

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

PHILIP A. MURPHY, JR.  
SANDRA R. NOE, and  
CLAIRE M. PALMER, et al.  
Plaintiffs,

v.

VERIZON COMMUNICATIONS, INC., et  
al.  
Defendants.

§  
§  
§  
§  
§  
§  
§  
§  
§  
§  
§

Civil Action No. 3:09-cv-2262-G

**DEFENDANT SUPERMEDIA EMPLOYEE BENEFITS COMMITTEE'S ANSWER TO  
PLAINTIFFS' AMENDED COMPLAINT**

Defendant SuperMedia Employee Benefits Committee f/k/a Idearc Employee Benefits Committee ("SuperMedia EBC" or "Defendant") answers Plaintiffs' Amended Complaint (Dkt # 6) as follows, the responses below to correspond with the same paragraph numbers in the Amended Complaint where indicated:

1. To the extent paragraph 1 attempts to summarize federal law, Defendant refers the Court to the law itself for a full and accurate description. The remainder of the paragraph deals with Plaintiffs' claims relating to requests for documents, which claims have been dismissed by the Court (Dkt# 33). As a result, no response is required to the remaining statements in the paragraph. To the extent it is determined that any additional response is required, then Defendant denies the allegations.

2. As to paragraph 2, Defendant admits that Idearc Inc. changed its name from Idearc Inc. to SuperMedia Inc. on the date indicated and admits that Idearc Inc. and its affiliated entities have emerged from bankruptcy, but denies that Plaintiffs asserted a legally cognizable or "class-wide internal administrative claim" against SuperMedia EBC. Defendant denies that it

chose “not to respond” to Plaintiffs’ correspondence containing the purported administrative claim. To the contrary, Defendant responded as indicated in the correspondence attached to this Answer. In particular, the following documents are attached, which set forth the communications referred to: Exhibit A, February 4, 2009 letter from Curtis Kennedy purporting to assert a “claim,” without identifying any benefits that had been allegedly denied; Exhibit B, March 3, 2009, response letter, stating “.... you ask that your letter be treated as a ‘claim.’ Please call me to discuss this aspect of your letter because it is my understanding that your clients have been receiving their monthly pension distributions.” Exhibit C, September 15, 2009 letter to Verizon Defendants and Supermedia Defendants, from Curtis Kennedy, referring to an “appeal” of a purported claim; Exhibit D, October 29, 2009 response letter stating not only that ERISA “does not recognize such a claim,” but also that “you have provided no evidence or allegation that the Idearc Pension plan has failed to make any payment required under the plan. If you have such a claim, please provide the information necessary for us to deal with the claim.” The remaining allegations relating to the Verizon Defendants are directed to Verizon, and as a result, SuperMedia EBC is without sufficient knowledge to admit or deny such allegations, and/or no response is required because the allegations do not relate to claims against SuperMedia EBC. To the extent further response is required, the allegations are denied.

3. As to paragraph 3, Defendant does not contest jurisdiction, but denies that a cognizable claim for relief has been asserted against it under ERISA.

4. As to paragraph 4, Defendant admits that the Plaintiffs are seeking relief as indicated but would refer the Court to the specific statutes in question for the most complete meaning of the same. To the extent further response is required, Defendant denies the allegations.

5. As to paragraph 5, Defendant does not contest venue.

**THE PARTIES**

6. Defendant does not contest the allegations of paragraph 6 concerning citizenship, retirement date, commencement, or the form of the pension in question. To the extent further response is required, Defendant denies the allegations of paragraph 6.

7. Defendant admits that the benefit liability relating to Murphy was transferred to an Idearc pension plan from a Verizon pension plan in November 2006 but otherwise denies the allegations of paragraph 7 of the Amended Complaint.

8. Defendant does not contest the allegations of paragraph 8 concerning citizenship, retirement date, commencement, or the form of the pension in question. To the extent further response is required, Defendant denies the allegations of paragraph 8.

9. Defendant admits that the benefit liability relating to Noe was transferred to an Idearc pension plan from a Verizon pension plan in November 2006 but otherwise denies the allegations of paragraph 9 of the Amended Complaint.

10. Defendant does not contest the allegations of paragraph 10 concerning citizenship, retirement date, commencement, or the form of the pension in question. To the extent further response is required, Defendant denies the allegations of paragraph 10.

11. Defendant admits that the benefit liability relating to Palmer was transferred to an Idearc pension plan from a Verizon pension plan in November 2006 but otherwise denies the allegations of paragraph 11 of the Amended Complaint.

12. As to paragraph 12, the allegations appear to be directed to the Verizon Defendants, and as a result, SuperMedia EBC is without sufficient knowledge to admit or deny

such allegations, and/or no response is required because the allegations do not relate to claims against SuperMedia EBC. To the extent further response is required, the allegations are denied.

13. As to paragraph 13, the allegations appear to be directed to the Verizon Defendants, and a result, SuperMedia EBC is without sufficient knowledge to admit or deny such allegations, and/or no response is required because the allegations do not relate to claims against SuperMedia EBC. To the extent further response is required, the allegations are denied.

14. As to paragraph 14, the allegations appear to be directed to the Verizon Defendants, and a result, SuperMedia EBC is without sufficient knowledge to admit or deny such allegations, and/or no response is required because the allegations do not relate to claims against SuperMedia EBC. To the extent further response is required, the allegations are denied.

15. As to paragraph 15, the allegations appear to be directed to the Verizon Defendants, and a result, SuperMedia EBC is without sufficient knowledge to admit or deny such allegations, and/or no response is required because the allegations do not relate to claims against SuperMedia EBC. To the extent further response is required, the allegations are denied.

16. As to paragraph 16, the allegations appear to be directed to the Verizon Defendants, and a result, SuperMedia EBC is without sufficient knowledge to admit or deny such allegations, and/or no response is required because the allegations do not relate to claims against SuperMedia EBC. To the extent further response is required, the allegations are denied.

17. No response is necessary as to Paragraph 17 because it is directed to Idearc Inc., which is no longer a party to the case.

18. No response is necessary as to Paragraph 18 because it is directed to Idearc Inc., which is no longer a party to the case.

19. No response is necessary as to Paragraph 19 because it is directed to Idearc Inc., which is no longer a party to the case.

20. Defendant admits that it administers the pension plans at the address indicated and that it performs certain designated fiduciary and administrative functions under Idearc's pension plans. To the extent the first sentence of the paragraph seeks to summarize federal law then Defendant would point to the federal law in question for a complete and accurate recitation of its contents and meaning. The remaining allegations of the paragraph are so vague that Defendant is not able to form a belief as to the truth of the allegations and for that reason such allegations are denied.

21. The allegations of paragraph 21 are so vague that a response cannot be formulated, in that there are no employees named and no acts identified for which ratification is claimed. As a result, to the extent a response is required, the allegations are denied.

22. Because the pension plan referred to in paragraph 22 has been dismissed (*see* Dkt. # 33) no response is required. The pension plan is no longer a party to the case.

23. Because the pension plan referred to in paragraph 23 has been dismissed (*see* Dkt. # 33) no response is required. The pension plan is no longer a party to the case.

### **FACTS**

24. The allegations of paragraph 24 refer to a public filing, and for a complete and accurate record of the public filing, Defendant would refer to the filing itself.

25. The allegations of paragraph 25 appear to be directed toward the Verizon Defendants. As a result, no response is required.

26. The allegations of paragraph 26 appear to be directed to the Verizon Defendants, and as such, no response is required.

27. The allegations of paragraph 27 are admitted.

28. The allegations of paragraph 28 appear to be directed toward the Verizon Defendants. As a result, no response is required.

29. Defendant admits that the Employee Matters Agreement was an exhibit to the Distribution Agreement and that an Idearc officer signed the Distribution Agreement.

30. The allegations of paragraph 30 appear to be directed toward the Verizon Defendants. As a result, no response is required.

31. To the extent the allegations of paragraph 31 are directed toward the Verizon Defendants, no response is required. To the extent the allegations are directed toward Defendant, the allegations do not require a response because all claims relating to the production of documents have been dismissed by the Court (Dkt. # 33). To the extent further response is required, the allegations are denied.

32. The allegations of paragraph 32 appear to be directed toward the Verizon Defendants. As a result, no response is required.

33. The allegations of paragraph 33 appear to be directed toward the Verizon Defendants. As a result, no response is required.

34. The allegations of paragraph 34 appear to be directed toward the Verizon Defendants. As a result, no response is required.

35. The allegations of paragraph 35 refer to a public filing, and for a complete and accurate record of the public filing, Defendant would refer to the filing itself.

36. The allegations of paragraph 36 are denied.

37. The allegations of paragraph 37 are so vague that Defendant is unable to respond. As a result, the allegations are denied.

38. The allegations of paragraph 38 appear to be directed toward the Verizon Defendants. As a result, no response is required.

39. The allegations of paragraph 39 appear to be directed toward the Verizon Defendants. As a result, no response is required.

40. The allegations of paragraph 40 appear to be directed toward the Verizon Defendants. As a result, no response is required.

41. The allegations of paragraph 41 appear to be directed toward the Verizon Defendants. As a result, no response is required.

42. The allegations of paragraph 42 appear to be directed toward the Verizon Defendants. As a result, no response is required.

43. The allegations of paragraph 43 appear to be directed toward the Verizon Defendants. As a result, no response is required.

44. The allegations of paragraph 44 appear to be directed toward the Verizon Defendants. As a result, no response is required.

45. The allegations of paragraph 45 appear to be directed toward the Verizon Defendants. As a result, no response is required.

46. The allegations of paragraph 46 appear to be directed toward the Verizon Defendants. As a result, no response is required.

47. The allegations of paragraph 47 appear to be directed toward the Verizon Defendants. As a result, no response is required.

48. The allegations of paragraph 48 appear to be directed toward the Verizon Defendants and alternatively are so vague that a response cannot be formulated. As a result, no response is required.

49. Defendant admits that Idearc Inc. began to endure financial troubles, but to the extent Plaintiffs contend that they have been denied any qualified retirement benefits, the allegations of paragraph 49 are denied. The remaining allegations of paragraph 49 are denied.

50. To the extent Plaintiffs contend that they have been denied any qualified retirement benefits the allegations of paragraph 50 are denied. Defendant is unable to form a belief as to the allegation concerning the existence of a concern by the Plaintiffs with regard to the financial well being of Defendant's pension plans, and as a result the allegation is denied.

51. The allegations of paragraph 51 appear to relate to claims dismissed by the Court (*see* Dkt. # 33), and as a result, no response is required.

52. Defendant admits that it received a letter dated February 4, 2009 (Exhibit A hereto) but denies that the letter constituted a cognizable claim under ERISA and denies that the letter identified any benefits that had been denied by the Defendant.

53. The allegations of paragraph 53 appear to relate to claims dismissed by the Court (*see* Dkt. # 33), and as a result, no response is required.

54. The allegations of paragraph 54 appear to relate to claims dismissed by the Court (*see* Dkt. # 33), and as a result, no response is required.

55. The allegations of paragraph 55 appear to relate to claims dismissed by the Court (*see* Dkt. # 33), and as a result, no response is required.

56. The allegations of paragraph 56 appear to relate to claims dismissed by the Court (*see* Dkt. # 33), and as a result, no response is required.

57. The allegations of paragraph 57 appear to relate to claims dismissed by the Court (*see* Dkt. # 33), and as a result, no response is required.



58. The allegations of paragraph 58 appear to relate to claims dismissed by the Court (*see* Dkt. # 33), and as a result, no response is required.

