

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

<p><b>PHILIP A. MURPHY, JR., et al.,</b></p>	)	
	)	
<b>Plaintiffs,</b>	)	<b>CIVIL ACTION NO. 3:09-CV-2262-G</b>
	)	
<b>v.</b>	)	
	)	
<b>VERIZON COMMUNICATIONS INC., et al.,</b>	)	
	)	
<b>Defendants.</b>	)	
	)	

**VERIZON DEFENDANTS’ ANSWER TO  
PLAINTIFFS’ SECOND AMENDED COMPLAINT**

Defendants Verizon Pension Plan for New York and New England Associates, Verizon Pension Plan for Mid-Atlantic Associates, Verizon Enterprises Management Pension Plan, and Verizon Management Pension Plan (collectively, the “Verizon Plans”), Verizon Communications Inc., Verizon Corporate Services Group Inc., and Verizon Employee Benefits Committee (collectively, the “Verizon Defendants”) for their Answer to Plaintiffs’ Second Amended Complaint for Proposed Class Action Relief Under ERISA (the “amended complaint”), state as follows:

**PRELIMINARY STATEMENT**

1. To the extent that paragraph 1 of the amended complaint purports to summarize the terms of a February 4, 2009 letter, the Verizon Defendants respectfully refer the Court to the text of that letter for a full and accurate statement of its contents. To the extent that the allegations of paragraph 1 of the amended complaint relate to SuperMedia, no response by the

Verizon Defendants is required. The Verizon Defendants deny the remaining allegations of paragraph 1 of the amended complaint.

2. To the extent that paragraph 2 of the amended complaint purports to summarize the procedural history of this litigation, the Verizon Defendants respectfully refer the Court to its docket for a full and complete account of that history. To the extent that the allegations of paragraph 2 of the amended complaint invoke federal law, the Verizon Defendants respectfully refer the Court to the text of the ERISA statute for a full and accurate statement of that statute's provisions and state, by way of further response, that the Verizon Defendants deny that they violated any applicable federal laws or regulations. To the extent a further response is required, the Verizon Defendants admit the allegations of paragraph 2 of the amended complaint, except deny that the Second Amended Complaint results from discovery in this action and that Plaintiffs' causes of action have any merit.

### **JURISDICTION AND VENUE**

3. The Verizon Defendants admit that this Court has jurisdiction over Plaintiffs' claims.

4. The Verizon Defendants admit that Plaintiffs seek relief under 28 U.S.C. §§ 2201 and 2202 and respectfully refer the Court to 28 U.S.C. §§ 2201 and 2202 for a full and accurate statement of their provisions. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 4 of the amended complaint.

5. The Verizon Defendants admit that venue is proper in the Northern District of Texas.

**THE PARTIES**

6. The Verizon Defendants admit that Phillip A. Murphy is a U.S. citizen, that he retired from NYNEX Information Resources Company in December 1996, and that Murphy commenced his pension in December 1998 in the form of a 100% joint and survivor annuity with a pop up feature. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 6 of the amended complaint.

7. The Verizon Defendants admit that the benefit liability relating to Murphy was transferred from the Verizon Pension Plan for New York and New England Associates to an Idearc pension plan in November 2006, but otherwise deny the allegations of paragraph 7 of the amended complaint.

8. The Verizon Defendants admit that Sandra R. Noe is a U.S. citizen, that she retired from NYNEX Information Resources Company in April 1995, and that Noe commenced her pension in April 1995 in the form of a single life annuity. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 8 of the amended complaint.

9. The Verizon Defendants admit that the benefit liability relating to Noe was transferred from the Verizon Pension Plan for New York and New England Associates to an Idearc pension plan in November 2006, but otherwise deny the allegations of paragraph 9 of the amended complaint.

10. The Verizon Defendants admit that Claire M. Palmer is a U.S. citizen, that she retired from NYNEX Information Resources Company in April 1995, and that Palmer commenced her pension in April 1995 in the form of a single life annuity. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 10 of the amended complaint.

11. The Verizon Defendants admit that the benefit liability relating to Palmer was transferred from the Verizon Management Pension Plan to an Idearc pension plan in November 2006, but otherwise deny the allegations of paragraph 11 of the amended complaint.

12. The Verizon Defendants deny the allegations of paragraph 12 of the amended complaint, except admit that Verizon has operations in this District, is a Delaware Corporation, and is the sponsor of the Verizon Pension Plan for New York and New England Associates.

13. The Verizon Defendants deny the allegations of paragraph 13 of the amended complaint, except admit that Verizon Corporate Services Group Inc., a subsidiary of Verizon Communications Inc., is the sponsor of the Verizon Management Pension Plan.

14. The Verizon Defendants admit that either the Verizon Employee Benefits Committee and/or its chairperson is a fiduciary of and is the plan administrator for a number of Verizon pension and welfare benefit plans, including the Verizon Plans, but otherwise deny the allegations of paragraph 14 of the amended complaint.

15. The Verizon Defendants admit that in 2006 VIMCO was a fiduciary of and exercised discretionary authority or control respecting the management of the assets of the Verizon Plans, but otherwise deny the allegations of paragraph 15 of the amended complaint.

16. The allegations of paragraph 16 of the amended complaint are so vague or unclear that the Verizon Defendants are unable to form a belief as to their truth or falsity. To the extent that an answer is required, the Verizon Defendants deny the allegations of paragraph 16 of the amended complaint.

17. The Verizon Defendants admit that the Verizon Management Pension Plan is a single employer, defined benefit, employee pension benefit plan and that, in November 2006, Verizon caused a transfer of assets and liabilities from the Verizon Management Pension Plan to

an Idearc pension plan to occur. The Verizon Defendants admit that Plaintiffs seek certain relief, but deny that Plaintiffs are entitled to that or any other relief in this action. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 17 of the amended complaint.

18. The Verizon Defendants admit that the Verizon Enterprises Management Pension Plan is a single employer, defined benefit, employee pension benefit plan and that, in November 2006, Verizon caused a transfer of assets and liabilities from the Verizon Enterprises Management Pension Plan to Idearc pension plans to occur. The Verizon Defendants admit that Plaintiffs seek certain relief, but deny that Plaintiffs are entitled to that or any other relief in this action. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 18 of the amended complaint.

19. The Verizon Defendants admit that the Verizon Pension Plan for New York and New England Associates is a single employer, defined benefit, employee pension benefit plan, that its participants include unionized employees, and that, in November 2006, Verizon caused a transfer of assets and liabilities from the Verizon Pension Plan for New York and New England Associates to an Idearc pension plan to occur. The Verizon Defendants admit that Plaintiffs seek certain relief, but deny that Plaintiffs are entitled to that or any other relief in this action. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 19 of the amended complaint.

20. The Verizon Defendants admit that the Verizon Pension Plan for Mid-Atlantic Associates is a single employer, defined benefit, employee pension benefit plan, that its participants include unionized employees, and that, in November 2006, Verizon caused a transfer of assets and liabilities from the Verizon Pension Plan for Mid-Atlantic Associates to an Idearc

pension plan to occur. The Verizon Defendants admit that Plaintiffs seek certain relief, but deny that Plaintiffs are entitled to that or any other relief in this action. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 20 of the amended complaint.

21. The Verizon Defendants admit that in November 2006, Verizon spun off its directories business (*i.e.*, Verizon Information Services, or “VIS”) to its shareholders, that the name of the independent public company created through the spin-off transaction was Idearc, Inc. (“Idearc”), and that Idearc is not a Verizon affiliate, but otherwise deny the allegations of paragraph 21 of the amended complaint.

22. The allegations of paragraph 22 of the amended complaint relate only to Idearc/SuperMedia, and therefore no response by the Verizon Defendants is required. To the extent that an answer is required, the Verizon Defendants deny the allegations of paragraph 22 of the amended complaint, except admit that Idearc was a Delaware corporation with its principal office in this District.

