanently ceasing operations and closing its facilities. The closing of the facilities will take place immediately. It is possible, however, that certain employees may be asked to remain on site for a brief period to finish certain inventory. All the employees of Lakeside Machine are subject to the closing. This notice is provided to you in accordance with the Worker Adjustment and Retraining Notification Act (WARN), 29 USC § 2101 *et seq.*

Under WARN, Lakeside Machine must ordinarily provide employees with 60 days advance notice in the event of closing. However, Lakeside Machine is unable to provide full 60-day notice since the closure of the business is due to the unforeseeable loss of its two largest customers. On November 13, 2002, Caterpillar, Lakeside Machine's second largest customer, unexpectedly announced that Lakeside Machine would no longer be a long-term supplier of Caterpillar parts. In response to this announcement, General Motors Corporation, Lakeside Machine's largest customer, determined that it was no longer in its interests to continue to use Lakeside Machine as a parts supplier. General Motors notified Lakeside Machine last Friday afternoon that it was immediately transferring production of parts currently produced by Lakeside Machine to other suppliers. Without General Motor's business, continued operations became impossible. Lakeside Machine is in the process of discussing wind-down financing to fulfill Caterpillar's requirements until its parts production can be moved to other suppliers. If wind down financing is not obtained, Lakeside Machine may be forced to cease all operations immediately. If financing is obtained, it is anticipated that the plants will close within a few weeks.

#A5484



ISO 9002  
QS 9000

Lakeside Machine, Inc.

The number of permanent and part time employees affected by the layoff is approximately 135.

A number of Lakeside Machine's employees are represented by the International Brotherhood of Teamsters, whose local chief elected official is William T. Nelson, Union Business Agent, Secretary/Treasurer of Local 328, International Brotherhood of Teamsters, 517 Ludington Street, Escanaba, MI 49829. Certain craft employees possess bumping rights and in the event of a gradual layoff, these rights will be honored.

If you need further information regarding the closure, you may contact Robert Sunn, Human Resources Director, 623 Rains Drive, Gladstone, Michigan 49837, during normal business hours. Mr. Sunn's telephone number is (906) 428-2333

Sincerely,

A handwritten signature in black ink that reads "Paul Paulson". The signature is written in a cursive style with a large, prominent "P" at the beginning.

Paul Paulson  
President

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