59. As to paragraph 59, Defendant admits that it received a letter dated February 4, 2009 (Exhibit A hereto) but denies that the letter constituted a cognizable claim under ERISA and denies that the letter identified any benefits that had been denied by the Defendant. To the extent further response is required, the allegations are denied.

60. The allegations of paragraph 60 appear to be directed toward the Verizon Defendants. As a result, no response is required.

61. The allegations of paragraph 61 appear to be directed toward the Verizon Defendants. As a result, no response is required.

62. Defendant admits that March 31, 2009, was the date of the bankruptcy filing but denies that any claim had been made as indicated in paragraph 62 nor were any of the Idearc pension plans placed into bankruptcy. To the extent further response is required, the allegations are denied.

63. Defendant denies the allegations of paragraph 63 because the allegations presuppose and assume that the Plaintiffs had previously made a claim directed to Defendant for denial of benefits within the meaning of ERISA, which is not true.

64. The allegations of paragraph 64 appear to be directed toward the Verizon Defendants. As a result, no response is required.

65. The allegations of paragraph 65 appear to be directed toward the Verizon Defendants. As a result, no response is required.

66. The allegations of paragraph 66 appear to be directed toward the Verizon Defendants. As a result, no response is required.

67. The allegations of paragraph 67 appear to be directed toward the Verizon Defendants. As a result, no response is required.

68. To the extent the allegations of paragraph 68 are directed toward the Verizon Defendants, no response is required. Defendant admits it received a copy of the September 15, 2009 letter attached as Exhibit C hereto. To the extent further response is required, the allegations are denied.

69. Defendant admits that Joe Garza sent the October 29, 2009, letter attached as Exhibit D hereto. To the extent paragraph 69 attempts to quote from or paraphrase that letter, Defendant would refer the Court to Exhibit D for a complete recitation of the letter's contents. To the extent further response is required, the allegations of paragraph 69 are denied.

70. The allegations of paragraph 70 appear to be directed toward the Verizon Defendants. As a result, no response is required.

71. The allegations of paragraph 71 appear to be directed toward the Verizon Defendants. As a result, no response is required.

72. The allegations of paragraph 72 appear to be directed toward the Verizon Defendants. As a result, no response is required.

73. The allegations of paragraph 73 appear to be directed toward the Verizon Defendants. As a result, no response is required.

74. The allegations of paragraph 74 appear to be directed toward the Verizon Defendants. As a result, no response is required.

75. The allegations of paragraph 75 appear to be directed toward the Verizon Defendants. As a result, no response is required.

76. To the extent paragraph 76 purports to quote from or paraphrase statutes, rules or regulations, Defendant would refer the Court directly to those statutes, rules or regulations themselves for an accurate depiction of the contents.

77. To the extent the allegations of paragraph 77 are directed toward the Verizon Defendants, no response is required. To the extent the allegations are directed to SuperMedia EBC, the allegations are denied because the allegations pre-suppose and assume that the Plaintiffs had previously made a claim directed to Defendant for denial of benefits within the meaning of ERISA, which is not true.

78. To the extent the allegations of paragraph 78 are directed toward the Verizon Defendants, no response is required. To the extent the allegations are directed to SuperMedia EBC, the allegations are denied because the allegations pre-suppose and assume that the Plaintiffs had previously made a claim directed to Defendant for denial of benefits within the meaning of ERISA, which is not true.

79. To the extent the allegations of paragraph 79 are directed toward the Verizon Defendants, no response is required. To the extent the allegations are directed to SuperMedia EBC, the allegations are denied because the allegations pre-suppose and assume that the Plaintiffs had previously made a claim directed to Defendant for denial of benefits within the meaning of ERISA, which is not true.

80. To the extent the allegations of paragraph 80 are directed toward the Verizon Defendants, no response is required. To the extent the allegations are directed to SuperMedia EBC, the allegations are denied because the allegations pre-suppose and assume that the Plaintiffs had previously made a claim directed to Defendant for denial of benefits within the meaning of ERISA, which is not true.

81. To the extent the allegations of paragraph 81 are directed toward the Verizon Defendants, no response is required. To the extent the allegations are directed to SuperMedia EBC, the allegations are denied because the allegations pre-suppose and assume that the Plaintiffs had previously made a claim directed to Defendant for denial of benefits within the meaning of ERISA, which is not true.

82. To the extent the allegations of paragraph 82 are directed toward the Verizon Defendants, no response is required. To the extent the allegations are directed to SuperMedia pension plans, no response is required because those plans have been dismissed from the case. (Dkt. # 33).

83. To the extent the allegations of paragraph 83 are directed toward the Verizon Defendants, no response is required. To the extent the allegations are directed to SuperMedia EBC, the allegations are denied because the allegations pre-suppose and assume that the Plaintiffs had previously made a claim directed to Defendant for denial of benefits within the meaning of ERISA, which is not true.

84. To the extent the allegations of paragraph 84 are directed toward the Verizon Defendants, no response is required. To the extent the allegations are directed to SuperMedia EBC, the allegations are denied because the allegations pre-suppose and assume that the Plaintiffs had previously made a claim directed to Defendant for denial of benefits within the meaning of ERISA, which is not true.

85. As to paragraph 85, to the extent a response is required, Defendant incorporates by reference the responses noted above as to each specific paragraph.

86. No response is required as to paragraph 86 because the Court has dismissed the Plaintiff's document-related claims. (Dkt. #33)

87. No response is required as to paragraph 87 because the Court has dismissed the Plaintiff's document-related claims. (Dkt. #33)

88. No response is required as to paragraph 88 because the Court has dismissed the Plaintiff's document-related claims. (Dkt. #33)

89. No response is required as to paragraph 89 because the Court has dismissed the Plaintiff's document-related claims. (Dkt. #33)

90. No response is required as to paragraph 90 because the Court has dismissed the Plaintiff's document-related claims. (Dkt. #33)

91. No response is required as to paragraph 91 because the Court has dismissed the Plaintiff's document-related claims. (Dkt. #33)

92. No response is required as to paragraph 92 because the Court has dismissed the Plaintiff's document-related claims. (Dkt. #33) To the extent a response is required, and to the extent the allegations are directed to SuperMedia EBC, the allegations are denied because the allegations pre-suppose and assume that the Plaintiffs had previously made a claim directed to Defendant for denial of benefits within the meaning of ERISA, which is not true.

93. No response is required as to paragraph 93 because the Court has dismissed the Plaintiff's document-related claims. (Dkt. #33) To the extent a response is required, and to the extent the allegations are directed to SuperMedia EBC, the allegations are denied because the allegations pre-suppose and assume that the Plaintiffs had previously made a claim directed to Defendant for denial of benefits within the meaning of ERISA, which is not true.

94. No response is required as to paragraph 94 because the Court has dismissed the Plaintiff's document-related claims. (Dkt. #33) To the extent a response is required, and to the extent the allegations are directed to SuperMedia EBC, the allegations are denied because the

allegations pre-suppose and assume that the Plaintiffs had previously made a claim directed to Defendant for denial of benefits within the meaning of ERISA, which is not true.

95. No response is required as to paragraph 95 because the Court has dismissed the Plaintiff's document-related claims. (Dkt. #33)

96. No response is required as to paragraph 96 because the allegations are directed to the Verizon Defendants and because the Court has dismissed the Plaintiff's document-related claims. (Dkt. #33)

97. No response is required as to paragraph 97 because the allegations are directed to the Verizon Defendants and because the Court has dismissed the Plaintiff's document-related claims. (Dkt. #33)

98. No response is required as to paragraph 98 because the allegations are directed to the Verizon Defendants and because the Court has dismissed the Plaintiff's document-related claims. (Dkt. #33)

99. No response is required as to paragraph 99 because the Court has dismissed the Plaintiff's document-related claims (Dkt. #33) and because the claims are directed to the Verizon Defendants. To the extent a response is required, and to the extent the allegations are directed to SuperMedia EBC, the allegations are denied because the allegations pre-suppose and assume that the Plaintiffs had previously made a claim directed to Defendant for denial of benefits within the meaning of ERISA, which is not true.

100. No response is required as to paragraph 100 because the Court has dismissed the Plaintiff's document-related claims (Dkt. #33) and because the claims are directed to the Verizon Defendants. To the extent a response is required, and to the extent the allegations are directed to SuperMedia EBC, the allegations are denied because the allegations pre-suppose and assume that

the Plaintiffs had previously made a claim directed to Defendant for denial of benefits within the meaning of ERISA, which is not true.

101. No response is required as to paragraph 101 because the Court has dismissed the Plaintiff's document-related claims (Dkt. #33) and because the claims are directed to the Verizon Defendants. To the extent a response is required, and to the extent the allegations are directed to SuperMedia EBC, the allegations are denied because the allegations pre-suppose and assume that the Plaintiffs had previously made a claim directed to Defendant for denial of benefits within the meaning of ERISA, which is not true.

102. To the extent paragraph 102 purports to quote from or paraphrase statutes, rules or regulations, Defendant would refer the Court directly to those statutes, rules or regulations themselves for an accurate depiction of the contents.

103. Defendant admits that paragraph 103 sets forth the relief Plaintiffs are seeking but denies that the Plaintiffs are entitled to the requested relief.

104. As to paragraph 104, to the extent a response is required, Defendant incorporates by reference the responses noted above as to each specific paragraph.

105. No response is required as to paragraph 105 because the Court has dismissed the Plaintiff's document-related claims (Dkt. #33).

106. No response is required as to paragraph 106 because the Court has dismissed the Plaintiff's document-related claims (Dkt. #33).

107. No response is required as to paragraph 107 because the Court has dismissed the Plaintiff's document-related claims (Dkt. #33).

108. No response is required as to paragraph 108 because the Court has dismissed the Plaintiff's document-related claims (Dkt. #33).

109. No response is required as to paragraph 109 because the Court has dismissed the Plaintiff's document-related claims (Dkt. #33).

110. No response is required as to paragraph 110 because the Court has dismissed the Plaintiff's document-related claims (Dkt. #33).

111. No response is required as to paragraph 111 because the Court has dismissed the Plaintiff's document-related claims (Dkt. #33).

112. No response is required as to paragraph 112 because the Court has dismissed the Plaintiff's document-related claims (Dkt. #33).

113. As to paragraphs 113-136, no response is required because the claims are directed solely at the Verizon Defendants, not SuperMedia EBC.

*[PARAGRAPH NUMBERING INTENTIONALLY SKIPS TO PARAGRAPH 137]*

137. As to paragraph 137, to the extent a response is required, Defendant incorporates by reference the responses noted above as to each specific paragraph.

138. To the extent the allegations of paragraph 138 are directed toward the Verizon Defendants, no response is required. To the extent the allegations are directed to SuperMedia EBC, the allegations are denied, and Defendant denies that Plaintiffs are entitled to the relief they seek.

139. To the extent the allegations of paragraph 139 are directed toward the Verizon Defendants, no response is required. To the extent the allegations are directed to SuperMedia EBC, the allegations are denied, and Defendant denies that Plaintiffs are entitled to the relief they seek.

140. To the extent the allegations of paragraph 140 are directed toward the Verizon Defendants, no response is required. To the extent the allegations are directed to



SuperMedia EBC, the allegations are denied, and Defendant denies that Plaintiffs are entitled to the relief they seek.

141. No response is required to paragraphs 141-168 because those allegations are directed solely to Verizon Defendants.

*[PARAGRAPH NUMBERING INTENTIONALLY SKIPS TO PARAGRAPH 169]*

169. To the extent the allegations of paragraph 169 are directed toward the Verizon Defendants, no response is required. To the extent the allegations are directed to SuperMedia EBC, the allegations are denied, and Defendant denies that Plaintiffs are entitled to the relief they seek.