23. The Verizon Defendants admit the allegations of paragraph 23 of the amended complaint.

24. The allegations of paragraph 24 of the amended complaint relate only to Idearc/SuperMedia, and therefore no response by the Verizon Defendants is required. To the extent that an answer is required, the Verizon Defendants admit that class members are or were participants or beneficiaries in Idearc pension plans.

25. The Verizon Defendants admit the allegations of paragraph 25 of the amended complaint.

26. The Verizon Defendants admit that Idearc/SuperMedia is neither a “participating company” nor an affiliate of Verizon, but otherwise deny the allegations of paragraph 26 of the amended complaint.

27. The Verizon Defendants deny the allegations of paragraph 27 of the amended complaint, except admit that as of November 2006, Idearc had a separate corporate existence from Verizon and had its own stock.

28. The Verizon Defendants admit that Idearc and/or Idearc pension plans assumed assets, income streams, debt, certain OPEB obligations, pension obligations, and pension assets from Verizon in connection with the spin-off transaction, but otherwise deny the allegations of paragraph 28 of the amended complaint.

29. The allegations of paragraph 29 of the amended complaint relate only to Idearc/SuperMedia, and therefore no response by the Verizon Defendants is required. To the extent a further response is required, the Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 29 of the amended complaint.

30. The allegations of paragraph 30 of the amended complaint relate only to Idearc/SuperMedia, and therefore no response by the Verizon Defendants is required. To the extent a further response is required, the Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 30 of the amended complaint.

31. The allegations of paragraph 31 of the amended complaint relate only to Idearc/SuperMedia, and therefore no response by the Verizon Defendants is required. To the extent a further response is required, the Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 31 of the amended complaint.

32. The allegations of paragraph 32 of the amended complaint relate only to Idearc/SuperMedia, and therefore no response by the Verizon Defendants is required. To the extent a response is required, the Verizon Defendants admit the allegations of paragraph 32 of the amended complaint.

33. To the extent that the allegations of paragraph 33 of the amended complaint relate to Idearc/SuperMedia, no response by the Verizon Defendants is required. To the extent a further response is required, the Verizon Defendants admit that Verizon transferred assets and liabilities associated with active and inactive VIS employees from the Verizon Plans to Idearc pension plans in November 2006 and that Plaintiffs' amended complaint seeks certain relief, but otherwise deny the allegations of paragraph 33 and specifically deny that class members are entitled to the relief that Plaintiffs seek.

34. To the extent that the allegations of paragraph 34 of the amended complaint relate to Idearc/SuperMedia, no response by the Verizon Defendants is required. To the extent a further response is required, the Verizon Defendants admit that Verizon transferred assets and liabilities associated with active and inactive VIS employees from the Verizon Plans to Idearc pension plans in November 2006 and that Plaintiffs' amended complaint seeks certain relief, but otherwise deny the allegations of paragraph 34 and specifically deny that class members are entitled to the relief that Plaintiffs seek.

### **FACTS**

35. The allegations of paragraph 35 of the amended complaint relate only to Idearc Inc., and therefore no response by the Verizon Defendants is required.

36. The Verizon Defendants admit that, as of the first quarter of 2006, Verizon was considering whether to spin off its directories business (*i.e.*, VIS) to its shareholders, and that,



among the questions it considered was whether to transfer pension and/or OPEB assets and/or liabilities associated with inactive employees whose last service was with a VIS business unit in the event of a spinoff, but otherwise deny the allegations of paragraph 36 of the amended complaint.

37. The Verizon Defendants admit that Verizon and VIS managers, directors, lawyers and actuaries were involved in various aspects of the planning for the potential VIS spinoff transaction, but otherwise deny the allegations of paragraph 37 of the amended complaint.

38. The allegations of paragraph 38 of the amended complaint are so vague or unclear that the Verizon Defendants are unable to form a belief as to their truth or falsity. To the extent that a further answer is required, the Verizon Defendants deny that the interests of all stakeholders, including class members, were not considered as part of the planning for the potential VIS spinoff.

39. The Verizon Defendants admit that there was no final decision regarding whether to transfer pension and/or OPEB assets and/or liabilities associated with inactive employees whose last service was with a VIS business unit at any time between January 2006 and early October 2006, but otherwise deny the allegations of paragraph 39 of the amended complaint.

40. The allegations of paragraph 40 of the amended complaint are so vague or unclear that the Verizon Defendants are unable to form a belief as to their truth or falsity. To the extent that a further answer is required, the Verizon Defendants admit that Verizon decided to transfer pension assets and liabilities, as well as OPEB liabilities, associated with inactive employees who last service was with a VIS business unit to Idearc or an Idearc pension plan as part of the spinoff transaction, but otherwise deny the allegations of paragraph 40.

41. The Verizon Defendants admit the allegations of paragraph 41 of the amended complaint.

42. The Verizon Defendants admit the allegations of paragraph 42 of the amended complaint, except deny that all Plaintiffs and class members were participants in a Verizon-sponsored pension plan at the time of their retirement/separation.

43. The Verizon Defendants admit that Verizon's October 18, 2006 SEC Current Report disclosure did not state that Verizon intended to transfer pension plan assets and liabilities, and/or OPEB liabilities, associated with inactive employees who last service was with a VIS business unit to Idearc or an Idearc pension plan as part of the spinoff transaction, but otherwise deny the allegations of paragraph 43 of the amended complaint and deny that Verizon had any obligation to include such information in its October 18, 2006 SEC disclosure.

44. The Verizon Defendants admit the allegations of paragraph 44 of the amended complaint.

45. The Verizon Defendants deny the allegations of paragraph 45 of the amended complaint, except admit that no final decision regarding whether to transfer pension and/or OPEB assets and/or liabilities associated with inactive employees whose last service was with a VIS business unit was made by Verizon until November 17, 2006, and that the Verizon Plan fiduciaries did not retain an independent fiduciary and state, by way of further response, that the Verizon Plan fiduciaries had no obligation to do so.

46. The Verizon Defendants admit that Verizon and Idearc entered into an Employee Matters Agreement, executed on November 17, 2006 by a Verizon officer and an Idearc officer, but otherwise deny the allegations of paragraph 46 of the amended complaint.

47. To the extent that paragraph 47 of the amended complaint purports to summarize the terms of the EMA, the Verizon Defendants respectfully refer the Court to the text of that agreement for a full and accurate statement of its provisions. To the extent a further response is required, the Verizon Defendants admit that the EMA constituted Verizon's final decision, as settlor of the Verizon Plans, to transfer the assets and liabilities associated with class members' pension benefits to Idearc pension plans, but otherwise deny the allegations of paragraph 47 of the amended complaint.

48. The first sentence of paragraph 48 of the amended complaint purports to state a legal conclusion to which no response is required. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 48 of the amended complaint, except admit that there are no terms within the Verizon Plans expressly making the EMA part of the Verizon Plans, and state, by way of further response, that the EMA constituted a valid direction from Verizon in its capacity as the sponsor of the Verizon Plans to transfer assets and liabilities from those plans in accordance with applicable plan provisions.

49. To the extent that paragraph 49 of the amended complaint purports to state a legal conclusion, no response is required. To the extent that paragraph 49 of the amended complaint purports to summarize the terms of a March 6, 2009 letter, the Verizon Defendants respectfully refer the Court to the text of that letter for a full and accurate statement of its contents. The Verizon Defendants state that, in response to Plaintiffs' 2009 request for a copy of the EMA, the Verizon Defendants promptly produced a copy of the EMA to Plaintiffs' counsel. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 49 of the amended complaint.

50. The allegations of paragraph 50 of the amended complaint are so vague or unclear that the Verizon Defendants are unable to form a belief as to their truth or falsity. To the extent that an answer is required, the Verizon Defendants deny the allegations of paragraph 50 of the amended complaint.

51. The allegations of paragraph 51 of the amended complaint are so vague or unclear that the Verizon Defendants are unable to form a belief as to their truth or falsity. To the extent that an answer is required, the Verizon Defendants deny the allegations of paragraph 51 of the amended complaint.

