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Verizon/Idearc Retiree Claimants:

capsan@comcast.net (Sandra R. Noe),
priesing@aol.com (Claire M. Palmer),
phil.murphy@polimortgage.com (Phil A. Murphy, Jr.),
dlwibbe@aol.com (David L. Wibbelsman),
Jjacobsen2@hotmail.com (Joanne Jacobsen),
Susanburke2001@yahoo.com (Susan A. Burke)

This is an update about the Murphy, et al, v. Verizon, Idearc/SuperMedia, et al, case pending in the Dallas Federal Court.

Of course, the civil action (a/k/a lawsuit) was started because about 2,000 Verizon retirees were involuntarily transferred from Verizon sponsored pension plans into Idearc sponsored pension plans. Idearc was a company that inevitably went bankrupt After Idearc's bankruptcy proceedings ended, the corporation changed its name to SuperMedia. Even today, things don't look very good for SuperMedia. Just a few weeks ago former CEO Scott Klein abruptly resigned his job position.

A primary objective of the Murphy case is to get all transferred retirees restored into Verizon sponsored pension plans. Of course, there is a panoply of other equitable relief requested, all of which is set forth in the pending Amended Complaint, a copy of which is posted at the retirees' website: <http://www.belltelretirees.org/images/stories/docket06-amendedcomplaint.pdf>

Last month, the bankruptcy court appointed trustee filed a lawsuit against Verizon. While that case concerns investors, it, too, is attacking the same erstwhile transaction, Verizon's 'spin-off' of the directory pages division into Idearc. In its lawsuit, the bankruptcy trustee makes the pointed accusation that the entire transaction was fraudulent from get go and that top officers knew that Idearc was certain to fail as an on-going business. Both the bankruptcy trustee's case, and our Murphy case are being handled by the same judge, Dallas Federal Senior Judge A. Joe Fish.

In our Murphy case, we sued both Verizon and Idearc/SuperMedia. Naturally, the big corporations hired numerous big law firms to serve as their respective defense attorneys. Thus far, the defense teams of lawyers have argued everything possible to get the Murphy case dismissed.

I am happy to report to you that the Murphy case is alive and kicking.

Yesterday, I received an order from Senior Federal Judge A. Joe Fish, and this is a brief explanation of his rulings. If you want more detail, the October 18, 2010 dated order which is attached hereto and will soon be posted at the retirees' website can be viewed at this URL: https://ecf.txnd.uscourts.gov/cgi-bin/show_public_doc?2009cv2262-33

In short, Senior Judge Fish dismissed only one claim we tried to pursue against Verizon. The

claim that has been dismissed is an ERISA based theory that the Texas based federal courts have only allowed to be applied by a worker who claims he or she was terminated from his or her job in order for the company to avoid paying him or her various pension, medical or disability benefits. And, the Texas based federal courts have uniformly ruled that a complaining fired worker must start his or lawsuit within 2 years after being fired. Well, our Murphy case does not involve anyone being 'fired' from a job position. In our Murphy case, we were the first to try and get a federal court to expand that claim so as to include retired persons 'expelled' from a pension plan. While not addressing the 'fired worker' versus 'retiree' status issue, Senior Judge Fish ruled that particular novel claim had to be started within 2 years after the alleged wrongdoing.

I was not engaged to represent the rights of any Verizon/Idearc involuntarily transferred retiree until more than two years after Verizon's November 2006 transfer of retirees into Idearc sponsored pension plans. Since we started the lawsuit in November 2009, more than two years after the spin-off of Idearc, Senior Judge Fish ruled that we cannot go forward with the one novel claim we were trying to pursue against Verizon.

Anyhow, do not get worried. Even with that novel claim getting dismissed, we have plenty of weaponry left in our arsenal. All other claims asserted against Verizon are still pending in the Murphy lawsuit.

Insofar as our claims asserted against SuperMedia entities, Senior Judge Fish took an expected very conservative approach and ruled that certain documents we had requested before the lawsuit was filed did not have to be disclosed by SuperMedia. Unfortunately, ERISA, the only federal law that applies to this situation, requires only a limited specifically list of documents be disclosed when requested. Senior Judge Fish took a very conservative approach to the law and ruled we can claim no wrong by SuperMedia's refusal to give us certain requested documents. However, other federal judges have taken the opposite position and they would have found SuperMedia was wrong not to give us the requested documents.

Also, Senior Judge Fish ruled that SuperMedia's pension plans did not need to be named defendants, because SuperMedia's pension plans had done nothing wrong. This ruling has no practical effect on the outcome of the Murphy case, because we did include Verizon's pension plans as named defendants.

More importantly, Senior Judge Fish ruled that our claim could proceed against SuperMedia pension plan fiduciaries for failure to give retirees a full and fair consideration of their claims before filing the lawsuit. You will recall from my prior email updates and reports that SuperMedia gave all retirees a proverbial poke-in-the-eye and ignored efforts to resolve the retirees' dispute before the Murphy case was filed.

There are many other claims pending in the Murphy case which is now back on track and going forward.

The next task for our side to complete is to file a motion for class certification, and I will be working on that project with our Dallas-based co-counsel Bob Goodman. He and I plan to meet in Dallas next Tuesday.

The Murphy case is unique. It is the first case where retirees have challenged a decision by a corporation to send them off into a newly formed corporation without the retirees' consent. For sure, this is not going to be an easy legal challenge. The Murphy case is one of first impression to be grappled by a Federal Judge.

Therefore, I hope you will remain both patient and financially supportive of your Association of BellTel Retirees, as we continue this sojourn for your benefit and for the benefit of all other retirees who never want to find themselves in the same predicament as the retirees who were involuntarily transferred out of Verizon sponsored pension plans.

I will respond to your welcomed emailed questions, comments, criticisms, and suggestions.

Curtis

Curtis L. Kennedy
Attorney-at-law
8405 E. Princeton Ave.
Denver, CO 80237-1741
Tele: 303-770-0440
CurtisLKennedy@aol.com