170. To the extent the allegations of paragraph 170 are directed toward the Verizon Defendants, no response is required. To the extent the allegations are directed to SuperMedia EBC, the allegations are denied, and Defendant denies that Plaintiffs are entitled to the relief they seek.

171. To the extent the allegations of paragraph 171 are directed toward the Verizon Defendants, no response is required. To the extent the allegations are directed to SuperMedia EBC, the allegations are denied, and Defendant denies that Plaintiffs are entitled to the relief they seek.

172. To the extent the allegations of paragraph 172 are directed toward the Verizon Defendants, no response is required. To the extent the allegations are directed to SuperMedia EBC, the allegations are denied, and Defendant denies that Plaintiffs are entitled to the relief they seek.

173. To the extent the allegations of paragraph 173 are directed toward the Verizon Defendants, no response is required. To the extent the allegations are directed to

SuperMedia EBC, the allegations are denied because Defendant does not have sufficient information to either admit or deny them; and Defendant further denies that Plaintiffs are entitled to the relief they seek.

174. To the extent the allegations of paragraph 174 are directed toward the Verizon Defendants, no response is required. To the extent the allegations are directed to SuperMedia EBC, the allegations are denied because Defendant does not have sufficient information to either admit or deny them; and Defendant further denies that Plaintiffs are entitled to the relief they seek.

175. To the extent the allegations of paragraph 175 are directed toward the Verizon Defendants, no response is required. To the extent the allegations are directed to SuperMedia EBC, the allegations are denied because Defendant does not have sufficient information to either admit or deny them; and Defendant further denies that Plaintiffs are entitled to the relief they seek.

176. To the extent the allegations of paragraphs 176-180 are directed toward the Verizon Defendants, no response is required. To the extent the allegations are directed to SuperMedia EBC, the allegations are denied, and Defendant further denies that Plaintiffs are entitled to the relief they seek.

#### **PRAYER FOR RELIEF**

To the extent it is determined that allegations have been asserted in the Amended Complaint that have not been admitted or denied above by Defendant, but which should have been admitted or denied by Defendant, then such allegations are hereby specifically denied. To the extent Plaintiffs have requested relief in the Amended Complaint Defendant asserts that Plaintiff is not entitled to such relief. Defendant respectfully requests that Plaintiffs' claims

against it be dismissed with prejudice and that Plaintiffs take nothing on those claims. Defendant further requests such other relief to which it may be justly entitled.

### **DEFENSES AND AFFIRMATIVE DEFENSES**

Defendant asserts the following defenses and/or affirmative defenses to Plaintiffs' claims, and reserves the right to amend or supplement this Answer in order to add additional defenses that may become apparent during discovery (if any) or otherwise, or to remove any defenses that Defendant elects no longer to pursue:

#### **First Defense**

Plaintiffs' Amended Complaint fails to state a claim for which relief may be granted.

#### **Second Defense**

Plaintiffs' claims are barred because they were not entitled to a "full and fair review" of any purported claim denial as a matter of law. They never made a claim for benefits that was denied within the meaning of ERISA.

#### **Third Defense**

Plaintiffs' claims, and the claims of the putative class, are barred, in whole or in part, by the applicable statute of limitations and/or laches.

#### **Fourth Defense**

Plaintiffs' claims, and the claims of the putative class, are barred, in whole or in part, by the doctrines of accord and satisfaction, waiver, release, and/or estoppel.

#### **Fifth Defense**

Plaintiffs' claims, and the claims of the putative class, are barred in whole or in part because they seek relief that is not authorized under ERISA.

**Sixth Defense**

Plaintiffs' claims, and the claims of the putative class, are barred in whole or in part to the extent they lack standing to assert the claims in question.

**Seventh Defense**

Plaintiffs' claims are not ripe because no benefits have been denied.

Dated: November 1, 2010

Respectfully submitted,

ANDREWS KURTH LLP

/s/ David P. Whittlesey

---

David P. Whittlesey  
State Bar No. 00791920  
Martha M. Hopkins  
State Bar No. 24059970  
111 Congress, Suite 1700  
Austin, Texas 78701  
Telephone: (512) 320-9200  
Facsimile: (512) 320-9292

Marc D. Katz  
State Bar No. 00791002  
1717 Main Street, Suite 3700  
Dallas, Texas 75201  
Telephone: (214) 659-4400  
Facsimile: (214) 659-4401

**ATTORNEYS FOR DEFENDANT  
SUPERMEDIA EMPLOYEE BENEFITS  
COMMITTEE**

### **CERTIFICATE OF SERVICE**

I hereby certify that on this 1st day of November 2010, I electronically filed the foregoing document with the clerk of the court for the U.S. District Court, Northern District of Texas, using the electronic case filing system of the Court. The electronic case filing system sent a "Notice of Electronic Filing" to all counsel of record, each of whom has registered as users of the ECF system. A courtesy copy has also been sent to counsel of record via United States Mail.

/s/ David P. Whittlesey

David P. Whittlesey

Curtis L. Kennedy  
8405 E. Princeton Avenue  
Denver, Colorado 80237-1741  
Facsimile (303) 843-0360

Robert E. Goodman, Jr.  
James N. Francis  
FRANCIS GOODMAN PLLC  
8750 N. Central Expressway, Suite 1000  
Dallas, Texas 75231  
Facsimile (214) 368-3974

Christopher L. Kurzner  
KURZNER PC  
1700 Pacific Avenue, Suite 3800  
Dallas, Texas 75201  
Facsimile (214) 442-0851

Jeffrey G. Huvelle, Esq.  
Christian J. Pistilli  
COVINGTON & BURLING LLP  
1201 Pennsylvania Avenue, NW  
Washington, DC 20004-2401  
Telephone: 202-662-5526  
Facsimile: 202-778-5526

**CURTIS L. KENNEDY**  
ATTORNEY AT LAW

8405 E. PRINCETON AVE.  
DENVER, CO 80237-1741  
CurtisLKennedy@aol.com

TELEPHONE (303) 770-0440

FAX (303) 843-0360

ALSO ADMITTED IN:

UNITED STATES SUPREME COURT  
STATE OF ARIZONA  
STATE OF OKLAHOMA  
STATE OF TEXAS  
WASHINGTON, D.C.

February 4, 2009

**Verizon Management Pension Plan Administrator**  
**Verizon Pension Plan for New York and New England Associates Administrator**  
**Verizon Pension Plan for Mid-Atlantic Associates Administrator**  
**Verizon Master Trust Administrator**  
**Verizon Employee Benefits Committee**  
c/o Marc Schoenecker, Assistant General Counsel - Employee Benefits  
VERIZON COMMUNICATIONS, INC.  
600 Hidden Ridge, HQE02J19  
Irving, Texas 75038  
Tele: 972-718-2903  
Fax: 972-719-0034  
Marc.Schoenecker@verizon.com (Marc Schoenecker, Esq.)

**Idearc Pension Plan for Management Employees Plan Administrator**  
**Idearc Pension Plan for Collectively Bargained Employees Plan Administrator**  
**Idearc, Inc. Master Trust Administrator**  
**Idearc Employee Benefits Committee**  
c/o Joe A. Garza, Jr., Vice President & Associate General Counsel  
IDEARC, INC.  
2200 West Airfield Drive  
DFW Airport, TX 75261-9810  
Tele: 972-453-7160  
Fax: 972-453-6869  
Joe.Garza@idearc.com (Joe Garza, Esq.)

Re: **Class-wide Administrative Claim and  
ERISA Request for Plan Documents**

Plan Administrators:

This is both an administrative claim *and* a request for ERISA documents on behalf of Phillip A. Murphy, Jr., Susan A. Burke, Sandra R. Noe, Joanne Jacobsen, David L. Wibbelsman, and Claire M. Palmer (hereinafter "Claimants"), all active retired plan participants in Idearc's pension plans and former retired plan participants in Verizon's pension plans. While both Verizon's and Idearc's pension plans have clear language with respect to claims challenging denial of benefits, certainly, none of the applicable plans contain language mandating exhaustion of administrative claims for breach of fiduciary duty claims and other ERISA violations,

**EXHIBIT A**

including interference with protected rights. Therefore, while it is Claimants' position that exhaustion of remedies for the claims asserted herein are not required under the terms of any of the applicable pension plans, Claimants proceed in good faith with this administrative process and they request Respondents to reciprocate in good faith in this endeavor. Therefore, please treat the following as a class-wide claim on behalf of all Claimants and all similarly situated *retired* pension plan participants who, too, were transferred from Verizon pension plans into the current Idearc pension plans.

In addition, Claimants ask Respondents to treat the 13 separate document requests set forth herein as ERISA Section 104(b)(4), 29 U.S.C. § 1024(b)(4), requests for documents and that Respondents timely respond accordingly.

As you must know, in early October, 2006, Verizon announced that its Board of Directors had approved the proposed spin-off of its Information Services division (i.e., domestic print and internet yellow pages directories publishing operations) to its stockholders. The spin-off was completed on or about Nov. 17, 2006 resulting in a new public company called Idearc, Inc.<sup>1</sup> This class-wide claim arises out of that spin-off and formation of Idearc. As part of the spin-off transaction, Verizon selected Claimants and other retired plan participants in Verizon's pension plans for transfer into Idearc pension plans. When Verizon transferred its obligation to provide Claimants' pension benefits to Idearc, Verizon also transferred pension assets. Claimants contend that Verizon pension plan fiduciaries beached duties owed, pursuant to the Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1002, et seq. ("ERISA"), which duties were owed to Claimants and all other transferred retirees.

At the time of the spin-off, all Claimants were already retired from Verizon and receiving monthly service pension annuities paid out of Verizon's pension plans. Claimant Phillip A. Murphy, Jr., retired from NYNEX in December 1996. Claimant Susan A. Burke retired from the yellow pages division of Bell Atlantic, Corp., in July 1998. Claimant Sandra R. Noe retired from NYNEX Information Resources, Corp., in April, 1995. Claimant Joanne Jacobsen retired from Verizon Information Resources in January 2002. Claimant David L. Wibbelsman retired from NYNEX Information Resources Co., in January 1988. Claimant Claire M. Palmer retired from NYNEX Information Resources Co., in December 1996. When the spin-off occurred, all Claimants, together with over 2,000 other retirees, were involuntarily transferred from Verizon pension plans into Idearc pension plans.

Claimants do not have information to determine whether or not Verizon transferred funds sufficient to support Idearc's pension obligations to the transferred retirees. Accordingly, Claimants request Respondents produce all documents related to the establishment and operation of the Idearc pension plans, including: 1) summaries and estimates of costs of providing benefits for transferred retirees; 2) summaries and estimates of savings to Verizon by

---

<sup>1</sup> As a result of the spin-off, Verizon expected to reduce its outstanding indebtedness by approximately \$7 billion through a debt-for-debt exchange as described in the Form 10 Registration Statement filed with the Securities and Exchange Commission.



transferring retirees; 3) summaries and estimates of administrative costs associated with administering pension benefits for all transferred retirees; and 4) actuarial studies, funding projections, estimates and final reports concerning pension assets expected to be transferred and confirming the transfer of assets to Idearc for payment of pension liabilities.

Claimants understand that Verizon did not transfer any funds to Idearc for purposes of Claimants' welfare benefits (i.e., medical, dental and life). If this understanding is incorrect, please advise.

Claimants contend that the decision to take them out of the well funded Verizon pension plans and master trust and place them into an upstart company's pension plans was not an act in their best interest. Furthermore, Claimants contend that removing them from the Verizon pension plans was a violation of their contractual rights under the Verizon pension plans and in violation of the controlling terms. Accordingly, all Claimants contend there has been a violation of ERISA Section 404(a)(1), 29 U.S.C. § 1104(a)(1).