52. The Verizon Defendants admit that Verizon caused the Verizon Plans to transfer hundreds of millions of dollars in pension assets to Idearc pension plans in November 2006.

53. The Verizon Defendants deny the allegations of paragraph 53 of the amended complaint, except to admit that the Idearc pension plans to which assets were transferred were not identified in response to question 5b of Part IV of Schedule H of the Form 5500s, as filed in October 2007. The Verizon Defendants state, by way of further response, that the amounts transferred to Idearc pension plans were properly listed on line (l)(2) of Part II of Schedule H, and that the responses to question 5b of Part IV of Schedule H were subsequently amended to identify the Idearc pension plans to which assets were transferred.

54. The Verizon Defendants admit the allegations of paragraph 54 of the amended complaint and state, by way of further response, that the responses to question 5b of Part IV of Schedule H were subsequently amended to identify the Idearc pension plans to which assets were transferred.

55. The allegations of paragraph 55 of the amended complaint relate only to Idearc/SuperMedia, and therefore no response by the Verizon Defendants is required. To the

extent any response is required, the Verizon Defendants deny the allegations of paragraph 55 of the amended complaint, except admit that Verizon made an initial pension asset transfer equal to 90% of the estimated asset transfer amount in mid-November 2006.

56. The allegations of paragraph 56 of the amended complaint are so vague or unclear that the Verizon Defendants are unable to form a belief as to their truth or falsity. To the extent a further response is required, the Verizon Defendants admit that the assets of the Verizon Plans were held by the Bell Atlantic Master Trust at all times during 2006, deny that the Verizon Pension Plan for New York and New England Associates and the Verizon Management Pension Plan were fully funded on a PBGC termination basis as of January 1, 2006, and otherwise do not have sufficient information to admit, and so deny, the remaining allegations of paragraph 56 of the amended complaint.

57. The allegations of paragraph 57 of the amended complaint are so vague or unclear that the Verizon Defendants are unable to form a belief as to their truth or falsity. To the extent a further response is required, the Verizon Defendants deny that the Verizon Management Pension Plan was fully funded on a PBGC termination basis as of January 1, 2006, and do have sufficient information to admit, and so deny, the remaining allegations of paragraph 57 of the amended complaint.

58. The allegations of paragraph 58 of the amended complaint are so vague or unclear that the Verizon Defendants are unable to form a belief as to their truth or falsity. To the extent a further response is required, the Verizon Defendants admit that Verizon/VIMCO caused assets associated with the pension benefit obligations for VIS employees and inactive employees whose last service was with a VIS business unit to be transferred from the Verizon Plans to Idearc pension plans, but otherwise deny the allegations of paragraph 58 of the amended complaint.

59. The allegations of paragraph 59 of the amended complaint are so vague or unclear that the Verizon Defendants are unable to form a belief as to their truth or falsity. To the extent a further response is required, the Verizon Defendants admit that Verizon/VIMCO caused assets associated with the pension benefit obligations for VIS employees and inactive employees whose last service was with a VIS business unit to be transferred from the Verizon Enterprises Management Pension Plan and the Verizon Management Pension Plan to Idearc pension plans, but otherwise deny the allegations of paragraph 59 of the amended complaint.

60. The Verizon Defendants admit that, as of November 2006, class members were vested in one of the Verizon Plans and that Verizon did not seek their consent to the transfer of the pension assets and liabilities associated with them.

61. The allegations of paragraph 61 of the amended complaint relate only to Idearc/SuperMedia, and therefore no response by the Verizon Defendants is required. To the extent that an answer is required, the Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 61 of the amended complaint.

62. The Verizon Defendants admit that, as of November 16, 2006, there were more than 100,000 participants in the Verizon Plans in the aggregate.

63. The Verizon Defendants admit that the assets and obligations relating to the pension benefits of class members were transferred to an Idearc pension plan as part of the spinoff. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 63 of the amended complaint.

64. The Verizon Defendants admit that responsibility for the pension benefits of class members was transferred to Idearc pension plans in November 2006, but otherwise deny the allegations of paragraph 64 of the amended complaint.

65. Paragraph 65 of the amended complaint purports to summarize and quote the terms of the Verizon Pension Plan for New York and New England Associates and the Verizon Pension Plan for Mid-Atlantic Associates, and the Verizon Defendants respectfully refer the Court to the text of those plans for a full and accurate statement of their provisions. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 65 of the amended complaint, except admit that the Verizon Plans contained provisions allowing for the merger and consolidation of the plans and for transfers of liabilities and assets of the plans.

66. The Verizon Defendants deny the allegations of paragraph 66 of the amended complaint.

67. The Verizon Defendants deny the allegations of paragraph 67 of the amended complaint.

68. The Verizon Defendants admit the allegations of paragraph 68 of the amended complaint.

69. The Verizon Defendants deny the allegations of paragraph 69 of the amended complaint.

70. The Verizon Defendants deny the allegations of paragraph 70 of the amended complaint.

71. Paragraph 71 of the amended complaint purports to summarize the terms of certain Verizon Plans and the Verizon Defendants respectfully refer the Court to the text of those plans for a full and accurate statement of their provisions. To the extent a further response is required, the Verizon Defendants admit that on December 22, 2006, Verizon adopted pension

plan amendments relating to the transfer of pension assets and liabilities for VIS employees and inactive employees whose last service was with a VIS business unit.

72. The Verizon Defendants deny the allegations of paragraph 72 of the amended complaint, except admit that the terms of the December 22, 2006 amendments were retroactive to November 2006.

73. Paragraph 73 of the amended complaint purports to summarize the terms of a letter and the Verizon Defendants respectfully refer the Court to the text of that letter for a full and accurate statement of its contents. To the extent a further response is required, the Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 73 of the amended complaint.

74. Paragraph 74 of the amended complaint purports to summarize the terms of a letter and the Verizon Defendants respectfully refer the Court to the text of that letter for a full and accurate statement of its contents.

75. Paragraph 75 of the amended complaint purports to summarize the terms of a letter and the Verizon Defendants respectfully refer the Court to the text of that letter for a full and accurate statement of its contents. To the extent a further response is required, the Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 75 of the amended complaint.

76. Paragraph 76 of the amended complaint purports to summarize the terms of a letter and the Verizon Defendants respectfully refer the Court to the text of that letter for a full and accurate statement of its contents.

77. The Verizon Defendants admit the allegations of paragraph 77 of the amended complaint.



78. The Verizon Defendants deny the allegations of paragraph 78 of the amended complaint.

79. The allegations of paragraph 79 of the amended complaint are so vague or unclear that the Verizon Defendants are unable to form a belief as to their truth or falsity. To the extent a further response is required, the Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 79 of the amended complaint.

80. To the extent that the allegations of paragraph 80 of the amended complaint relate to Idearc, no response by the Verizon Defendants is required. To the extent that paragraph 80 alleges that the welfare and other benefits available to Verizon retirees have not changed since 2006, the Verizon Defendants deny the allegations of paragraph 80 of the amended complaint. To the extent a further response is required, the Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 80 of the amended complaint.

81. To the extent that the allegations of paragraph 81 of the amended complaint relate to SuperMedia, no response by the Verizon Defendants is required. To the extent a further response is required, the Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 81 of the amended complaint.

82. Paragraph 82 of the amended complaint purports to summarize the terms of a letter and the Verizon Defendants respectfully refer the Court to the text of that letter for a full and accurate statement of its contents.

83. To the extent it relates to Verizon, the Verizon Defendants deny the allegations of paragraph 83 of the amended complaint.

84. The Verizon Defendants admit that the Verizon Plans do not recognize class-wide ERISA administrative claims. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 84 of the amended complaint.

85. Paragraph 85 of the amended complaint purports to summarize the terms of a letter and the Verizon Defendants respectfully refer the Court to the text of that letter for a full and accurate statement of its contents.

