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ADMITTED IN:

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

October 27, 2007

Re: **U S WEST / QWEST Retiree 'Death' Benefits**

Every U S WEST and Qwest retiree who earned a service pension and 'retired' before 2006 should be certain their family members are aware of the following information about **two** 'death' benefits payable upon the death of the retiree.

1. Pension Death Benefit. For over 50 years and prior to 2006, the pension plan always provided that a retiree who earned a service pension was entitled to have paid to his or her surviving spouse who was then living with the retiree a Pension Death Benefit equivalent to the retiree's last annual salary -- paid directly from the pension plan to the surviving spouse. If no surviving spouse, no payment. If the surviving spouse is either divorced or no longer living with the retiree, there is no payment. Also, if there are 'dependent' children or 'dependent' parents, and no surviving spouse, the Pension Death Benefit is supposed to be paid to the surviving dependent children or dependent parents. In short, unlike the Basic Life Insurance benefit, the Pension Death Benefit is only payable when there is either: a surviving spouse living with the retiree; dependent children; or dependent parents. There are rules about what constitutes 'dependency' in order for there to be a payment to dependent children or dependent parents.

If the former worker has already received a lump sum pension distribution which included a reduced present value payment of the Pension Death Benefit, no further payment will be made.

In late 2003, Qwest leadership ended the Pension Death Benefit for persons who 'retired' beginning January 1, 2004. Even worse, company leaders threatened to end the benefit for all other retirees. The company had notices placed in fully addressed envelopes with postage affixed ready to mail to all retirees, when AUSWR leadership stepped to thwart that devious scheme. The situation eventually led to AUSWR filing a preemptive strike lawsuit, now pending in Denver Federal Court. The *Kerber, et al v. Qwest Pension Plan, et al* case has been hard fought for several years and, now, is awaiting some major court decisions. Yet, AUSWR's efforts have helped to preserve the status quo of the Pension Death Benefit for thousands. Today, the Pension Death Benefit is handled by Watson Wyatt, a company with primary offices in Denver, Colorado. Contact Watson Wyatt in Denver, Colorado (i.e., Qwest Services Center) by telephone: 800-729-7526, option 3, option 1, option 1. 'Representatives' are supposed to be available Monday through Friday, 9:00 a.m. until 5:00 p.m., Mountain Time, excluding holidays.

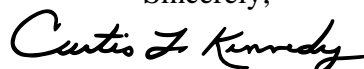
2. Basic Life Insurance Benefit. For over 50 years, there has been another benefit payable upon the death of a U S WEST and Qwest retiree who earned a service pension. The Basic Life Insurance payment is provided to designated beneficiaries pursuant to the terms of a group life insurance plan, first administered by AT&T, then U S WEST, then Qwest. Historically, the Basic Life Insurance benefit has been equal to the retiree's last annual salary, rounded up to the nearest thousand dollars. This benefit remained the same until the retiree reached age 66 years, 1 month, when the benefit was reduced by 10%. Each year thereafter, the benefit is reduced another 10% until, at age 70, the benefit is equal to one half the original annual salary amount. After age 70, the benefit is no longer reduced.

In late 1997, U S WEST leadership announced new rules put in place to provide minimum Basic Life Insurance coverage. The rules state that the Basic Life Insurance benefit for a retiree who retired before January 1, 1996 would not be reduced below \$20,000. And, the rules provided that the Basic Life Insurance benefit for a retiree who retired after January 1, 1996 would not be reduced below \$30,000. The rules are very clearly worded . . . using the phrase "*shall not be reduced below.*" However, last year, in complete disregard of the rules, Qwest leadership decided to reduce the Basic Life Insurance benefit for all retirees to a mere \$10,000. Hence, the reason for the current lawsuit (*Kerber, et al v. Qwest Group Life Insurance Plan, et al*) in Denver Federal Court. You can find a great deal of information about the life insurance lawsuit posted on the 'Legal Developments' page: <http://www.uswestretiree.org/legal2.htm> There, you can see the rules of the governing life insurance plan document and, in chronological order, all major developments in the pending litigation. The objective of the case is to have the rules enforced for the benefit of 48,000 retirees and their beneficiaries.

The Basic Life Insurance benefit is paid by a subsidiary of Prudential Life Insurance Company. Surviving family members can go to the 'Benefits' page at the AUSWR website and get a claim form: <http://www.uswestretiree.org/Group%20Life%20Insurance%20Claim%20Form.pdf> For more information about contacting Prudential and documentation required for a claim, see: <http://www.uswestretiree.org/Prudential%20General%20Information%20about%20Claims.pdf> also posted on the 'Benefits' page at the AUSWR website.

At this time, only a \$10,000 Basic Life Insurance payment will be provided to the designated beneficiary of a deceased retiree. However, we are very confident about the likely outcome of the *Kerber* case litigation, as we do expect to win and the Court will strike or void the change which ignored the rules against reductions below the stated minimums. Therefore, additional Basic Life Insurance benefits will have to be paid by Qwest, plus interest. Anyone's acceptance of the \$10,000 payment will not jeopardize or adversely affect rights to receive additional payment. The *Kerber* case litigation will take some time, even several more years. We are seeking class certification and, when granted, an official written notice will be sent out to all retirees. Meanwhile, family members of deceased retirees paid only the minimum \$10,000 Basic Life Insurance benefit should mail me copies of papers showing the reduced payment received.

Sincerely,



Curtis L. Kennedy