ERISA Section 404(a)(1) provides that fiduciaries must discharge their duties "(B) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims." 29 U.S.C. § 1104(a)(1)(B). "As this section suggests, the duties of an ERISA fiduciary are not limited by that statute's express provisions but instead include duties derived from common law trust principles. "[R]ather than explicitly enumerat[e] all of the . . . duties [of ERISA fiduciaries], Congress invoked the common law of trusts to define the general scope of their . . . responsibility." *Eddy v. Colonial Life Ins. Co.*, 919 F.2d 747, 750 (D.C. Cir. 1990), quoting *Cent. States, SE & SW Areas Pension Fund v. Cent. Transp., Inc.*, 472 U.S. 559, 570, 105 S.Ct. 2833, 2840 (1985) (additional citations omitted). Courts have ruled this statutory provision imposes an unwavering duty on an ERISA plan fiduciary "to make decisions with single-minded devotion to a plan's participants and beneficiaries and, in so doing, to act as a prudent person would act in a similar situation." *Adams v. Avondale Indus., Inc.*, 905 F.2d 943, 946 (6th Cir.1990) (quoting *Morse v. Stanley*, 732 F.2d 1139, 1145 (2d Cir.1984)).

Claimants contend that as of the date the spin-off was concluded - November 17, 2006 - and they had been selected for transfer to Idearc pension plans, none of the then existing terms of the applicable Verizon pension plans authorized such activity. While the applicable Verizon pension plans each contain a specific provision allowing for mergers and consolidations of the pension plans, as of November 17, 2006 there were no existing terms that either specifically allowed either a spin-off or involuntary transfer of retired pension plan participants into a newly formed pension plan. Claimants contend that Verizon amended the pension plans after the fact, almost a month after the spin-off and creation of Idearc. The pension plan amendments were executed and dated December 22, 2006.

For instance, there is a 'Fourteenth Amendment to the Verizon Management Pension Plan' dated and executed by Marc C. Reed, EVP-Human Resources which belated plan

amendment provides, in pertinent part:

3. Effective November 17, 2006, the following new Schedule XLV is hereby added to the Plan:

SCHEDULE XLV

A. For each former Employee who:

(1) on November 1, 2006 or the date on which the shares of Idearc Inc. were spun-off to the shareholders of Verizon Communications, Inc. (The "spin-off date"), was employed by Idearc Inc. or an entity that after the spin-off date is an "Affiliate" as defined in Article II with respect to Idearc Inc. or

(2) is not described in (1), but whose employment with an Affiliate before the spin-off date has been determined by the Plan Administrator to have been with Idearc, Inc., an entity that after the spin-off date is an "Affiliate" as defined in Article II with respect to Idearc, Inc., or a predecessor of either, and:

(a) had an accrued benefit under the Plan that had been fully cashed-out before the spin-off date, or

(b) had an accrued benefit under the Plan as of the spin-off date which he was eligible to receive as a retirement or early retirement pension (i.e., other than as a deferred pension) and which had not previously been paid in full (whether or not payments had begun to the individual or his beneficiary),

assets and liabilities for benefit obligations under the Plan, if any, for employment before the spin-off date, including the related Net Credited Service and Pension Accrual Service and any right to restoration of such service following a break in employment, cash-out, forfeiture, or otherwise under any provision of the Plan, shall be transferred from the Plan to the Idearc Pension Plan for Management Employees (the "Idearc Plan"). (emphasis added). <sup>2</sup>

Even more troubling is the fact that when Verizon's retirees were transferred to Idearc, there was no pension plan document in existence at Idearc! Indeed, the Idearc Management Pension Plan document was not created until October 17, 2007, almost a year after the fact, when Idearc Senior Vice President Georgia R. Scaife signed the document.

On January 26, 2009, the United States Supreme Court entered a unanimous decision in the case of *Kennedy v. Plan Administrator for DuPont Savings and Investment*, --- S.Ct. ---, 2009 WL 160440, U.S., January 26, 2009 (NO. 07-636). The outcome of the *Kennedy* case turned on whether or not there had been compliance with the plan's specific terms, the "plan documents rule." Justice Souter, writing for the Court, pointed out that the "case does as well as any other in pointing out the wisdom of protecting the plan documents rule" The Court ruled that there is a "bright-line requirement to follow plan documents in distributing benefits". The

---

<sup>2</sup> There is a nearly identically worded December 22, 2006 dated plan amendment for the Verizon Pension Plan for New York and New England Associates, now set forth in Article 5.11 on page 51 of the newly restated governing document, since some of those retiree plan participants were transferred into the Idearc Pension Plan for Collectively-Bargained Employees.

Court's ruling confirms that ERISA provides no exception to the plan administrator's duty to act in accordance with plan documents:

The plan administrator is obliged to act "in accordance with the documents and instruments governing the plan insofar as such documents and instruments are consistent with the provisions of [Title I] and [Title IV] of [ERISA]," § 1104(a)(1)(D), and the Act provides no exemption from this duty when it comes time to pay benefits.

(*Id.* at p. 11). See also, *Allison v. Bank One-Denver*, 289 F.3d 1223, 1236 (10<sup>th</sup> Cir. 2002) ("we have repeatedly rejected efforts to stray from the express terms of a plan, regardless of whom those express terms may benefit.").

Claimants contend the December 22, 2006 dated plan amendments made retroactive should be declared null and void. As of November 17, 2006 when the retirees were transferred, the pension plan administrators did not act in accordance with then existing rules. Despite any announcement by Verizon to its retirees that they would be transferred to Idearc and despite any informal understanding on the part of Verizon and Idearc there would be a transfer of retirees, on November 17, 2006 the pension plan documents were not in order so as to allow any transfer of retirees. The express terms of the pension plans were violated. In other words, when retirees were transferred, there was a violation of the "plan documents rule", ERISA Section 404(a)(1)(D), 29 U.S.C. § 1104(a)(1)(D), and all Claimants and transferred have been prejudiced by this conduct.

Furthermore, Claimants question the discriminatory treatment with respect to transferring retirees. No retiree with a deferred vested pension benefit was transferred, as they were exempt as shown in the above quoted language in the 14<sup>th</sup> plan amendment to the Verizon Management Pension Plan. Claimants ask why were the deferred vested pensioners left secure in the Verizon pension plans while those on current pay status were transferred to their detriment over to the less financially secure Idearc pension plans. The action taken demonstrates an intent to get rid of active pay status retirees, so as to interfere with their rights to attainment of future pension and welfare benefits. Certainly, by getting rid of all the active pay status retirees, Verizon was relieved of on-going responsibilities to pay welfare benefits (i.e., medical, dental and life) which enormous expenses are charged to Verizon's operating revenues. This brings into question whether there has been an ERISA Section 510, 29 U.S.C. § 1140 violation. Please treat Claimant's claim as one asserting such a violation.

It is Claimants' understanding that since 2006, there have been two separate spin-offs concerning portions of Verizon businesses, covered employees and pension assets. Of course, the first spin-off concerned the creation of Idearc. A second spin-off concerned the transfer of employees and pension assets to FairPoint Communications Northern New England.

In both instances, the applicable Verizon pension plans assigned the task of identifying and determining the participants to be transferred to the Plan Administrator (i.e., the Verizon

Employee Benefits Committee). Claimants find it most peculiar that Verizon gave the Plan Administrator, a fiduciary, the responsibility for determining what "Eligible Employees" should be transferred to Idearc. Usually that job is a plan sponsor activity making the action immune from legal challenge under federal law ERISA on the grounds there has been a breach of fiduciary duty. But here, the assignment of determining who would be transferred to Idearc's pension plans was given to the plan fiduciaries. Thus, this activity constituted discretionary plan administration subject to ERISA's fiduciary duty standards. Claimants challenge the selection of them and all other retired plan participants as conduct amounting to a breach of ERISA Section 404 fiduciary duties.

After plan administrators/fiduciaries carried out the transfer of retirees to Idearc, the first spin-off, they acted differently when carrying out the second spin-off. Claimants understand that there exists a document entitled "Amendment No. 2 to the Verizon Pension Plan for New York and New England Associates, Restated with Amendments through December 31, 2006" which document concerns transfer of workers and pension assets to FairPoint Communications.<sup>3</sup> That document is dated April 17, 2008. It provides that for each "Eligible Employee" who was determined by the Plan Administrator (i.e., the Verizon Employee Benefits Committee) to have been last employed with Northern New England Spinco, Inc. or its predecessors, the pension assets and liabilities for benefit obligations under the Plan shall be transferred from the Plan to FairPoint Communications Northern New England Pension Plan for Represented Employees (the "FairPoint Plan"). Claimants understand that while Verizon transferred "Eligible Employees" to the FairPoint Plan, no person already in retirement status was transferred to the FairPoint Plan. Apparently, plan administrators were looking out for the best interest of retirees when carrying out the spin-off to the FairPoint Plan. If this information is incorrect, please advise.

Idearc, Inc. reports in its Form 10-K filed with the Securities Exchange Commission that the company "was formed as a Delaware corporation in June 2006 in anticipation of the spin-off from Verizon."<sup>4</sup> Therefore, Verizon's pension plan fiduciaries had almost ½ year to think about the consequences of involuntarily switching retirees over to Idearc. Claimants complain that Verizon pension plan fiduciaries did not seek the opinion of an independent pension plan fiduciary to guide them in the decision whether or not to transfer retired plan participants. Moreover, Claimants contend the Verizon pension plan fiduciaries did not promote the best interests and protect the welfare of retired plan participants. ERISA fiduciaries are "... obliged at a minimum to engage in an intensive and scrupulous independent investigation ... to insure that they act in the best interests of the plan beneficiaries." *Fought v. UNUM Life Ins. Co. of Am.*, 379 F.3d 997, 1013 (10<sup>th</sup> Cir. 2004) (citing *Hightshue v. AIG Life Ins. Co.*, 135 F.3d 1144, 1148 (7<sup>th</sup> Cir. 1998)). When Verizon pension plan fiduciaries begin selecting retired plan

---

<sup>3</sup> In Mr. Schoenecker states in his letter dated November 7, 2008 in response to Pam Harrison's ERISA document request that he has not produced Amendment No. 1 because it has not yet been adopted by Verizon. Claimants have no idea about the subject matter of this undisclosed Amendment No. 1 not yet adopted. In any event, they hereby request disclosure of this document.

<sup>4</sup> Idearc, Inc. Form 10-K for year 2007 at p. 1.

participants to be transferred, they were faced with a true conflict of interest and, consequently, the plan fiduciaries should have (1) resigned and quit serving as a plan fiduciaries and they should have secured the appointment of persons or an entity free from a conflict of interest, and (2) informed the soon to be transferred retirees that Idearc might not be a reliable source of pension and welfare benefits and that they might need to make alternative arrangements for the welfare benefits they had become accustomed to receiving as participants in Verizon's employee benefit plans. See *Holdeman v. Devine*, 474 F.3d 770, 782-83 (10th Cir. 2007) (remanding and instructing trial court to consider those issues). By not taking any such action, all Verizon pension plan administrators and fiduciaries involved in the decision to transfer retirees violated their duty of loyalty to Claimants all other retired plan participants.

Claimants contend a prudent plan fiduciary charged with a duty of loyalty and having responsibility to act in the best interests of Claimants and other retired plan participants and beneficiaries would want to take whatever action was necessary to protect their rights to remain within the better maintained Verizon pension plans. The duty to take action is well rooted in the common law of trusts, as reiterated by the distinguished appellate panel in *Eddy*:

as Judge Cardozo noted more than 70 years ago: "The trustee is free to stand aloof, while others act, if all is equitable and fair. He cannot rid himself of the duty to warn and to denounce, if there is improvidence or oppression, either apparent on the surface or lurking beneath the surface, but visible to his practiced eye."

