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SuperMedia, et al. v. Bell, Foy, et al.,

**RETIREEES OBTAIN PARTIAL VICTORY IN THEIR FIGHT-BACK
AGAINST SUPERMEDIA'S UNNECESSARY LAWSUIT**

This update report is about the latest development in the *SuperMedia, et al., v. Bell, Foy, et al.*, case pending in the Dallas federal court. The case that was unnecessarily filed against unsuspecting retirees is being ruled upon by Senior Judge A. Joe Fish. The case was started in June 2012 when SuperMedia simply ambushed certain retirees who expressed objections to the corporations announced changes to immediately reduce and, then, ultimate end corporate funding for retiree healthcare and life insurance benefits. There has been extensive legal briefing/arguments in the case.

I am pleased to report some court success obtained by Association members who fired back at SuperMedia for unfairly suing the complaining retirees in the Dallas federal court.

When SuperMedia announced it would make some terrible changes to retiree health care and life insurance benefits, the corporation invited retirees to complain. Then, the corporation randomly chose 23 persons out of about 900 persons who complained and immediately sued the 23 persons in the Dallas, Texas federal court, starting on June 26, 2012. Most of the targeted retirees reside far outside of Texas, and they were downright blinded-sided by a lawsuit that no one suspected would occur. Indeed, each retiree sued was simply terrified to be greeted at his or her house with a court summons and two banker boxes full of legal documents!!

Therefore, the Association stepped in and hired me and Dallas-based attorney Bob Goodman to fight back, as we had already done significant legal work on behalf of Verizon/Idearc/SuperMedia retirees.

Initially, we were successful in our efforts to convince SuperMedia not to pursue the case against some of the retirees, all who were simply terrified by the dastardly-developed litigation. The following eight persons were voluntarily dismissed from the lawsuit: Martha Bobo, Dale Brooks, Dennis Cassidy, Joseph Gallagher, Beverly Gemmell, Edward Hanson, Christine Harvey and Patricia Lindop. However, SuperMedia leaders stubbornly decided to continue forward against the other retirees. Therefore, we had to return fire and we took two approaches.

First, we fought back on behalf of those retirees who resided outside of Texas and had no dealings within Texas and were not litigants in other cases pending in Texas. On behalf of nine retirees, Linton Bell, Carol Foy, Margaret Ketzer, Joanie Kraft, Theresa Lane, Sharon Leynes, Stanley Russo, Howard Shapses, and John Sullivan (all of whom reside in states outside of Texas), we filed a well-reasoned legal motion to have the case filed against them dismissed. On Wednesday, August 7, 2013, Senior Judge A. Joe Fish of the Dallas federal court entered an order fully agreeing with our position. Therefore, those nine persons are, now, totally out of the case.

Association's score: Seventeen retirees, no longer in the case. Six retirees left in the case.

Unfortunately, one of the six remaining retirees failed or refused to communicate with either the Association leadership or the attorneys, me and Mr. Goodman. Without her permission, we can do nothing for her.

Second, we fought back on behalf of the other five remaining retirees, Robert Mentzer, Sandra Noe, Carl Ohnstad, Claire Palmer and Bernard Zenus, persons who either reside in Texas or have other pending lawsuits in the Dallas federal court. We asserted very novel -- first of its kind -- counterclaims against SuperMedia, arguing the lawsuit was both discriminatory and a breach of fiduciary duty. Unfortunately, Judge Fish did not agree with our stated legal position, namely because there is no other case that has previously decided the same legal issues. Therefore, the case is still pending against the remaining six retirees.

But, what is to be gained by SuperMedia going forward with the lawsuit? Nothing. Because we don't even contest the right of SuperMedia to make changes to retiree health care benefits, and we never made such a legal challenge. What we contend on behalf of the remaining retirees named in the lawsuit is that they should be transferred back over to Verizon and given the same continuing healthcare and life insurance benefits as provided to other Verizon retirees who were not surreptitiously transferred to Idearc as part of the directory business spin-off that occurred in November, 2006.

We are still awaiting a decision by Judge Fish in the class action lawsuit pending on behalf of all 2,700 retirees who were unfairly booted out of Verizon's retiree benefit plans and sent over to Idearc/SuperMedia, the *Murphy, et al., v. Verizon, et al.*, case. There is no way to predict when we will get a decision in the *Murphy* case. Hopefully, soon and favorable.

Meanwhile, SuperMedia will and can go forward with its planned changes to take away and end corporate funding for retiree healthcare and life insurance benefits. But, the lawsuit filed by SuperMedia against the retiree group is totally unfair and unnecessary. In due time, the Association will be demanding SuperMedia to pay the retiree's legal expenses and attorney's fees.

Judge Fish's August 7, 2013 decision -- 31 pages long -- is posted at the Association's website, and you may want to read it. See: <http://www.belltelretirees.org/images/Supermediadismisses.PDF>

I hope this summary report has proven helpful to you, as the court order is chock full of legalese. But, the ruling proves that the Association was right to stand up for the retirees and fight back.

I'll will keep you updated when there are new developments.

Curtis J. Kennedy