86. To the extent that paragraph 86 of the amended complaint purports to summarize the terms of the Verizon Plans, the Verizon Defendants respectfully refer the Court to the text of those plans for a full and accurate statement of their contents. To the extent a further response is required, the Verizon Defendants deny that they failed timely to respond to Plaintiffs' letter.

87. The allegations of paragraph 87 of the amended complaint relate only to Idearc, and therefore no response by the Verizon Defendants is required. To the extent any response is required, the Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 87 of the amended complaint.

88. All but the final sentence of paragraph 88 of the amended complaint purports to quote the terms of a letter and the Verizon Defendants respectfully refer the Court to the text of that letter for a full and accurate statement of its contents. The final sentence and footnote of paragraph 88 of the amended complaint purport to summarize a federal regulation and the Verizon Defendants respectfully refer the Court to the text of that regulation for a full and accurate statement of its provisions.

89. The Verizon Defendants deny the allegations of paragraph 89 of the amended complaint, except admit that Plaintiffs' initial claim determination letter was not issued until after May 5, 2009.

90. The Verizon Defendants deny the allegations of paragraph 90 of the amended complaint.

91. Paragraph 91 of the amended complaint purports to quote and summarize the terms of a letter and the Verizon Defendants respectfully refer the Court to the text of that letter for a full and accurate statement of its contents.

92. Paragraph 92 of the amended complaint purports to summarize a letter and the Verizon Defendants respectfully refer the Court to the text of that letter for a full and accurate statement of its contents. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 92 of the amended complaint.

93. The Verizon Defendants deny the allegations of paragraph 93 of the amended complaint.

94. The first sentence of paragraph 94 of the amended complaint purports to summarize a letter and the Verizon Defendants respectfully refer the Court to the text of that letter for a full and accurate statement of its contents. The Verizon Defendants admit the remaining allegations of paragraph 94 of the amended complaint insofar as they relate to the Verizon Defendants.

95. The allegations of paragraph 95 of the amended complaint relate only to Idearc/SuperMedia, and therefore no response by the Verizon Defendants is required. To the extent any response is required, the Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 95 of the amended complaint.

96. The allegations of paragraph 96 of the amended complaint relate only to Idearc/SuperMedia, and therefore no response by the Verizon Defendants is required. To the

extent any response is required, the Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 96 of the amended complaint.

97. Paragraph 97 of the amended complaint purports to summarize the terms of the Verizon Plans and the Verizon Defendants respectfully refer the Court to the text of those plans for a full and accurate statement of their contents.

98. Paragraph 98 of the amended complaint purports to quote the terms of the Verizon Management Pension Plan and the Verizon Defendants respectfully refer the Court to the text of that plan for a full and accurate statement of its contents.

99. Paragraph 99 of the amended complaint purports to summarize a letter and the Verizon Defendants respectfully refer the Court to the text of that letter for a full and accurate statement of its contents.

100. The Verizon Defendants deny the allegations of paragraph 100 of the amended complaint.

101. The Verizon Defendants deny the allegations of paragraph 101 of the amended complaint, except admit that Plaintiffs' final claim determination letter was not issued until after November 14, 2009.

102. The Verizon Defendants deny the allegations of paragraph 102 of the amended complaint.

103. The Verizon Defendants deny the allegations of paragraph 103 of the amended complaint insofar as they relate to the Verizon Defendants.

104. Paragraph 104 of the amended complaint purports to summarize and quote a federal regulation and the Verizon Defendants respectfully refer the Court to the text of that regulation for a full and accurate statement of its provisions.

105. The Verizon Defendants deny the allegations of paragraph 105 of the amended complaint insofar as they relate to the Verizon Defendants.

106. The Verizon Defendants deny the allegations of paragraph 106 of the amended complaint insofar as they relate to the Verizon Defendants, except admit that the Verizon Plans do not recognize class-based administrative claims.

107. The Verizon Defendants deny the allegations of paragraph 107 of the amended complaint insofar as they relate to the Verizon Defendants, and specifically deny that they breached any fiduciary duty and that class members are entitled to any remedy.

108. The Verizon Defendants admit the allegations of paragraph 108 of the amended complaint, and state by way of further response that their position is correct.

109. The Verizon Defendants admit the allegations of paragraph 109 of the amended complaint insofar as they relate to the Verizon Defendants, and state by way of further response that there is no requirement that pension plans have written procedures to address fiduciary duty claims.

110. The Verizon Defendants deny the allegations of paragraph 110 of the amended complaint insofar as they relate to the Verizon Defendants, except admit that Verizon's decision to transfer pension assets and liabilities from the Verizon Plans to pension plans maintained by Idearc in connection with the November 2006 spin-off are not subject to review under the plans' claims procedures because they relate to business decisions made by Verizon in its capacity as the sponsor of the Verizon Plans and that the Verizon Plans do not recognize class-based administrative claims.

111. Paragraph 111 of the amended complaint relates only to Idearc/SuperMedia, and therefore no response by the Verizon Defendants is required. To the extent any response is

required, the Verizon Defendants do not have sufficient information to admit, and so deny, the allegations set forth in paragraph 111.

112. The Verizon Defendants deny the allegations of paragraph 112 of the amended complaint insofar as they relate to the Verizon Defendants.

113. The Verizon Defendants deny the allegations of paragraph 113 of the amended complaint insofar as they relate to the Verizon Defendants.

114. The Verizon Defendants deny the allegations of paragraph 114 of the amended complaint insofar as they relate to the Verizon Defendants.

**FIRST CLAIM FOR RELIEF**

115. The Verizon Defendants incorporate and restate by reference the foregoing responses to paragraphs 1 through 114 of the amended complaint, inclusive, as if they were fully set forth herein.

116. Paragraph 116 of the amended complaint purports to quote federal law and the Verizon Defendants respectfully refer the Court to the text of the statute for a full and accurate statement of its provisions.

117. The allegations of paragraph 117 of the amended complaint relate only to Idearc/SuperMedia, and therefore no response by the Verizon Defendants is required. To the extent that paragraph 117 of the amended complaint purports to summarize federal law, the Verizon Defendants respectfully refer the Court to the text of the statute for a full and accurate statement of its provisions. To the extent that a further answer is required, the Verizon Defendants deny the allegations of paragraph 117 of the amended complaint.

118. The allegations of paragraph 118 of the amended complaint relate only to Idearc/SuperMedia, and therefore no response by the Verizon Defendants is required. To the

extent that a further answer is required, the Verizon Defendants deny the allegations of paragraph 118 of the amended complaint.

119. The Verizon Defendants deny the allegations of paragraph 119 of the amended complaint insofar as they relate to the Verizon Defendants, except admit that Plaintiffs' internal administrative claim was properly reviewed, decided, and acted upon by the Verizon Plan fiduciaries.

120. The allegations of paragraph 120 of the amended complaint relate only to Idearc/SuperMedia, and therefore no response by the Verizon Defendants is required. To the extent that a further answer is required, the Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 120 of the amended complaint.

121. The allegations of paragraph 121 of the amended complaint relate only to Idearc/SuperMedia, and therefore no response by the Verizon Defendants is required. To the extent that a further answer is required, the Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 121 of the amended complaint.

122. The allegations of paragraph 122 of the amended complaint relate only to Idearc/SuperMedia, and therefore no response by the Verizon Defendants is required. To the extent that a further answer is required, the Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 122 of the amended complaint.

123. The allegations of paragraph 123 of the amended complaint relate only to Idearc/SuperMedia, and therefore no response by the Verizon Defendants is required. To the extent that a further answer is required, the Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 123 of the amended complaint.

124. To the extent that paragraph 124 of the amended complaint purport to quote the terms of a September 15, 2009 letter, the Verizon Defendants respectfully refer the Court to the text of that letter for a full and accurate statement of its contents. To the extent a further response is required, the Verizon Defendants admit that correspondence relating to the administrative claims of individuals other than Plaintiffs were not made part of the administrative record regarding Plaintiffs' claims and state, by way of further response, that ERISA contains no such requirement.