*Eddy, supra*, 919 F. 2d at 752 (citing *Globe Woolen Co.*, 224 N.Y. at 489, 121 N.E. at 380). In that regard, Claimants hereby request disclosure of any opinion given to Verizon's pension plan fiduciaries by an independent pension plan fiduciary and opinions provided by legal counsel.

Claimants are concerned that Verizon pension plan administrators/fiduciaries were motivated by company interests, or self-dealing consideration. Obviously, the outcome of the transfer soon proved to be imprudent and manifestly adverse to Claimants' financial interests. Not long after being transferred into Idearc pension plans, Claimants and all other transferred retirees suffered loss of retirement benefits not witnessed by those who stayed behind in the more secure Verizon pension plans. The evidence proves that Idearc is a much less stable or secure sponsor of its employee benefit plans. Certainly, Claimants cannot expect any improvement in benefits and they have good reason to look forward to further cuts in benefits and they believe their pension benefits may be in jeopardy. Claimants expect when Idearc makes required disclosure of the year end 2008 pension plan funding status, there will be disappointing if not alarming news. In short, Claimants contend Verizon pension plan administrators/fiduciaries acted underhanded and abused their discretion when involuntarily transferring retirees and putting them into a less desirable financial predicament.

Claimants were vested in their pensions and no one obtained their consent to be transferred out of the better funded and well maintained Verizon pension plans into the care of a novice. Had Claimants and all other retirees stayed put, there would have been continued savings in administrative costs. Due to the transfers of retirees there is duplication and wasteful

unnecessary administrative cost, all of which could have been avoided. Since those costs are charged to the pension funds, the costs erode the financial security for all transferred retirees. Idearc plan administrators/fiduciaries should have stepped into the foray and advocated against having the retirees transferred, because the transfers needlessly caused increased costs of administering the soon to be established Idearc pension plans. Accordingly, Claimants contend that since the Idearc plan administrators/fiduciaries either acquiesced or consented to the unnecessary and involuntary transfer of retirees from Verizon pension plans over to Idearc pension plans, those plan administrators/fiduciaries did not meet their ERISA fiduciary duties of “defraying reasonable expenses of administering the plan.” ERISA Section 404(a)(1)(A)(ii), 29 U.S.C. § 1104(a)(1)(A)(ii).

Claimants request Respondents produce documents disclosing the identities of the plan administrator decision makers and reflecting their meetings concerning transferring retirees, including the following documents: 5) notices, agenda, documents presented or distributed at or in preparation for such meetings, and minutes of such meetings, including any summaries or notes of such meetings; 6) all employee matters agreements;<sup>5</sup> 7) reports discussing, explaining and describing any curtailment gain or settlement gain on Verizon’s financial statements as a result of the transfer of retirees; 8) legal opinions with respect to Verizon plan administrators’ decisions to transfer retirees, including all related communications from legal counsel advising plan fiduciaries and plan administrators; and 9) reports, opinions by independent fiduciaries and consultants with respect to Verizon plan administrators’ decision to transfer retirees.

To date, Claimants have not been informed whether the spin-off transaction was approved by the Treasury Department and whether the Idearc pension plans have been qualified under the Internal Revenue Code and applicable Treasury Department regulations. Therefore, Claimants request Respondents produce the following documents: 10) documents reflecting application made to the IRS for approval of the transfer of retirees and pension assets and qualification of the pension plans, as well as letters and responses by the IRS.

Claimants demand that their status as transferred retirees into Idearc pension plans be rescinded and that Respondents agree that Claimants and all other transferred retirees be restored to their former status as participants in Verizon’s pension plans. It is not in Claimants’ best interests to continue in the retirement rolls of Idearc, a sentiment shared by all other transferred retirees. No one can dispute that Idearc does not have the financial wherewithal to maintain the

---

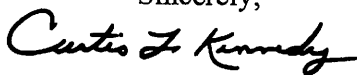
<sup>5</sup> Despite a August 13, 2008 dated ERISA Section 104(b) document request by Claimants Claire Palmer and Sandra Noe for, *inter alia*, “[a]ll other documents created *since January 2006* under which the pension plans and the master trust are established and operated within the meaning of ERISA Section 104(b)(4),” to date, Idearc has failed to provide Claimants with any “Employee Matters” or “Employee Benefits Agreement” which documents concern the establishment of Idearc’s pension plans. Idearc’s Form 10-K for year 2007 lists as Exhibit 10.8 a document described as “Employee Matters Agreement, dated November 17, 2006, between Verizon Communications Inc. and the Registrant (incorporated by reference to Exhibit 10.8 to the Registrant’s Current Report on Form 8-K, filed November 21, 2006).” That document should have been *timely* produced.

same level of retiree benefits comparable to what Verizon maintains for its retirees.<sup>6</sup>

In the event this claim is denied, Claimants wish to gather additional information with respect to the administration of the Idearc pension plans. In addition to those document requests set forth hereinabove, Claimants seek the following: 11) all amendments and appendices created and adopted *since September 2008* to the controlling/governing plan documents for the pension plans and the master trust, together with all summary of material modifications from *September 2008* to the present; 12) all resolutions and actions *since September 2008* by the Idearc Board of Directors, the Idearc Plan Design Committee, the Idearc Employee Benefits Committee and Idearc Pension Plan administrators concerning the pension plans and the trusts; and 13) all other documents created *since September 2008* under which the pension plans and the master trust are established and operated within the meaning of ERISA Section 104(b)(4), including asset allocation policy/guidelines and investment policy/guidelines and proxy voting guidelines.

Please promptly email me to acknowledge receipt of this class-wide claim letter and advise me of the cost of photocopies which charge will promptly be paid. Of course, all requested documentation can be emailed to [CurtisLKennedy@aol.com](mailto:CurtisLKennedy@aol.com), as that is the preferred manner of delivery/receipt.

Sincerely,



Curtis L. Kennedy

Claimants:

Philip A. Murphy, Jr. 25 Bogastow Circle Mills, MA 02054 <a href="mailto:phil.murphy@polimortgage.com">phil.murphy@polimortgage.com</a> (Phillip Murphy, Jr.)	Joanne Jacobsen 456 Cerromar Road, # 167 Venice, FL 34293 <a href="mailto:jjacobsen2@hotmail.com">jjacobsen2@hotmail.com</a> (Joanne Jacobsen)
Susan A. Burke 2 Berube Road Salem, MA 01970 <a href="mailto:Susanburke2001@yahoo.com">Susanburke2001@yahoo.com</a> (Susan Burke)	David L. Wibbelsman 4052 Eagle Nest Lane Danville, CA 94506 <a href="mailto:dlwibbe@aol.com">dlwibbe@aol.com</a> (David Wibbelsman)
Sandra R. Noe 72 Mile Lane Ipswich, MA 01938 <a href="mailto:capsan@comcast.net">capsan@comcast.net</a> (Sandra R. Noe)	Claire M. Palmer 26 Crescent Street West Newton, MA 02465-2008 <a href="mailto:priesing@aol.com">priesing@aol.com</a> (Claire M. Palmer)

<sup>6</sup> Soon after the November 17, 2006 spin-off, Idearc common stock rose to about \$23.00 per share. On October 24, 2008, Idearc received notice from the New York Stock Exchange that it is not in compliance with continued listing standards because the 30 trading-day average closing price of Idearc common stock was less than \$1.00 per share. Now, Idearc's common stock trades over the counter on the Pink Sheets under the trading symbol of IDAR. Currently, the closing price of Idearc common stock is less than \$0.10 per share.

**FULBRIGHT & JAWORSKI L.L.P.**

A REGISTERED LIMITED LIABILITY PARTNERSHIP

FULBRIGHT TOWER  
1301 MCKINNEY, SUITE 5100  
HOUSTON, TEXAS 77010-3095  
WWW.FULBRIGHT.COM

MARK S. MILLER  
PARTNER  
MMILLER@FULBRIGHT.COM

DIRECT DIAL: (713) 651-5617  
TELEPHONE: (713) 651-5151  
FACSIMILE: (713) 651-5246

March 3, 2009

**BY E-MAIL CURTISLKENNEDY@AOL.COM**

Curtis L. Kennedy  
Attorney at Law  
8405 E. Princeton Avenue  
Denver, Colorado 80237-1741

Re: ERISA Request for Plan Documents Relating to the Idearc Pension Plan for Management Employees and the Idearc Pension Plan for Collectively Bargained Employees

Dear Mr. Kennedy:

This letter is in response to your letter dated February 4, 2009. As you know, upon written request of any participant or beneficiary, Section 104(b)(4) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), requires the plan administrator to "furnish a copy of the latest updated summary plan description, and the latest annual report, any terminal report, the bargaining agreement, trust agreement, contract, or other instruments under which the plan is established or operated." We feel that many of your requests that are directed to Idearc do not fall within the required documents that are required to be produced. I tried several months ago to contact you, but we never spoke. Please let me know when you are available and I will call to discuss your request. In the meantime, the following is a response to your most recent letter:

1. Summaries and estimates of costs of providing benefits for transferred retirees;

**We do not believe the requested summaries and estimates are required to be disclosed under ERISA Section 104(b)(4).**

2. Summaries and estimates of savings to Verizon by transferring retirees;

**Idearc does not have such Verizon documents.**

**EXHIBIT B**

80465595.1

AUSTIN • BEIJING • DALLAS • DENVER • DUBAI • HONG KONG • HOUSTON • LONDON • LOS ANGELES • MINNEAPOLIS  
MUNICH • NEW YORK • RIYADH • SAN ANTONIO • ST. LOUIS • WASHINGTON DC



Curtis L. Kennedy  
March 3, 2009  
Page 2

3. Summaries and estimates of administrative costs associated with administering pension benefits for all transferred retirees;

**We do not believe the requested summaries and estimates are required to be disclosed under ERISA Section 104(b)(4).**

4. Actuarial studies, funding projections, estimates and final reports concerning pension assets expected to be transferred and confirming the transfer of assets to Idearc for payment of pension liabilities;

**We do not believe the requested actuarial studies, funding projections, estimates and final reports concerning pension assets are required to be disclosed under ERISA Section 104(b)(4).**

5. Notices, agenda, documents presented or distributed at or in preparation for plan administrator meetings, and minutes of such meetings, including any summaries or notes of such meetings;

**We do not believe the requested notices, agenda, documents presented or distributed at or in preparation for plan administrator meetings, and minutes of such meetings, including any summaries or notes of such meetings, are required to be disclosed under ERISA Section 104(b)(4).**

6. All employee matters agreements;

**As you have noted, the Employee Matters Agreement by and between Verizon Communications Inc. and Idearc Inc. dated as of November 17, 2006, is a publicly available document through the U.S. Securities and Exchange Commission's Interactive Data Electronic Applications, filed as Exhibit 10.8 to Idearc's Form 8-K filed on November 21, 2006. As a courtesy, please find such document attached.**

7. Reports discussing, explaining and describing any curtailment gain or settlement gain on Verizon's financial statements as a result of the transfer of retirees;

**Idearc does not have such Verizon documents.**

8. Legal opinions with respect to Verizon plan administrators' decisions to transfer retirees, including all related communications from legal counsel advising plan fiduciaries and plan administrators;

**Idearc does not have such Verizon documents.**

Curtis L. Kennedy  
March 3, 2009  
Page 3

9. Reports, opinions by independent fiduciaries and consultants with respect to Verizon plan administrators' decision to transfer retirees;

**Idearc does not have such Verizon documents.**

10. Documents reflecting application made to the IRS for approval of the transfer of retirees and pension assets and qualification of the pension plans, as well as letters and responses by the IRS;

**Idearc does not have Verizon documents. The Idearc plans have not yet obtained IRS determination letters. Pursuant to IRS Revenue Procedure 2007-44, Idearc intends to submit the plans to the IRS and to request favorable determination letters as to the plans' qualified status under section 401(a) of the Code within the plans' remedial amendment period.**

11. All amendments and appendices created and adopted since September 2008 to the controlling/governing plan documents for the pension plans and the master trust, together with all summary of material modifications from September 2008 to present;

**Please find the above documents attached. In addition, in order to correct the misconception that no pension plan document was in existence when the benefits in question were transferred, please find attached resolutions of the Idearc Board of Directors adopted on November 17, 2006, adopting and approving the Idearc pension plans, the original versions of which were sent to you as Items 2 and 3 in my September 9, 2008 letter to you.**

12. All resolutions and actions since September 2008 by the Idearc Board of Directors, the Idearc Plan Design Committee, the Idearc Employee Benefits Committee and Idearc Pension Plan administrators concerning the pension plans and the trusts; and

**The plan documents speak for themselves. We do not believe the requested resolutions and actions are required to be disclosed under ERISA Section 104(b)(4).**

Curtis L. Kennedy  
March 3, 2009  
Page 4

13. All other documents created since September 2008 under which the pension plans and the master trust are established and operated within the meaning of ERISA Section 104(b)(4), including asset allocation policy/guidelines and investment policy/guidelines.

