

**From: Association of BellTel Retirees Inc.**

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## **RETIREEES CHARGE VERIZON & IDEARC WITH ILLEGAL PENSION SWITCH**

### ***Involuntarily Switched To Financially Challenged Spin-Off Pre-Bankruptcy***

**December 1, 2009 - Dallas, TX** – Telephone company retirees have filed a complaint for proposed class action relief under the Employee Retirement Income Security Act (ERISA) charging that they and over two thousand others were involuntarily switched in November 2006, post-retirement, from the financially secure **Verizon Communication Inc. (VZ)** pension plans to pension plans sponsored by a newly spun-off company, **Idearc Inc. (IDARQ)**.

Less than 2 years after Verizon transferred the retirees, Idearc encountered financial problems and began cutting back various earned retiree benefits. These benefit reductions were not experienced by retirees remaining in Verizon's pension plans. In March 2009, Idearc filed for Chapter 11 bankruptcy.

In mid-November, 2006, after each Plaintiff had been retired for at least ten years, they together with more than 2,000 others were involuntarily reclassified and switched into pension plans run by Idearc. All three Plaintiffs were fully vested in the Verizon pension plans with rights to continued payment of monthly annuities and other Verizon welfare benefits. No party received any Plaintiff's consent to be switched over to Idearc's pension plans. From the point of the spin off, concluded on November 17, 2006, Verizon treated the retirees' rights to the usual Verizon retiree benefits as being terminated.

Plaintiff Philip A. Murphy, former President of CWA Local No. 1301, a resident of Mills, MA, retired from a predecessor of Verizon in 1996. Plaintiff Sandra R. Noe of Ipswich, MA and Plaintiff Claire M. Palmer of West Newton, MA both retired from predecessors of Verizon in 1995 and had for years been participants in Verizon pension plans. None of the Plaintiffs had actually ever worked for Idearc.

When retirees tried to administratively challenge their involuntary transfer to Idearc and its pension plans, without going to court, the respondent companies stonewalled and missed mandated deadlines to respond to the retirees' internal claims. The retirees' proposed class-wide administrative claim sought to remedy the mistreatment accorded to both non-management and management retirees who have suffered tremendous losses not suffered by their fellow retirees who were not transferred to Idearc. The respondents refused to treat Plaintiffs' internal claims as class-wide claims.

Therefore, Plaintiffs filed a proposed class action on November 25, 2009 in the U.S. District Court for the Northern District of Texas, Dallas Division. The Complaint filed in Civil Action No. **3:09-CV-2262** charges pension plan administrators with numerous ERISA violations including:

- Failure to provide requested plan documents;
- Breach of fiduciary duty for refusal to disclose pension related plan information;
- Breach of fiduciary duty for failure to comply with pension plan document rules;
- Various other ERISA violations justifying court ordered declaratory, injunctive and other equitable relief;
- Unlawful refusal to make payment of Verizon pension plan benefits; and
- Unlawful interference with retirees' rights to receive Verizon retiree pension and welfare benefits.

The Federal Complaint states that when Verizon transferred hundreds of millions of dollars in surplus pension assets to Idearc in November 2006, no pension plan language identified and traced the transferred monies to actual liabilities owed to particular plan participants for the payment of pension benefits. When Verizon conducted the transfer, there were no existing plan terms giving the plan sponsor or any other entity the authority to change the status of the retirees.

“What Verizon did to these retirees is disgraceful,” said C. William Jones, who heads the Association of BellTel Retirees Inc., ([www.belltelretirees.org](http://www.belltelretirees.org)) a retiree activist organization. “They are ducking a fiduciary responsibility to employees who gave decades of service and earned these benefits. These pension funds were set aside over the years for the benefit of employees who worked 20, 30 or more years and earned their pensions over their careers. It is reprehensible to refuse to provide plan documents so retirees can make informed judgments on the state of their pension plan and other benefits which they earned during their working years.”

The Complaint asks that all retirees who were transferred to Idearc be put back into Verizon’s pension and welfare benefit plans. It also asks that Verizon’s and Idearc’s pension plan administrators be order to pay a daily penalty for failure to timely provide requested records. The Complaint is posted at the website for the Association of BellTel Retirees, Inc. See: [http://www.belltelretirees.org/index.php?option=com\\_content&view=article&id=33&Itemid=32](http://www.belltelretirees.org/index.php?option=com_content&view=article&id=33&Itemid=32)

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