125. To the extent that paragraph 125 of the amended complaint purport to quote or summarize the terms of a July 31, 2009 letter, the Verizon Defendants respectfully refer the Court to the text of that letter for a full and accurate statement of its contents. To the extent a further response is required, the Verizon Defendants admit that the decision to transfer the assets and liabilities associated with class members' pensions from the Verizon Plans to Idearc plans was made by Verizon, in its capacity as sponsor of the Verizon Plans, but otherwise deny the allegations of paragraph 125 of the amended complaint, and specifically deny the allegation that the Verizon Defendants refused to decide Plaintiffs' administrative claim.

126. The Verizon Defendants deny the allegations of paragraph 126 of the amended complaint.

127. To the extent that paragraph 127 of the amended complaint purports to quote the terms of the Verizon Management Pension Plan, the Verizon Defendants respectfully refer the Court to the text of that plan for a full and accurate statement of its provisions. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 127 of the amended complaint, except admit that certain of the documents requested by Plaintiffs were not



provided to them and state, by way of further response, that Plaintiffs were timely furnished with all of the documents to which they were entitled.

128. The Verizon Defendants admit that, before a claimant can bring any action at law or at equity to recover benefits under a Plan, he or she must exhaust the Plan's administrative review process. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 128 of the amended complaint, and specifically deny that Plaintiffs are entitled to any tolling.

129. The allegations of paragraph 129 of the amended complaint relate only to Idearc/SuperMedia, and therefore no response by the Verizon Defendants is required. To the extent that an answer is required, the Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 129 of the amended complaint

130. The Verizon Defendants deny the allegations of paragraph 130 of the amended complaint insofar as they relate to the Verizon Defendants.

131. Paragraph 131 of the amended complaint purports to summarize or quote federal law and the Verizon Defendants respectfully refer the Court to the text of the ERISA statute for a full and accurate statement of its provisions.

132. The Verizon Defendants admit that Plaintiffs seek the relief set forth in paragraph 132 of the amended complaint, but deny that Plaintiffs or class members are entitled to that relief, or any relief.

### **SECOND CLAIM FOR RELIEF**

133. The Verizon Defendants incorporate and restate by reference the foregoing responses to paragraphs 1 through 132 of the amended complaint, inclusive, as if they were fully set forth herein.

134. Paragraph 134 of the amended complaint purports to quote federal law and the Verizon Defendants respectfully refer the Court to the text of the statute for a full and accurate statement of its provisions.

135. Paragraph 135 of the amended complaint purports to summarize and quote a federal statute and regulation and the Verizon Defendants respectfully refer the Court to the text of the ERISA statute and the applicable regulations for a full and accurate statement of their provisions.

136. The allegations of paragraph 136 of the amended complaint are so vague or unclear that the Verizon Defendants are unable to form a belief as to their truth or falsity. To the extent that paragraph 136 of the amended complaint purports to state a legal conclusion, no response is required. To the extent that a further answer is required, the Verizon Defendants deny the allegations of paragraph 136 of the amended complaint.

137. Paragraph 137 of the amended complaint purports to summarize the terms of various Verizon summary plan descriptions, and the Verizon Defendants respectfully refer the Court to the text of those summary plan descriptions for a full and accurate statement of their provisions. To the extent a further response is required, the Verizon Defendants deny the final two sentences of paragraph 137 of the amended complaint.

138. The Verizon Defendants admit the allegations of paragraph 138 of the amended complaint.

139. The Verizon Defendants deny the allegations of paragraph 139 of the amended complaint.

140. The Verizon Defendants deny the allegations of paragraph 140 of the amended complaint.

141. Paragraph 141 of the amended complaint purports to summarize the terms of various Verizon summary plan descriptions, and the Verizon Defendants respectfully refer the Court to the text of those documents for a full and accurate statement of their provisions.

142. Paragraph 142 of the amended complaint purports to summarize the terms of various Verizon summary plan descriptions, and the Verizon Defendants respectfully refer the Court to the text of those plans for a full and accurate statement of their provisions.

143. Paragraph 143 of the amended complaint purports to summarize the terms of various Verizon summary plan descriptions, and the Verizon Defendants respectfully refer the Court to the text of those documents for a full and accurate statement of their provisions.

144. To the extent that paragraph 144 of the amended complaint purports to summarize the terms of various Verizon summary plan descriptions, the Verizon Defendants respectfully refer the Court to the text of those plans for a full and accurate statement of their provisions. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 144 of the amended complaint.

145. The Verizon Defendants deny the allegations of paragraph 145 of the amended complaint.

146. The Verizon Defendants deny that the Verizon SPDs contain a mistake or omission and deny that any mistake or omission found in any Verizon SPD is not innocent.

147. The Verizon Defendants deny the allegations of paragraph 147 of the amended complaint.

148. The allegations of paragraph 148 of the amended complaint are so vague or unclear that the Verizon Defendants are unable to form a belief as to their truth or falsity. To the extent that an answer is required, the Verizon Defendants deny the allegations of paragraph 148

of the amended complaint, specifically deny that there was any requirement to provide advance notice or seek the consent of class members before undertaking the transfers at issue in this case, and state, by way of further response, that the transfers of pension assets and liabilities at issue in this lawsuit were fully consistent with the terms of the Verizon Plans.

149. The Verizon Defendants admit that Plaintiffs seek certain relief, but deny that Plaintiffs are entitled to that or any other relief in this action. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 149 of the amended complaint.

### **THIRD CLAIM FOR RELIEF**

150. The Verizon Defendants incorporate and restate by reference the foregoing responses to paragraphs 1 through 149 of the amended complaint, inclusive, as if they were fully set forth herein.

151. Paragraph 151 of the amended complaint purports to quote federal law and the Verizon Defendants respectfully refer the Court to the text of the statute for a full and accurate statement of its provisions.

152. Paragraph 152 of the amended complaint purports to summarize federal law and the Verizon Defendants respectfully refer the Court to the text of the ERISA statute for a full and accurate statement of its provisions.

153. The Verizon Defendants deny the allegations of paragraph 153 of the amended complaint.

154. The Verizon Defendants admit that the November 17, 2006 EMA is the formal agreement providing for the transfer of pension assets and liabilities relating to VIS employees

and inactive employees whose last service was with a VIS business unit to an Idearc pension plan, but otherwise deny the allegations of paragraph 154 of the amended complaint.

155. The Verizon Defendants admit that the EMA was executed on November 17, 2006.

156. The allegations of paragraph 156 of the amended complaint are so vague or unclear that the Verizon Defendants are unable to form a belief as to their truth or falsity. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 156, and specifically deny that any Verizon Plan fiduciary took any action in his, her or its capacity as a fiduciary that was not in the interest of plan participants and that Verizon's corporate interests and goals were adverse to the interests of class members.

157. The Verizon Defendants admit that a contemplated notice from Verizon to inactive former VIS employees regarding the Idearc spinoff was not sent until after the spinoff occurred, but otherwise deny the allegations of paragraph 157 of the amended complaint.

158. The Verizon Defendants admit that written notice regarding the transfer of the assets and liabilities associated with the pensions of former employees whose last service was with a VIS business unit was first sent to former employees whose last service was with a VIS business unit in early 2007 (in a legally timely manner), but otherwise deny the allegations of paragraph 158 of the amended complaint.

159. The Verizon Defendants admit that certain Verizon Plan fiduciaries were responsible for implementing Verizon's decision, as the sponsor of the Verizon Plans, to transfer the assets and liabilities associated with VIS employees and former employees whose last service was with a VIS business unit, to Idearc pension plans, and state, by way of further response, that their actions were fully consistent with the terms of ERISA, the governing Verizon Plan

documents, and the EMA. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 159 of the amended complaint.

160. The Verizon Defendants deny that the decision to transfer pension assets and obligations associated with VIS employees and former employees whose last service was with a VIS business unit from the Verizon Plans to Idearc pension plans was in any part a fiduciary function.