**We do not believe asset allocation policy/guidelines and investment policy/guidelines are required to be disclosed under ERISA Section 104(b)(4). As required under ERISA Section 101(f), all Idearc plan participants will be provided an annual funding notice by April 30, 2009, that will include, among other things, a statement of the plan's assets and liabilities and a description of how the plan's assets are invested.**

Finally, you ask that your letter be treated as a "claim." Please call me to discuss this aspect of your letter because it is my understanding that your clients have been receiving their monthly pension distributions.

Please call with questions.

Very truly yours,



Mark S. Miller

**CURTIS L. KENNEDY**  
ATTORNEY AT LAW

8405 E. PRINCETON AVE.  
DENVER, CO 80237-1741  
CurtisLKennedy@aol.com

TELEPHONE (303) 770-0440

FAX (303) 843-0360

September 15, 2009

ALSO ADMITTED IN:  
UNITED STATES SUPREME COURT  
STATE OF ARIZONA  
STATE OF OKLAHOMA  
STATE OF TEXAS  
WASHINGTON, D.C.

**Verizon Management Pension Plan Administrator**  
**Verizon Pension Plan for New York and New England Associates Administrator**  
**Verizon Pension Plan for Mid-Atlantic Associates Administrator**  
**Verizon Master Trust Administrator**  
**Verizon Employee Benefits Committee**  
c/o Marc Schoenecker, Assistant General Counsel - Employee Benefits  
VERIZON COMMUNICATIONS, INC.  
600 Hidden Ridge, HQE02J19  
Irving, Texas 75038  
Tele: 972-718-2903  
Fax: 972-719-0034  
Marc.Schoenecker@verizon.com (Marc Schoenecker, Esq.)

**Idearc Pension Plan for Management Employees Plan Administrator**  
**Idearc Pension Plan for Collectively Bargained Employees Plan Administrator**  
**Idearc, Inc. Master Trust Administrator**  
**Idearc Employee Benefits Committee and Appeals Committee**  
c/o Joe A. Garza, Jr., Vice President & Associate General Counsel  
IDEARC, INC.  
2200 West Airfield Drive  
DFW Airport, TX 75261-9810  
Tele: 972-453-7160  
Fax: 972-453-6869  
Joe.Garza@idearc.com (Joe Garza, Esq.)

Verizon Claims Review Committee  
c/o Verizon Claims Review Unit  
P.O. Box 1438  
Lincolnshire, IL 60069-1438

**Re: Appeal - Class-wide Administrative Claim and  
Renewed Request for Documents**

Plan Administrators:

This is an administrative appeal of the July 31, 2009 dated denial of the February 4, 2009 dated claim, as supplemented on May 27, 2009, submitted on behalf of Phillip A. Murphy, Jr., Susan A. Burke, Sandra R. Noe, Joanne Jacobsen, David L. Wibbelsman, and Claire M. Palmer

**EXHIBIT C**

(hereinafter "Named Claimants"), all active retired plan participants in Idearc's pension plans and former retired plan participants in Verizon's pension plans. Although, the administrative claim was submitted as a proposed class-wide claim, both Respondent Verizon and Respondent Idearc refused to treat the claim as a class-wide claim.

Respondent Idearc did not send Named Claimants a formal written response to the merits of their administrative claim. Idearc did not offer Named Claimants any internal avenue to appeal their administrative claim. Anyhow, Named Claimants hereby appeal to Idearc's Employee Benefits Committee or any other Idearc entity charged with handling appeals of internal claims.

By letter dated July 31, 2009, the Verizon Claims Review Unit ("VCRU") responded to the merits of Named Claimants' administrative claim. The VCRU contends that Named Claimants' complaints about matters the VCRU characterizes as "business decisions" are matters not subject to review under the ERISA claims procedures of the pension plans. To the extent the VCRU treated Named Claimants' demands that they, together with a proposed class of similarly situated retirees, be restored to their former positions as active retirees enrolled in Verizon's pension plans, the VCRU denied all claims.

The VCRU states that each Named Claimant was last employed in a "Spinco Business" within Verizon and, for that reason was transferred from a Verizon pension plan into a new pension plan sponsored by Idearc. Named Claimants have neither documents nor statements to submit challenging Verizon's determination that their last employment was with the Spinco Business within Verizon. The VCRU did not address Named Claimants' contentions that Verizon pension plan fiduciaries and administrators did not act in their best interest and that there were breaches of ERISA fiduciary duties. Instead, the VCRU opined that all actions taken with respect to Named Claimants were the result of "business decisions" immune from challenge under either the terms of the Verizon pension plans or ERISA's statutory provisions.

Accordingly, Named Claimants bring this matter to the attention of the Verizon Claims Review Committee. Since the individual members charged with handling appeals for both Respondents have not been identified by either Respondent, a copy of this letter is also sent to the original named addressees with the reasonable expectation that it will be forwarded to the proper decision makers.

In addition, Named Claimants renew their request for the not yet produced documents listed in their February 4, 2009 dated letter.<sup>1</sup> Named Claimants demand that all of that missing and or withheld information and documentation be included in the administrative record for this

---

<sup>1</sup> To date, Named Claimants have not received documents and information responsive to the following numbered requests set forth in their February 4, 2009 letter: Nos. 1-3 (Verizon's documents withheld); No. 4 (Final actuarial report not produced by either Respondent); No. 5 (Both Verizon's and Idearc's documents withheld); Nos. 7, 8 and 9 (Verizon's documents withheld); No. 10 (Idearc's documents not withheld but missing); and Nos. 12 and 13 (Idearc's documents withheld).

appeal. The failure or refusal to produce the remaining requested documents interferes with Named Claimants' rights to perfect this administrative appeal and, likewise, is another example of non-compliance with applicable pension plan rules. For instance, Section 9.13 appearing on page 99 of the Verizon Management Pension Plan, as amended and restated effective January 1, 2002, states that "[i]n connection with an appeal, the claimant (or his duly authorized representative) may review documents and other information relevant to the claim (copies of which shall be provided free of charge upon request) and may submit evidence and arguments in writing to the VCRC." By not producing the remaining myriad of documents and information Named Claimants deem relevant to this administrative claim, Respondents have effectively made this appeals procedure futile.

Named Claimants reiterate their contention that the decision to take them out of the well funded Verizon pension plans and master trust and place them into an upstart company's pension plans was not in their best interest. Furthermore, Named Claimants contend that removing them in November 2006 from Verizon's pension plans was a violation of their contractual rights under the pension plans and in violation of controlling plan terms. Accordingly, all Claimants contend there have been violations of ERISA Section 404(a)(1), 29 U.S.C. § 1104(a)(1) and its several subdivisions.

**The Employee Matters Agreement is Not a Plan Amendment and it  
Did Not Give Any Authority to Make Retiree Pension Plan Changes in November 2006**

In the VCRU's July 31, 2009 denial letter, there appears to be great reliance placed on the terms of the Employee Matters Agreement ("EMA") executed on November 17, 2006 by a Verizon officer and an Idearc officer. But, the EMA is neither a governing pension plan document nor an amendment to Verizon's pension plans. There are no terms within Verizon's pension plans expressly making the EMA part of the pension plans and there is no incorporation of any EMA. The November 17, 2006 EMA was neither executed by the Verizon Board of Directors nor signed by the "most senior Human Resources officer of Verizon," the person to whom the Verizon Board has delegated authority to amend Verizon's pension plans. Likewise, there is no evidence that Verizon's Board, either by duly adopted written resolutions or by unanimous written consent, delegated the power to amend Verizon's pension plans to EVP John W. Dierckson, the only Verizon officer who executed the EMA. Therefore, the EMA fails to follow the amendment procedure specified in Verizon's pension plans. (See, e.g., Section 11.2 appearing on page 103 of the Verizon Management Pension Plan).

Verizon's pension plan fiduciaries and administrators cannot justify their conduct adverse towards Named Claimants and other retirees by placing reliance on the EMA because previously they took the legal position that the EMA is not a document under which a Verizon pension plan is established or operated within the meaning of ERISA Section 104(b)(4). When Verizon Management Pension Plan participant Michael S. Kucklinca submitted a written request dated September 18, 2007, he specifically requested production of "[a]ll amendments *since September 2006* to the current controlling plan document," . . . and "[a]ll other documents created *since*

*September 2006* under which said pension plan [i.e., Verizon Management Pension Plan] is established and operated within the meaning of ERISA Section 104(b)(4).” (bracketed portion added). But, the EMA document was not timely produced in October 2007 within 30 days after receipt of Mr. Kucklinca’s letter. The EMA was produced together with a letter dated March 6, 2009. In his March 6, 2009 dated letter Verizon’s Assistant General Counsel Marc Schoenecker professed that “ERISA Section 104(b) does not require us to produce the EMA.”

Similarly, when Named Claimant Claire Palmer sent her August 13, 2008 dated ERISA document request to Respondent Idearc, there was no timely production of the EMA. The EMA was not produced by Idearc until sent with a letter dated March 9, 2009. Both Verizon and Idearc did not treat the EMA as a plan amendment or other document that governed the terms of the pension plans in November 2006. Both parties to the EMA chose not to characterize the EMA as an ERISA controlled document. Section 12.8 of the EMA states that the laws of the State of Delaware govern the EMA. The EMA is merely a contract between Verizon and Idearc governing their business dealings, not a pension plan document governing retired plan participants’ rights to Verizon pension plan benefits. The EMA specifically states it cannot be construed to serve as a pension plan amendment. (See Section 12.6(c) appearing on page 27 of the “Execution Copy” of the EMA: “Nothing in this Agreement shall amend or shall be construed to amend any plan [e.g., pension plan], program or arrangement described in or contemplated by this Agreement.”) (bracketed portion added).

Even if Verizon’s pension plan fiduciaries and administrators now choose to qualify the EMA as an ERISA governed plan amendment granting them authority in November 2006 to manipulate certain retirees’ accrued pension plan rights, the July 31, 2009 claims denial letter at page 5 confirms that 16 days before the EMA document was properly executed pension assets, together with selected management retirees, were prematurely “transferred” on November 1, 2006. Likewise, an actuarial spreadsheet prepared by Hewitt & Associates entitled “Idearc Asset Transfer Amount” reports that on November 1, 2006, \$119 million together with 584 retirees and beneficiaries in pay status were transferred to Idearc from the Verizon Management Pension Plan and on November 18, 2006, \$250 million together with 1,278 retirees and beneficiaries in pay status plus 743 deferred vested pensioners were transferred to Idearc from the Verizon Pension Plan for New York and New England Associates. Hewitt & Associates’ spreadsheet discloses nothing about the amount of “liabilities,” if any, transferred to Idearc.

Therefore, when pension plan fiduciaries and administrators acted in November 2006 and “transferred” Named Claimants and other retired plan participants together with pension plan assets, they acted without authority and did not act in accordance with the terms and rules of Verizon’s pension plans as existing during November 2006.

**In November 2006, Verizon Pension Plan Fiduciaries and Pension Plan Administrators Violated the ‘Plan Documents Rules’**

The VCRU’s July 31, 2009 claim denial letter strongly suggests that Verizon’s transfer of

pension plan assets to Idearc was not an ERISA fiduciary act, but rather it was a "business decision" that cannot be challenged under federal law ERISA. To the contrary, even if the transaction is deemed to be the result of a "business decision," Verizon representatives still had to comply with ERISA which dictates there be strict compliance with the plans' rules and terms. When the involuntary transfer occurred during November 2006, there was simply no modification, amendment or termination of the transferred retirees' rights to receive benefits under Verizon's pension plans under which the involuntarily transferred retirees previously retired and initially received benefits. When Verizon transferred pension plan assets and all of the selected retired plan participants during November 2006 there was a failure to abide by the 'plan documents rules' and, therefore, a violation of ERISA Section 404(a)(1)(D), 29 U.S.C. § 1104(a)(1)(D).

Named Claimants contend that as of the date the spin-off was concluded - November 17, 2006 - and their rights to receive payment from Verizon's pension plans were involuntarily terminated, none of the then existing terms and rules of the applicable Verizon pension plans authorized such activity. Although, during November 2006, Verizon's pension plans contained a specific provision contemplating there could be mergers, consolidations of the pension plans, and transfers of "assets" or "liabilities," there were no plan terms or rules that either specifically allowed the curtailment of payment of accrued pension plan benefits and the simultaneous involuntary transfer of Named Claimants and other retired pension plan participants into Idearc's pension plans. To be sure, Name Claimants are neither "assets" nor "liabilities," they are real persons, plan participants with rights to vested accrued benefits. At least throughout November 2006, Verizon's pension plan fiduciaries and plan administrators continued to owe all Named Claimants and other similarly situated retired plan participants and their beneficiaries the highest duty of care.

The VCRU denial letter does not dispute Named Claimants' contention that Verizon amended several of its pension plan documents *after the fact*, more than a month after the spin-off creation of Idearc and the transfer of pension plan assets together with selected retired plan participants. The pension plan amendments were executed and adopted on December 22, 2006. At least during the seven week period November 1, 2006 through December 21, 2006, pension plan fiduciaries and plan administrators were not excused from their obligation to continue paying retired pensioners and their beneficiaries on pay status their accrued benefits directly from Verizon's pension plans. Likewise, during November 2006 there was no existing plan amendment giving anyone any authority to send millions of dollars of plan assets over to Idearc.

The fact that Verizon's pension plans might allow amendments to be effective on any given date, did not relieve the plan fiduciaries and administrators of their responsibility, obligation, or duty imposed by or under ERISA' statutory provisions. See, e.g., Section 14.4 appearing on page 128 of the Verizon Management Pension Plan stating "[n]othing in the Plan shall relieve or be deemed to relieve any Plan fiduciary, obligation, or duty imposed by ERISA." One of ERISA's duties imposed on plan administrators is that they must act in strict conformity with existing rules and plan terms, not later adopted rules.



Named Claimants' position is that before December 22, 2006 all action taken with respect to all pension assets and all retired plan participants had to be in exact accordance with then existing governing plan terms and rules. Named Claimants invoke the teachings and pronouncements by the United States Supreme Court in the case of *Kennedy v. Plan Administrator for DuPont Savings and Investment*, 129 S.Ct. 865 (2009), wherein the Supreme Court confirmed that ERISA provides no exception to the plan administrator's duty to act in accordance with then existing plan documents:

The plan administrator is obliged to act "in accordance with the documents and instruments governing the plan insofar as such documents and instruments are consistent with the provisions of [Title I] and [Title IV] of [ERISA]," § 1104(a)(1)(D), and the Act provides no exemption from this duty when it comes time to pay benefits.

(*Id.*, at 875). Verizon cannot escape liability for failure to comply with plan terms and rules existing during November 2006 by focusing on the company's intent when it transferred assets to Idearc during November 2006. In *Kennedy*, the Supreme Court also confirmed that "... ERISA forecloses any justification for enquiries into nice expressions of intent." (*Id.*). Due to ERISA preemption, and the Supreme Court's recent ruling in *Kennedy*, Verizon cannot rely upon any argument that, notwithstanding the express governing terms of the pension plans, there was an understanding between Verizon and Idearc as set forth in the EMA, an extraneous non-plan document. *Kennedy* mandates that pension plan benefits should have been paid out to Named Claimants and all other similarly situated plan participants during November 2006 in accordance with the unamended rules presently in effect. At no time during November 2006 were there any plan terms or rules which effectively extinguished any retired plan participant's right to continued payment of his or her accrued service pension benefits. At least prior to the December 22, 2006 adopted plan amendments, Verizon's pension plan fiduciaries and administrators were required to continue to act as they had before in exact compliance with then existing governing pension plan terms.

Named Claimants acknowledge that Verizon's pension plans contemplated that when liabilities would be transferred to another plan the benefits linked to those liabilities would cease to be payable under the transferor plan. See, e.g., Section 11.3 appearing on page 104 of the Verizon Management Pension Plan which states, "[a]ny liability transferred from the Plan to another plan pursuant to this Section 11.3 shall result in the extinguishment of such liability immediately upon such transfer, and no benefit previously payable under the Plan on account of such liability shall be payable under the Plan following such transfer." But, there are no plan provisions which segregate certain assets or identify certain liabilities as being associated with either a single plan participant or group of plan participants. When hundreds of millions of dollars in pension assets were transferred to Idearc during November 2006 there were no plan terms that identified and traced the transferred monies to particular plan participants. Since Verizon's pension plans were over funded during November 2006, the transferred assets can just as easily be deemed to be surplus monies not associated with any liabilities.

It is to no effect that Verizon's pension plan fiduciaries and administrators violated their strict duties and created new rules to excuse the violations seven weeks after the fact when, for instance, the 'Fourteenth Amendment to the Verizon Management Pension Plan' was executed on December 22, 2006 by Marc C. Reed, EVP-Human Resources. That belated plan amendment provides, in pertinent part:

3. Effective November 17, 2006, the following new Schedule XLV is hereby added to the Plan:

SCHEDULE XLV

SPECIAL PROVISIONS FOR PARTICIPANTS WHOSE  
BENEFITS WERE TRANSFERRED TO AN IDEARC, INC. PENSION PLAN

A. For each former Employee who:

(1) on November 1, 2006 or the date on which the shares of Idearc Inc. were spun-off to the shareholders of Verizon Communications, Inc. (The "spin-off date"), was employed by Idearc Inc. or an entity that after the spin-off date is an "Affiliate" as defined in Article II with respect to Idearc Inc., or

(2) is not described in (1), but whose employment with an Affiliate before the spin-off date has been determined by the Committee [i.e., Plan Administrator] to have been with Idearc, Inc., an entity that after the spin-off date is an "Affiliate" as defined in Article II with respect to Idearc, Inc., or a predecessor of either, and:

(a) had an accrued benefit under the Plan that had been fully cashed-out before the spin-off date, or

(b) had an accrued benefit under the Plan as of the spin-off date which he was eligible to receive as a retirement or early retirement pension (i.e., other than as a deferred pension) and which had not previously been paid in full (whether or not payments had begun to the individual or his beneficiary),

assets and liabilities for benefit obligations under the Plan, if any, for employment before the spin-off date, including the related Net Credited Service and Pension Accrual Service and any right to restoration of such service following a break in employment, cash-out, forfeiture, or otherwise under any provision of the Plan, shall be transferred from the Plan to the Idearc Pension Plan for Management Employees (the "Idearc Plan").

As a result, except as provided in the paragraph below, former Employees described in the immediately preceding sentence shall cease to be eligible for a Pension or any other benefit from the Plan based upon employment before the spin-off date. (emphasis in bold added and bracketed portion added). <sup>2</sup>

---

<sup>2</sup> There is a nearly identically worded December 22, 2006 dated plan amendment for the Verizon Pension Plan for New York and New England Associates, now set forth in Article 5.11 on page 51 of the newly restated governing document, since some of those retiree plan participants were transferred into the Idearc Pension Plan for Collectively-Bargained Employees.

Named Claimants contend the December 22, 2006 dated plan amendments made retroactive so as to provide cover for the fiduciaries' and administrators' breach of the 'plan documents rules' during November 1, 2006 through December 21, 2006 should be declared null and void. At the very least, Named Claimants and all other similarly situated retired pension plan participants should be paid all pension plan benefits they were entitled to receive from the Verizon pension plans during November 1, 2006 through December 21, 2006.

**Verizon Pension Plan Fiduciaries and Administrators  
Breached Their Duty of Loyalty to Retired Plan Participants**

ERISA Section 404(a)(1) provides that fiduciaries must discharge their duties "(B) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims." 29 U.S.C. § 1104(a)(1)(B). Various federal cases provide more information about the nature of these fiduciary duties. One court referred to ERISA's fiduciary duty standards as "the highest known to the law." *Donovan v. Bierwirth*, 680 F.2d 263, 272, n. 8 (2nd Cir. 1982). "As this section suggests, the duties of an ERISA fiduciary are not limited by that statute's express provisions but instead include duties derived from common law trust principles. "[R]ather than explicitly enumerat[e] all of the . . . duties [of ERISA fiduciaries], Congress invoked the common law of trusts to define the general scope of their . . . responsibility." *Eddy v. Colonial Life Ins. Co.*, 919 F.2d 747, 750 (D.C. Cir. 1990), quoting *Cent. States, SE & SW Areas Pension Fund v. Cent. Transp., Inc.*, 472 U.S. 559, 570, 105 S.Ct. 2833, 2840 (1985) (additional citations omitted). Courts have ruled this statutory provision imposes an unwavering duty on an ERISA plan fiduciary "to make decisions with single-minded devotion to a plan's participants and beneficiaries and, in so doing, to act as a prudent person would act in a similar situation." *Adams v. Avondale Indus., Inc.*, 905 F.2d 943, 946 (6th Cir.1990) (quoting *Morse v. Stanley*, 732 F.2d 1139, 1145 (2d Cir.1984)).

Just last year, the United States Supreme Court referred to ERISA's fiduciary duty standards as requiring "higher-than-marketplace" standards of conduct. *Metropolitan Life v. Glenn*, 128 S.Ct. 2343, 2350 (2008). This echoes the language of Justice Benjamin Cardozo many years ago when he described fiduciary duties in this way:

Many forms of conduct permissible in a workaday world for those acting at arms length, are forbidden to those bound by fiduciary ties. A trustee is held to something stricter than the morals of the marketplace. Not honesty alone, but the punctilio of an honor the most sensitive, is then the standard of behavior.

*Meinhard v. Salmon*, 164 N.E. 545 (N.Y. 1928).