161. The Verizon Defendants admit that the listed Verizon employees were members of the Verizon EBC in November 2006, that the Verizon EBC or its chairperson was the plan administrator for each of the Verizon Plans, and that the Verizon EBC was the fiduciary with ultimate responsibility for implementing Verizon's decision, as settlor, to transfer pension assets and obligations associated with VIS employees and former employees whose last service was with a VIS business unit from the Verizon Plans to Idearc pension plans.

162. To the extent that paragraph 162 of the amended complaint purport to quote the Verizon Defendants' discovery responses, the Verizon Defendants respectfully refer the Court to those responses and objections for a full and accurate statement of the content of those responses and objections. To the extent that paragraph 162 of the amended complaint purport to summarize the terms of the December 22, 2006 pension plan amendments, the Verizon Defendants respectfully refer the Court to the text of those amendments for a full and accurate statement of their terms. The Verizon Defendants admit that the Verizon EBC or its chairperson was ultimately responsible for the determination whether a particular inactive employee's last Verizon service was with a VIS business unit, but otherwise deny allegations of paragraph 162 of the amended complaint.

163. The Verizon Defendants admit that none of the assets and income streams transferred to Idearc as part of the spinoff transaction were specifically linked to the OPEB liabilities assumed by Idearc as part of the spinoff transaction, but otherwise deny the allegations of paragraph 163 of the amended complaint.

164. The Verizon Defendants deny the allegations of paragraph 164 of the amended complaint.

165. The Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 165 of the amended complaint.

166. The Verizon Defendants admit that Verizon structured the transaction in such a way that the de minimis rule could be used in transferring assets to Idearc pension plans, but deny the remaining allegations of paragraph 166 of the amended complaint and state, by way of further response, that the use of the de minimis rule exception allowed a transfer of more assets from the underfunded (on a PBGC termination basis) Verizon Plans than would otherwise have been permissible.

167. The Verizon Defendants admit that Verizon did not transfer assets and liabilities associated with deferred vested pensions from the Verizon Management Plan to an Idearc plan in order to help ensure that the transfer would qualify for the de minimis rule exception, but deny the remaining allegations of paragraph 167 of the amended complaint.

168. The Verizon Defendants deny the allegations of paragraph 168 of the amended complaint.

169. To the extent that paragraph 169 of the amended complaint purport to summarize the terms of various letters and disclosures, the Verizon Defendants respectfully refer the Court to the text of those letters for a full and accurate statement of their contents. To the extent that a

further response is required, the Verizon Defendants admit that the Verizon Management Pension Plan transfer to an Idearc pension plan was as of November 1, 2006, but otherwise deny the allegations of paragraph 169 of the amended complaint.

170. The Verizon Defendants deny the allegations of paragraph 170 of the amended complaint.

171. The Verizon Defendants admit that all shareholders of Verizon common stock as of November 1, 2006, including but not limited to members of the Verizon EBC, received one share of Idearc stock for every 20 shares of Verizon common stock owned, but otherwise deny the allegations of paragraph 171 of the amended complaint.

172. The Verizon Defendants admit that Verizon and Idearc entered into a number of transition services agreements in order to facilitate the Idearc spinoff transaction and that, pursuant to one such agreement, the Verizon Plans were responsible for paying class members' 2006 pension benefits in the first instance, but otherwise deny the allegations of paragraph 172 of the amended complaint.

173. The Verizon Defendants deny the allegations of paragraph 173 of the amended complaint, except admit that Verizon was a party to the spinoff transaction, that the spinoff transactions involved the Verizon Plans, and that all Verizon shareholders received Idearc common stock as part of the spinoff transaction.

174. The Verizon Defendants admit that Plaintiffs seek certain relief, but deny that Plaintiffs are entitled to that or any other relief in this action. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 174 of the amended complaint.



**FOURTH CLAIM FOR RELIEF**

175. The Verizon Defendants incorporate and restate by reference the foregoing responses to paragraphs 1 through 174 of the amended complaint, inclusive, as if they were fully set forth herein.

176. Paragraph 176 of the amended complaint purports to summarize or quote federal law and the Verizon Defendants respectfully refer the Court to the text of the statute and decision for a full and accurate statement of their provisions.

177. Paragraph 177 of the amended complaint purports to state a legal conclusion, to which no response is required. To the extent a further response is required, the Verizon Defendants deny that they have acted in a manner that is inconsistent with the terms of the Verizon Plans or ERISA.

178. The Verizon Defendants deny the allegations of paragraph 178 of the amended complaint.

179. The Verizon Defendants admit that Plaintiffs seek to invoke the teachings of the *Kennedy* decision, and respectfully refer the Court to the text of that decision for a full and accurate statement of its teachings. By way of further response, the Verizon Defendants state that they have not in any way violated the teachings of the *Kennedy* decision.

180. Paragraph 180 of the amended complaint purports to summarize the terms of the Verizon Plans and the Verizon Defendants respectfully refer the Court to the text of those plans for a full and accurate statement of their provisions. To the extent a further response is required, the Verizon Defendants admit that, as of November 2006, the Verizon Plans contained provisions allowing for the merger and consolidation of the plans and for transfers of liabilities and assets of the plans.

181. The Verizon Defendants deny the allegations of paragraph 181 of the amended complaint.

182. The allegations of paragraph 182 of the amended complaint are so vague or unclear that the Verizon Defendants are unable to form a belief as to their truth or falsity. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 182 of the amended complaint, except admit that class members are persons.

183. The allegations of paragraph 183 of the amended complaint are so vague or unclear that the Verizon Defendants are unable to form a belief as to their truth or falsity.

184. Paragraph 184 of the amended complaint purports to summarize the terms of the Verizon Plans and the Verizon Defendants respectfully refer the Court to the text of those plans for a full and accurate statement of their provisions. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 184 of the amended complaint.

185. The allegations of paragraph 185 of the amended complaint are so vague or unclear that the Verizon Defendants are unable to form a belief as to their truth or falsity. To the extent that paragraph 185 of the amended complaint purports to summarize the terms of the Verizon Plans, the Verizon Defendants respectfully refer the Court to the text of those plans for a full and accurate statement of their provisions. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 185 of the amended complaint.

186. Paragraph 186 of the amended complaint purports to summarize the terms of the Verizon Plans and the Verizon Defendants respectfully refer the Court to the text of those plans for a full and accurate statement of their provisions. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 186 of the amended complaint.

187. Paragraph 187 of the amended complaint purports to summarize the terms of the Verizon Plans and the Verizon Defendants respectfully refer the Court to the text of those plans for a full and accurate statement of their provisions. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 187 of the amended complaint.

188. Paragraph 188 of the amended complaint purports to summarize the terms of the Verizon Management Pension Plan and the Verizon Defendants respectfully refer the Court to the text of that plan for a full and accurate statement of its provisions.

189. The Verizon Defendants deny the allegations of paragraph 189 of the amended complaint.

190. Paragraph 190 of the amended complaint purports to quote the terms of the Verizon Management Pension Plan and the Verizon Defendants respectfully refer the Court to the text of that plan for a full and accurate statement of its provisions.

191. The Verizon Defendants deny the allegations of paragraph 191 of the amended complaint.

192. The Verizon Defendants deny the allegations of paragraph 192 of the amended complaint.

193. The Verizon Defendants deny the allegations of paragraph 193 of the amended complaint, except admit that the fiduciaries of the Verizon Plans owed fiduciary duties to class members prior to November 17, 2006.

194. The allegations of paragraph 194 of the amended complaint are so vague or unclear that the Verizon Defendants are unable to form a belief as to their truth or falsity. To the extent a further response is required, the Verizon Defendants deny that the decision to transfer pension assets and obligations associated with VIS employees and former employees whose last

service was with a VIS business unit from the Verizon Plans to Idearc pension plans was in any part a fiduciary function.

195. To the extent that paragraph 195 of the amended complaint purport to quote the Verizon Defendants' discovery responses, the Verizon Defendants respectfully refer the Court to those responses and objections for a full and accurate statement of the content of those responses and objections. The Verizon Defendants admit that the plan administrators of the Verizon Plans had ultimate responsibility for implementing Verizon's decision, as settlor, to transfer pension assets and obligations associated with VIS employees and former employees whose last service was with a VIS business unit from the Verizon Plans to Idearc pension plans, but otherwise deny the allegations of paragraph 195 of the amended complaint.

196. The Verizon Defendants deny the allegations of paragraph 196 of the amended complaint.

197. The Verizon Defendants admit that Verizon, as the sponsor of the Verizon Plans, made the decisions to transfer the assets and liabilities associated with the deferred vested pensions of former employees whose last service was with a VIS business unit to Idearc plans for participants in the Verizon Pension Plan for New York and New England Associates, the Verizon Pension Plan for Mid-Atlantic Associates, and the Verizon Enterprises Management Pension Plan, and not to transfer the assets and liabilities associated with the deferred vested pensions of former employees whose last service was with a VIS business unit to Idearc plans for participants in the Verizon Management Pension Plan, but otherwise deny the allegations of paragraph 197 of the amended complaint, and specifically deny that these decisions were made by the Verizon EBC or in a fiduciary capacity.

198. The Verizon Defendants admit that the December 22, 2006 plan amendments were executed and adopted on December 22, 2006, that the November 17, 2006 spinoff took place on November 17, 2006, and that December 22, 2006 is more than a month later than November 17, 2006. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 198 of the amended complaint.

199. Paragraph 199 of the amended complaint purports to summarize the terms of the Verizon Management Pension Plan and the Verizon Defendants respectfully refer the Court to the text of those plans for a full and accurate statement of their provisions.

200. Paragraph 200 of the amended complaint purports to summarize the terms of certain Verizon Plans and the Verizon Defendants respectfully refer the Court to the text of those plans for a full and accurate statement of their provisions.

201. The Verizon Defendants deny the allegations of paragraph 201 of the amended complaint.

202. The Verizon Defendants deny the allegations of paragraph 202 of the amended complaint, except admit that no SMM provided to class members set forth the execution date of the December 22, 2006 amendments.

203. The allegations of paragraph 203 of the amended complaint are so vague or unclear that the Verizon Defendants are unable to form a belief as to their truth or falsity. To the extent that an answer is required, the Verizon Defendants deny the allegations of paragraph 203 of the amended complaint and state, by way of further response, that the Verizon EBC does not have the responsibility or authority to permit or not permit the transfer of assets and liabilities to another plan as part of a spinoff transaction, because that authority is vested in Verizon, as settlor of the Verizon Plans.

204. The Verizon Defendants deny the allegations of paragraph 204 of the amended complaint and specifically deny that the Verizon EBC had any obligation to obtain the opinion of independent legal counsel, but admit that the Verizon EBC did not obtain a written opinion from independent counsel regarding the advisability of transferring the assets and liabilities associated with inactive employees whose last service was with a VIS business unit from a Verizon Plan to an Idearc pension plan.

205. The Verizon Defendants deny the allegations of paragraph 205 of the amended complaint, except admit that that the Verizon EBC did not retain an independent fiduciary and state, by way of further response, that the Verizon EBC had no obligation to do so.

206. The Verizon Defendants admit that the transfers at issue in this litigation were made without class members' consent or permission. To the extent a further response is required to the first two sentences of paragraph 206, the Verizon Defendants do not have sufficient information to admit, and so deny, those allegations. The Verizon Defendants deny the allegations of the final sentence of paragraph 206 of the amended complaint.

207. To the extent that paragraph 207 of the amended complaint purport to quote a federal statute, the Verizon Defendants respectfully refer the Court to the text of the ERISA statute for a full and accurate statement of its provisions. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 207 of the amended complaint.

208. The Verizon Defendants admit that Plaintiffs seek certain relief, but deny that Plaintiffs are entitled to that or any other relief in this action. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 208 of the amended complaint.

**FIFTH CLAIM FOR RELIEF**

209. Plaintiffs' fifth claim for relief is brought only against SuperMedia EBC, and therefore no answer to this paragraph 208 of the amended complaint is required from the Verizon Defendants.

210. Plaintiffs' fifth claim for relief is brought only against SuperMedia EBC, and therefore no answer to this paragraph 210 of the amended complaint is required from the Verizon Defendants.

211. Plaintiffs' fifth claim for relief is brought only against SuperMedia EBC, and therefore no answer to this paragraph 211 of the amended complaint is required from the Verizon Defendants.

212. Plaintiffs' fifth claim for relief is brought only against SuperMedia EBC, and therefore no answer to this paragraph 212 of the amended complaint is required from the Verizon Defendants.

213. Plaintiffs' fifth claim for relief is brought only against SuperMedia EBC, and therefore no answer to this paragraph 213 of the amended complaint is required from the Verizon Defendants.

214. Plaintiffs' fifth claim for relief is brought only against SuperMedia EBC, and therefore no answer to this paragraph 214 of the amended complaint is required from the Verizon Defendants.

215. Plaintiffs' fifth claim for relief is brought only against SuperMedia EBC, and therefore no answer to this paragraph 215 of the amended complaint is required from the Verizon Defendants.

216. Plaintiffs' fifth claim for relief is brought only against SuperMedia EBC, and therefore no answer to this paragraph 216 of the amended complaint is required from the Verizon Defendants.

217. Plaintiffs' fifth claim for relief is brought only against SuperMedia EBC, and therefore no answer to this paragraph 217 of the amended complaint is required from the Verizon Defendants.

218. Plaintiffs' fifth claim for relief is brought only against SuperMedia EBC, and therefore no answer to this paragraph 218 of the amended complaint is required from the Verizon Defendants.

219. Plaintiffs' fifth claim for relief is brought only against SuperMedia EBC, and therefore no answer to this paragraph 219 of the amended complaint is required from the Verizon Defendants.

220. Plaintiffs' fifth claim for relief is brought only against SuperMedia EBC, and therefore no answer to this paragraph 220 of the amended complaint is required from the Verizon Defendants.

221. Plaintiffs' fifth claim for relief is brought only against SuperMedia EBC, and therefore no answer to this paragraph 221 of the amended complaint is required from the Verizon Defendants.

**SIXTH CLAIM FOR RELIEF**

222. The Verizon Defendants incorporate and restate by reference the foregoing responses to paragraphs 1 through 221 of the amended complaint, inclusive, as if they were fully set forth herein.



223. Paragraph 223 of the amended complaint purports to summarize or quote federal law and the Verizon Defendants respectfully refer the Court to the text of the statute and decision for a full and accurate statement of their provisions.

224. The Verizon Defendants deny the allegations of paragraph 224 of the amended complaint, except admit that Plaintiffs request certain relief and state, by way of further response, that class members are not entitled to the relief requested, or any other relief.

225. The Verizon Defendants deny the allegations of paragraph 225 of the amended complaint, except admit that Plaintiffs request certain relief and state, by way of further response, that class members are not entitled to a declaration that the December 22, 2006 plan amendments are null and void, or to any other relief.

226. To the extent that the allegations of paragraph 226 of the amended complaint relate to SuperMedia, no response by the Verizon Defendants is required. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 226 of the amended complaint, except admit that the Verizon Defendants have no responsibility for class members' pension or welfare benefits as a result of the November 2006 spinoff transaction.

227. To the extent that the allegations of paragraph 227 of the amended complaint relate to SuperMedia, no response by the Verizon Defendants is required. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 227 of the amended complaint.

228. The Verizon Defendants deny the allegations of paragraph 228 of the amended complaint, except admit that they will not voluntarily assume responsibility for class members' pension or welfare benefits.

229. The Verizon Defendants admit that Plaintiffs seek certain relief, but deny that Plaintiffs are entitled to that or any other relief in this action. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 229 of the amended complaint.