Named Claimants contend a prudent plan fiduciary charged with a duty of loyalty and having responsibility to act in the best interests of Named Claimants and all other retired plan participants and beneficiaries would want to take whatever action was necessary to protect their rights to remain within the better maintained Verizon pension plans. The duty to take action is well rooted in the common law of trusts, as reiterated by the distinguished appellate panel in *Eddy*:

as Judge Cardozo noted more than 70 years ago: "The trustee is free to stand aloof, while others act, if all is equitable and fair. He cannot rid himself of the duty to warn and to denounce, if there is improvidence or oppression, either apparent on the surface or lurking beneath the surface, but visible to his practiced eye."

*Eddy, supra*, 919 F. 2d at 752 (citing *Globe Woolen Co.*, 224 N.Y. at 489, 121 N.E. at 380). In that regard, Named Claimants hereby renew their request for disclosure of any opinion given to Verizon's pension plan fiduciaries by an independent pension plan fiduciary and opinions provided by legal counsel. Named Claimants reasonably suspect that Verizon pension plan fiduciaries failed in their responsibilities to seek the unbiased opinion of an independent pension plan fiduciary to guide them in the decision whether or not to transfer retired plan participants. If such opinion does exist, Named Claimants demand it be made part of the record for this administrative appeals procedure.

Idearc, Inc. reported in its Form 10-K filed with the United States Securities Exchange Commission that the company "was formed as a Delaware corporation in June 2006 in anticipation of the spin-off from Verizon."<sup>3</sup> There is direct evidence that Verizon's pension plan fiduciaries and plan administrators had over ½ year to think about the consequences of involuntarily switching retired plan participants over to Idearc. There are internal email communications dated April 6, 2006 reflecting there were yet to be decided decisions about "the treatment of pension obligations and assets." (See, e.g., April 6, 2006 email from David L. Beik to Ed Withrow and Marc Schoenecker stating, "I'll forward pension details to you when senior management signs off on a definitive plan."). Named Claimants demand the follow-up undisclosed written communications about the "pension details" be included in the record for this administrative appeal.

Named Claimants contend the Verizon pension plan fiduciaries did not promote the best interests and protect the welfare of retired plan participants. ERISA fiduciaries are "... obliged at a minimum to engage in an intensive and scrupulous independent investigation ... to insure that they act in the best interests of the plan beneficiaries." *Fought v. UNUM Life Ins. Co. of Am.*, 379 F. 3d 997, 1013 (10<sup>th</sup> Cir. 2004) (citing *Hightshue v. AIG Life Ins. Co.*, 135 F.3d 1144, 1148 (7<sup>th</sup> Cir. 1998)). When Verizon pension plan fiduciaries began selecting retired plan participants to be transferred, they were faced with a true conflict of interest and, consequently, the plan fiduciaries should have (1) resigned and quit serving as plan fiduciaries and they should

---

<sup>3</sup> Idearc, Inc. Form 10-K for year 2007 at p. 1.

have secured the appointment of persons or an entity free from a conflict of interest, and (2) informed the soon to be transferred retirees that Idearc might not be a reliable source of pension and welfare benefits and that they might need to make alternative arrangements for the welfare benefits they had become accustomed to receiving as participants in Verizon's employee benefit plans. See *Holdeman v. Devine*, 474 F.3d 770, 782-83 (10th Cir. 2007) (remanding and instructing trial court to consider those issues). By not taking any such action, all Verizon pension plan administrators and fiduciaries involved in the decision to transfer retirees violated their duty of loyalty to Named Claimants and all other retired plan participants.

**ERISA Section 510 Discriminatory Treatment and  
Interference with Vested Benefits: Violation of ERISA's Anti Cut-Back Provision**

Named Claimants reassert their contention that there was discriminatory treatment with respect to transferring retirees. No management retiree with a deferred vested pension benefit was transferred, as they were exempt as shown in the above quoted language in the 14<sup>th</sup> plan amendment to the Verizon Management Pension Plan. Yet, nonmanagement retirees with deferred vested pension benefits were involuntarily transferred to Idearc's pension plans. Named Claimants ask the members of the Verizon Claims Review Committee to explain why deferred vested management pensioners were left secure in Verizon's pension plans with the usual panoply of welfare benefits while retired plan participants and deferred vested nonmanagement retirees were transferred to their detriment over to the less financially secure Idearc organization. This discriminatory selection demonstrates an intent to interfere with several thousand plan participants' rights to attainment of future pension and welfare benefits.

Certainly, by getting rid of so many active pay status retirees, Verizon was relieved of on-going responsibilities to pay welfare benefits (i.e., medical, dental and life) which enormous expenses are charged to Verizon's operating revenues. Name Claimants contend there has been a violation of ERISA Section 510, 29 U.S.C. § 1140.

Named Claimants are concerned that Verizon pension plan fiduciaries and plan administrators, some of whom were very high level Verizon officers, were motivated by company interests, or self-dealing consideration. Obviously, the outcome of the transfer soon proved to be imprudent and manifestly adverse to Named Claimants' financial interests. Not long after being transferred into Idearc pension plans, Named Claimants and all other transferred retirees suffered loss of retirement benefits not witnessed by those who stayed behind in the more secure Verizon employee benefit plans. The evidence proves that Idearc is a much less stable or secure sponsor of its employee benefit plans. Certainly, Named Claimants cannot expect any improvement in their welfare benefits and they have good reason to look forward to further cuts in benefits and they believe their pension benefits may be in jeopardy.

Named Claimants were vested in their accrued pensions and no one obtained their consent to be transferred out of the better funded and well maintained Verizon pension plans into the care of a novice plan sponsor. Cutting off Named Claimants' rights to receive earned benefits from Verizon's pension benefits during November 2006 violated ERISA Section 204(g)(1), 29 U.S.C. § 1054(g)(1) which statutory provision protects accrued benefits. ERISA's anti-cutback rule states: "The accrued benefit of a participant under a plan may not be decreased by an amendment of the plan, other than an amendment described in section §302(d)(2) [i.e., approved by the United States Secretary of Treasury] or 4281 [benefits under certain terminated plans]." (bracketed portions added). Certainly, in this situation there was not a pension plan termination. And there is no evidence that the Secretary of Treasury approved of Verizon's conduct to cut-off payment of pension plan benefits before there was any authority by way of plan amendment.

**Demand For Payment of Verizon Pension Plan Benefits  
and Other Appropriate Equitable Relief**

The facts prove that both Verizon and Idearc acted hastily during November 2006 by involuntary transferring several thousand retired pension plan participants without first putting in place the necessary pension plan terms and rules that would allow Named Claimants' and retired pensioners' accrued benefits to be affected. Since Verizon acted during November 2006 without authority to involuntarily transfer retirees to Idearc's pension plans, Named Claimants request enforcement of the rules and terms of Verizon's pension plans as existing during November 2006. Named Claimants request other appropriate equitable relief, including injunctive relief rescinding the transaction, a declaration that the *post hoc* December 22, 2006 plan amendments are null and void, and a decision requiring all involuntarily transferred retiree plan participants be restored to their former status in Verizon's pension plans. Named Claimants and other similarly situated retirees should be considered participants with colorable claims to benefits from Verizon's pension plans. Since at least during the seven week period November 1, 2006 through December 21, 2006 there was no plan rule allowing Named Claimants and others to be involuntarily transferred into Idearc's pension plans, Named Claimants request that they and all other similarly situated retired persons be paid all earned Verizon retirement benefits retroactive to November 1, 2006, plus appropriate accrued interest.

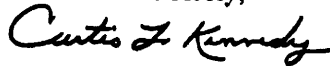
Named Claimants are certain that leaders at both Verizon and Idearc have received written demands from scores of other involuntarily transferred retirees stating they wish join in Named Claimants' internal claim and be included in this administrative claims procedure. Named Claimants demand that all those written demand letters received by Respondents, together with all written response letters, be made part of Named Claimants' internal claim and the same documents be included in the administrative record for this internal claims appeal.

All of the documents referenced in this appeal of the denial of Named Claimants' February 4, 2009 proposed class-wide administrative claim, as supplemented by Named Claimants' May 27, 2009 letter, are already in Respondents' possession. Named Claimants

demand that all such referenced documents be included in the record for this administrative appeal. Named Claimants further demand that all documentation of legal counsel's communications advising the VCRU members and the Verizon Claims Review Committee members, along with all other documentation and information reviewed when deciding the first step claim and this second step appeal be included in the administrative appeals record. Named Claimants demand a complete copy of the administrative claims record and appeals record promptly be produced to their counsel, Curtis L. Kennedy, at the address shown above.

Please promptly email me to acknowledge receipt of this administrative appeals claim letter and advise me of the cost of photocopying the not yet produced but previously requested documentation, as well as the cost of photocopying the complete administrative record as explained in the foregoing paragraph. All reasonable photocopying charges will promptly be paid. Of course, all requested documentation can be electronically formatted and emailed to [CurtisLKennedy@aol.com](mailto:CurtisLKennedy@aol.com), as that is the preferred manner of delivery/receipt.

Sincerely,

  
Curtis L. Kennedy

c: BellTel Retirees, Inc., and  
Named Claimants

Philip A. Murphy, Jr. 25 Bogastow Circle Mills, MA 02054 <a href="mailto:phil.murphy@polimortgage.com">phil.murphy@polimortgage.com</a> (Phillip Murphy, Jr.)	Joanne Jacobsen 456 Cerromar Road, # 167 Venice, FL 34293 <a href="mailto:Jjacobsen2@hotmail.com">Jjacobsen2@hotmail.com</a> (Joanne Jacobsen)
Susan A. Burke 2 Berube Road Salem, MA 01970 <a href="mailto:Susanburke2001@yahoo.com">Susanburke2001@yahoo.com</a> (Susan Burke)	David L. Wibbelsman 4052 Eagle Nest Lane Danville, CA 94506 <a href="mailto:dlwibbe@aol.com">dlwibbe@aol.com</a> (David Wibbelsman)
Sandra R. Noe 72 Mile Lane Ipswich, MA 01938 <a href="mailto:capsan@comcast.net">capsan@comcast.net</a> (Sandra R. Noe)	Claire M. Palmer 26 Crescent Street West Newton, MA 02465-2008 <a href="mailto:priesing@aol.com">priesing@aol.com</a> (Claire M. Palmer)



The Official Publisher  
of Verizon Print Directories

October 29, 2009

**VIA OVERNIGHT MAIL**

Curtis L. Kennedy, ESQ  
Attorney at Law  
8405 E. Princeton Avenue  
Denver, Colorado 80237-1741

Re: ERISA Request for Plan Documents Relating to the Idearc Pension Plan for  
Management Employees, Idearc Pension Plan for Collectively Bargained  
Employees and the Idearc, Inc. Master Trust

Dear Mr. Kennedy:

I have received your letter dated September 15, 2009. In that letter you ask to appeal a Class Wide Administrative claim to reverse the transfer Idearc retirees from the Verizon pension plans to the Idearc Pension plans. As you know, ERISA does not recognize such a claim.

Additionally, you have provided no evidence or allegation that the Idearc Pension plan has failed to make any payment required under the plan. If you have such a claim, please provide the information necessary for us to deal with the claim.

Very truly yours,

A handwritten signature in black ink, appearing to read "Joe A. Garza, Jr.", with a stylized flourish at the end.

Joe A. Garza, Jr.  
JAG:jds

**EXHIBIT D**

Joe A. Garza, Jr.  
VP & Assoc. General Counsel

Idearc Media Corp.  
2200 West Airfield Dr., TX 29  
P.O. Box 619810  
D/FW Airport, TX 75261-9810

T 972 453 7160  
F 972 453 6869  
Joe.Garza@idearc.com





The Official Publisher  
of Verizon Print Directories

Curtis L. Kennedy, Esq.  
September 10, 2008  
Page 2 of 2

bcc: Mark Miller, Fulbright in Houston