230. The Verizon Defendants admit that Plaintiffs seek certain relief, but deny that Plaintiffs are entitled to that or any other relief in this action. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 230 of the amended complaint, except admit that, were the Court to order that pension liabilities associated with class members be transferred from Idearc pension plans to the Verizon Plans, a corresponding transfer of liabilities would likewise be necessary.

231. The Verizon Defendants admit that Plaintiffs seek certain relief, but deny that Plaintiffs are entitled to that or any other relief in this action. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 231 of the amended complaint.

#### **SEVENTH CLAIM FOR RELIEF**

232. The Verizon Defendants incorporate and restate by reference the foregoing responses to paragraphs 1 through 231 of the amended complaint, inclusive, as if they were fully set forth herein.

233. The Verizon Defendants admit that paragraph 233 of the amended complaint recites a claim that Plaintiffs bring against the Verizon Plans, but deny that Plaintiffs' claim has any merit.

234. Paragraph 234 of the amended complaint purports to quote federal law and the Verizon Defendants respectfully refer the Court to the text of the statute for a full and accurate statement of its provisions.

235. The allegations of paragraph 235 of the amended complaint are so vague or unclear that the Verizon Defendants are unable to form a belief as to their truth or falsity. To the extent that the allegations of paragraph 235 of the amended complaint purports to state a legal conclusion, no response is required. To the extent that an answer is required, the Verizon Defendants deny the allegations of paragraph 235 of the amended complaint.

236. The allegations of paragraph 236 of the amended complaint are so vague or unclear that the Verizon Defendants are unable to form a belief as to their truth or falsity. To the extent that an answer is required, the Verizon Defendants deny the allegations of paragraph 236 of the amended complaint.

237. The Verizon Defendants deny the allegations of paragraph 237 of the amended complaint, except admit that class members were entitled to receive benefits under one of the Verizon Plans prior to November 2006.

238. The Verizon Defendants admit that Plaintiffs seek certain relief, but deny that Plaintiffs are entitled to that or any other relief in this action. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 238 of the amended complaint.

**Standard of Judicial Review**

239. The Verizon Defendants deny the allegations of paragraph 239 of the amended complaint.

240. To the extent that the allegations of paragraph 240 of the amended complaint purport to state a legal conclusion, no response is required. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 240 of the amended complaint.

241. To the extent that the allegations of paragraph 241 of the amended complaint purport to state a legal conclusion, no response is required. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 241 of the amended complaint.

242. The Verizon Defendants deny the allegations of paragraph 242 of the amended complaint.

243. To the extent that the allegations of paragraph 243 of the amended complaint purport to state a legal conclusion, no response is required. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 243 of the amended complaint.

#### **CLASS ACTION ALLEGATIONS**

244. The Verizon Defendants admit that the Court has certified an agreed class defined in the same way as set forth in paragraph 244, except using the term “Idearc” in place of the term “SuperMedia,” but otherwise deny the allegations of paragraph 244 of the amended complaint.

245. The Verizon Defendants admit that this Court has certified a class pursuant to Fed. R. Civ. P. 23(b)(2), but otherwise deny the allegations of paragraph 245 of the amended complaint.

246. The Verizon Defendants admit that the class satisfies the numerosity requirement of Fed. R. Civ. P. 23(a).

247. The Verizon Defendants admit the allegations of paragraph 247 of the amended complaint.

248. The Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 248 of the amended complaint.

249. The Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 249 of the amended complaint.

250. The Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 250 of the amended complaint, except admit that Curtis L. Kennedy has experience in ERISA cases.

251. To the extent that the allegations of paragraph 251 of the amended complaint purport to state a legal conclusion, no response is required. To the extent a further response is required, the Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 251 of the amended complaint.

252. The Verizon Defendants admit that Plaintiffs' claims will be tried to the Court and that, consistent with the terms of the Verizon Plans, the December 22 amendments, the EMA and ERISA, class members' entitlement to pension benefits under the Verizon Plans ceased in November 2006, but otherwise deny the allegations of paragraph 252 of the amended complaint.

253. The Verizon Defendants deny the allegations of paragraph 253 of the amended complaint.

254. The Verizon Defendants admit that this case raises the questions whether Defendants violated ERISA and whether this Court may order that the assets and liabilities associated with class members' pensions should be transferred from Idearc pension plans to the Verizon Plans, but otherwise deny the allegations of paragraph 254 of the amended complaint.

255. The Verizon Defendants admit that this Court has certified an agreed class pursuant to Fed. R. Civ. P. 23(b)(2), but otherwise deny the allegations of paragraph 255 of the amended complaint.

256. To the extent that the allegations of paragraph 256 of the amended complaint purport to state a legal conclusion, no response is required. To the extent a further response is required, the Verizon Defendants deny the allegations of paragraph 256 of the amended complaint.

257. The Verizon Defendants deny the allegations of paragraph 257 of the amended complaint, except admit that the class members' pension claims involve shared legal issues.

258. The Verizon Defendants deny the allegations of paragraph 258 of the amended complaint, except admit that a class action is the best method for resolving Plaintiffs' pension claims.

259. The Verizon Defendants admit that they have consented to certification of this case as a class action pursuant to Fed. R. Civ. P. 23(b)(2), but otherwise deny the allegations of paragraph 259 of the amended complaint.

260. The Verizon Defendants do not have sufficient information to admit, and so deny, the allegations of paragraph 260 of the amended complaint.

The Verizon Defendants deny each and every allegation of the amended complaint not heretofore specifically admitted.

**PRAYER FOR RELIEF**

With respect to Plaintiffs' prayer for relief, the Verizon Defendants deny that Plaintiffs or the class are entitled to the relief requested, or any other relief.

The Verizon Defendants request that the Court:

- A. dismiss this action with prejudice;
- B. award the Verizon Defendants their costs and attorneys' fees; and
- C. grant the Verizon Defendants such other relief as the Court deems appropriate.

**AFFIRMATIVE AND OTHER DEFENSES**

The Verizon Defendants, in the alternative and without prejudice to the denials and other statements made in their Answer to the amended complaint, for their Affirmative and Other Defenses, state as follows:

**FIRST DEFENSE**

The claims of Plaintiffs and the members of the class are barred in whole or in part by the applicable statutes of limitation and/or the doctrine of laches.

**SECOND DEFENSE**

The claims of Plaintiffs and the members of the class are barred in whole or in part by their failure to exhaust their administrative remedies.

**THIRD DEFENSE**

The amended complaint fails to state a claim upon which any relief can be granted.

**FOURTH DEFENSE**

The claims of Plaintiffs and the members of the class are barred in whole or in part by the doctrines of accord and satisfaction, release, waiver, and estoppel to the extent that members of the class have signed agreements that release their claims, have promised not to sue the Verizon Defendants, or otherwise have promised not to assert claims against the Verizon Defendants.

**FIFTH DEFENSE**

The claims of Plaintiffs and the members of the class are barred, in whole or in part, to the extent that Plaintiffs or the members of the proposed class seek relief that is not authorized

by ERISA.

**SIXTH DEFENSE**

The claims of Plaintiffs and the members of the class are barred, in whole or in part, to the extent that Plaintiffs or the members of the class lack standing to assert their claims.

The Verizon Defendants reserve the right to assert, and hereby give notice that they intend to rely upon, any other defense that may become available or appear during discovery proceedings or otherwise in this case and hereby reserve the right to amend their Answer to assert any such defense.



Dated: July 5, 2011

Respectfully submitted,

By:           /s/ Christopher L. Kurzner            
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*Attorneys for the Verizon Defendants*

**CERTIFICATE OF SERVICE**

I hereby certify that on July 5, 2011, I caused a true and correct copy of the foregoing instrument to be served on counsel for Plaintiffs via the Court's electronic filing system as set forth in Miscellaneous Order 61 as follows:

Curtis L. Kennedy  
8405 E. Princeton Avenue  
Denver, CO 80237-1741  
Fax: (303) 843-0360

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